

Anti-Moscow Pact of Fascist Powers Shows Line-up in War Peril

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five times greater than Germany herself. Most of this territory went to England and by demanding its return, Germany comes into direct clash with England, even if not so sharply as does Italy.

The real significance of the Italo-German alliance does not lie in its permanence, for the simple reason that it is not even calculated to be permanent. Each of the two partners has divergent and separate imperialist interests to pursue, and there is no lack of points of conflict between them. For both of them, however, the alliance is a means of pressure upon England to shift her past course.

The British ruling class has come reluctantly to the conclusion that Germany must be given the opportunity to expand in one direction or another. She must either be given some colonial power—which means a slice of the present possessions of England—or she must be allowed to expand to the East—that is, to invade the Soviet Union.

But would not the latter mean an assault by the "Fascist powers" against one of the "democratic powers", and would England, herself a "democratic power", fight tooth and nail against a strengthening of Fascism at the expense of "democracy"?

Nonsense! England is as much interested in preserving "democracy" or "defending" the Soviet Union as Japan is in preserving "civilization" in Asia. All she is concerned with is maintaining her world imperialist power. The propaganda of the Communist Party that England, like France and America, is one of the "democratic" and "peace-loving" countries, is one of the most misleading frauds of our time.

England in Spain

Any doubts on this score can be finally dispelled by the latest action of England in the Spanish situation. For more than a year, the apostles of the People's Front have pictured England and France as the benevolent guardians of "democracy" and enemies of Fascism in Spain. But England was not ever and is not now concerned in the slightest with "democracy". She wants only to protect her Mediterranean route to India, and her sources of mineral wealth in Spain. With Franco in increasing control of the latter, and in a decisive position with regard to the former, England is just as ready to deal with him as she was to deal with Valencia up to now. Foreign Secretary Anthony Eden, the paladin of "democracy", declared in the House of Commons that there is no reason to believe that a Franco Government in Spain would be hostile to the interests of Great Britain. That means: England and the Spanish Fascists have already come to a basic agreement! The "defense of democracy" is a good thing to deceive the masses with; the defense of substantial British mining interests in Spain—that is more realistic, more decisive!

England's policy in Spain foreshadows the line-up in the world conflict tomorrow.

Will it be a war between "Fascism and democracy"? Nothing

of the sort. In the first place, the "democratic" bloc not only includes France and England, but countries like Poland, Yugoslavia and Rumania, in which the most savage military dictatorships are in power. In the second place, the present line-up is purely transitory.

The conflict between England and Japan is real and not just a matter that will disappear tomorrow. The conflict for hegemony in Europe between French and German imperialism is real and has been going on for years. Above all, the conflict between world imperialism and the Soviet Union is real, and can end not in a reconciliation but only in the conclusive triumph of the one over the other; the two systems cannot live peacefully side by side with each other indefinitely.

Two Currents

The two main currents in international affairs, therefore, may be reduced to the following: Either a world war of the imperialists among themselves, with the Soviet Union aligned on one side or the other, in which the issue would be the re-division of the capitalist world between the present "haves" and "have-nots". Or, a war of all the imperialist powers, or of a section of them (with the rest standing by as "neutrals"), against the Soviet Union, in which the aim would be the destruction of the Soviet Union, the distribution of its territory into colonies and spheres of influence of the imperialist countries, and the complete restoration of capitalism and private property throughout the Soviet republics.

Since England doesn't give a fig for the abstract cry for "democracy" and "defense of the Soviet Union" made by the Stalinists, she is conscious of the fact that she runs the risk of losing her world empire in an imperialist war. She is no less conscious of the fact that if she lets Germany go full-steam ahead against the Soviet Union with the prospect of conquering the Ukraine, a war between Germany and England over the former's lost colonies would be postponed. Furthermore,—and what is more important—a war between Germany and France, in which Germany might upset the "balance of power" in Europe by extending her influence in Central Europe (Austria, Czechoslovakia, Yugoslavia), would also be postponed.

England and Japan

England is also conscious of the fact that she cannot engage right now in a war with Japan. England is still too greatly preoccupied with Spain and the Mediterranean. She is still too far from her goal in rearmaments—above all, on the sea and in the air. She knows that if Japan's expansion can be re-directed—that is, if Japan is not opposed in an invasion of Siberia—she may halt her expansion into China with the seizure of the Northern provinces and not continue into the South of China, where she would come into direct and immediate collision with British imperialist interests.

To sum up: there is a race between a war of the imperialists

among themselves (not for "democracy" but for colonies and power!) and a war of Germany and Japan for the partition of the Soviet Union. The policy of "democratic" England is bringing closer the prospect of the united imperialist war against the Soviets.

So far as France is concerned, the past few years have only served to underscore the fact that she dares not take any decisive step without the support of England. Today, she is aligned with Russia against Germany, out of fear of Germany's advances into Central Europe. But if Germany shifts her attention from Central Europe—from Poland, Rumania, Czechoslovakia and Yugoslavia, the allies of France—and turns it exclusively toward Russia, is there any serious reason to believe that "democratic" France, which is imperialistic through and through, will join Russia in a war upon Germany in order to "defend the conquests of the October Revolution"? Only scoundrels and dolts can believe in such a possibility. France would then "defend" the Soviet Union as England has been "defending democracy" in Spain!

There is one other possibility. It is entirely conceivable that England and France would join Russia in a genuine, blood-brother alliance and give it the most serious support in a war between her and Germany-Japan. But only on one basic condition: that the Stalinist regime works towards restoring private property in the Union, that it helps wipe out the nationalization of the means of production and exchange, that it breaks down the monopoly of foreign trade, and that it gives England and France substantial guarantees in the form of industrial concessions and the right of large-scale exploitation in Russia.

Labor's Role

The Stalinist bureaucracy is counter-revolutionary precisely because, among other things, its whole tendency is in that direction: the extirpation of the last of the achievements of the Russian Revolution. The extent to which it succeeds in this depends at bottom upon the world's working class. If the latter builds up its own class organizations, re-establishes its class independence, revives the revolutionary movement, and thereby restores the self-confidence and militancy of the Russian proletariat, the anti-Soviet bureaucracy can be overthrown, its plans thwarted, and the whole caboodle of imperialist war-mongers thrown into the ash-can of history.

Above all in this crucial period the working class faces the task of re-consolidating its ranks. The old Internationals of labor and working class parties—Stalinist and social democratic—are bankrupt. Their only power is that of demoralization and disintegration. The building of the Fourth International, the building of the revolutionary Marxian parties, is on the order of the day—the supreme task of the hour!

INTERNATIONAL NOTES

Japanese Economy Crumbling Under War Strain

During the years of the last world crisis the weak sectors of Japanese economic structure were propped up through the advantages that Japan was able to gain in the world market in the cheapness of raw materials, outlets for its cheap exports and so on. Even at that period, however, the shaky financial position of Japan required a devaluation of the yen. The recent economic upswing and the general European rearmament competition which steeply forced up the prices of the basic raw materials have worked havoc with Japan.

The rise in prices on raw materials it must import has more than annulled the advantage of cheap labor. The cost of its rearmament program that has already imposed a severe strain on the country's resources has been more than doubled. For the past few years Japan's export has barely covered two-thirds of the import. The costly Manchurian conquest, achieved with relative ease, has been followed by the far costlier campaign in North China. The price on rice, the basic foodstuff of the Japanese masses is the highest in a decade, and has been steadily rising. The peasantry long in an intolerable position is on the verge of despair because of the lack of goods and the steeply mounting prices. The budget calls for expenditures of 5½ billion yens while the income is estimated at 1½ billion.

These ever-widening gaps and monstrous disproportions carry with them a threat of ruin for Japan. The foreign imperialist powers, whose interests are being encroached upon by the Japanese onslaught on China, are banking largely on economic difficulties to checkmate Japanese militarism. The European press, especially the British, is filled with speculations as to the possible effects of a lengthy Chinese resistance. The gravity of the situation is recognized and even openly discussed by Japanese newspapers as well.

The Manchester Guardian Weekly in its Oct. 22 issue carries a lengthy article on Japan, in which the main stress is laid precisely on this point. We cite a significant passage from it:

"Financial pages [of Japanese newspapers] contain serious discussions pointing out that the emergency appropriations up to December alone will be far more than the total cost of the Russo-Japanese War, even allowing for price changes, and that this is just a beginning. On the other hand no one is prepared to predict any collapse at present. There are rumors about restrictions on bank withdrawals, but nothing has been put into effect yet. Exchange control is becoming stricter and Japanese capital abroad is being mobilized. Domestic stocks have gone down rather heavily, and the Government is endeavoring to bolster up the market. Outside the munitions field business men are worried about the outlook, especially as regards raw materials."

One of the conclusions that must be drawn from what has been said above is that Japanese militarism, faced with economic collapse, cannot withdraw now, but must plunge on with its plans of conquest, in the hope of thus averting an internal catastrophe.

The campaign against Russia is intensifying. Foreign correspondents report that large bodies of troops are being sent to Manchuria. Some even say that more soldiers are sent there than to Northern China, apparently in preparation for an onslaught on the Maritime Provinces. Says the Manchester Guardian: "The press is full everyday with reports of Russian activities in China, notably the dispatch of aeroplanes."

Russian White Guards on the Class Nature of the Soviet Union

In its August, 1937, issue *Znamya Rossii*, one of the most rabid counter-revolutionary periodicals published abroad, prints theses which attempt to draw the balance of the recent frame-up trials, the purge, and the ever-spreading campaign of terror.

Among other things, the theses state the following:

"Under the inescapable pressure of life itself, of the demands of foreign policy and the threat of war, the communist power was compelled to make numerous and important concessions, shifts, and retreats. All these changes, however, while providing some relief for the country, are inadequate; they are of a maneuvering and opportunist character, and incapable of reconciling the population with the power, and they do not alter the essence of the communist dictatorship."

The conclusion drawn by the White Guards is that the foundations of the workers' state have not been undermined sufficiently by Stalinism to enable the counter-revolution to hope for a peaceful triumph. An insurrection, at least a "palace revolution", is required, in their opinion.

Orlov, head of the Soviet navy, has been "replaced." Ivanov, the commander of the warship "Marat", who was sent to the coronation of George VI, is among the "missing".

Dubnov, one of the few remaining old-timers, has been removed from his post as Commissar of Education, and is now no doubt in jail.

Mugdussi, head of the Armenian G.P.U., who a short time ago was decorated by Yezhov himself with the highest honor, the Order of Lenin, for his "zeal in prosecuting the enemies of the people", has himself been arrested as a "counter-revolutionist".

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