

perialistic expansion. In the grip of the depression the general development changed into general stagnation, but the positions of the nations relative to each other remained largely the same. The war had obviously been won by the United States. To quote just one item of many: In 1913 England controlled 60 per cent of the world's foreign investments; in 1936 only 50 per cent. During the same period French foreign investments dropped from 25 per cent to 10 per cent, and German from 15 per cent to minus 6 per cent. That is, Germany was in debt abroad. U. S. investments, however, rose from minus 12 per cent to 25 per cent.

Britain still remained, nevertheless, the richest country in the world. She was only tending towards decline, but this unmistakably. Not only were her foreign investments shrinking, her profits from abroad diminishing, her trade with both the outside world and her colonies declining, but her political prestige and her indirect control over other nations were slowly going down as well. It seemed that in the not so distant future the British Empire would cease to be an Empire. The Dominions became more and more independent; India clamored for Dominion status. The forces of capitalism itself destroyed England's unique position that had been based on out-moded conditions.

Free-trade no longer favored England. Tariff policies created home industries in the developing nations able to challenge English rule. The political strength of these nations increased. Even the colonies and the suppressed races of the world saw the dawn of a new day. The cry for self-determination and capitalist liberty arose everywhere. Great national movements mixed with the struggles of the great imperialist rivals. During the war, the controller nations could not help fostering the development of their possessions. Nationalistic movements were further fanned — for a while by Russia, then Germany — in order to exploit them for the needs of these countries. In brief, the continuance of the old imperial rule of Britain became increasingly more problematic.

Farsighted politicians learned to understand during the last war that the days of Cecil Rhodes were gone for good. Yet it was difficult to accept the new situation. Up to the last England attempted, and even now tries at all cost, to maintain as much as possible of the old glory and privileges. This allowed for a number of illusions, among which was the half-truth — based on the completeness of the German defeat in 1918 and the temporary disappearance of Russia as an imperialist force — that the next great war would be one between England and America. These were the two great capitalist rivals, almost equal in strength and equally determined to rule the world. In the course of time and in accordance with the rules of capitalist competition they would have to clash.

The European nations did not participate in equal measure in the post-war prosperity that came to an end in 1929. However slowly, England herself was running down. American mass-production, brought to a climax during and shortly after the war, was not equalled by any other nation. It

spelled the end of English rule, for it was clear that England must export or die. She must invest abroad or face ruin. Her economy is determined by her dominance in the capital market and by her large contribution to international trade. England cannot become self-sufficient. Even if the agriculture of golf courses should be changed into agriculture pure and simple, it would not suffice to keep the population alive. Yet her exports, vital as they are to her existence, declined steadily. All the expansion there was was inward. No increase in foreign trade resulted. She would have to stop the American competition or cease to exist, as a main capitalist power. Thus ran the arguments. Even in purely physical terms, not to mention the requirements of a progressive capital accumulation to escape permanent depression conditions, it seemed obvious that England's real enemy was the United States.

In self-defense England would be compelled to come to a closer understanding with the Continent. Indeed, England's policy supported this reasoning, for her relations with Japan, for instance, were clearly designed to hinder American expansion in Asia. Her South American intrigues opposed, first of all, American interests. However, there was no sense in granting Japan what she denied the United States. So she supported Russia to keep Japan in check, and Germany to keep Russia in bounds. France was assured that the Rhine would always remain England's frontier. In turn, American statesmen had to be assured that England's competition must not be taken seriously, that it was a mere business proposition which would not at all invalidate close political alignment. A complicated situation no doubt, but then such is the capitalist world.

There exist forces in Britain of course whose interests strictly oppose those of America and this to such a degree that if the question of subordination were raised at all, they probably would prefer to be subdued by Europe rather than by America. These forces play no important part in English politics, however. Britain is large enough to harbor all kinds of interests within her realm. But the variety of interests that English rule incorporates makes for the most chaotic and contradictory lines of British procedure. It seems at times that this chaos of variegated interests can never be bound to one particular and persistent course. The American writer Guerard once described this situation by saying:

*"It is only in retrospect that the English rationalise their drifting into a national purpose. England has no single principle of action, not even 'sacred egotism'; she has at least five and they are incompatible. It is not 'perfidy' it is inner contradiction. England was honest when she promised to evacuate Egypt, and honest when she constantly refused to do so; honest when she pledged her support to France in case of aggression under the Locarno pact, and honest when she reminds the world that such an agreement is to be taken only in a Pickwickian sense."*

One of the reasons for the persistency of English democracy lies in the complicated composition of English capitalistic interests. So that Britain and the Empire shall not fall apart, accumulated frictions have to be dissipated

through shifts of policies which, from any other view, remain un-understandable; by governmental changes that eliminate pressures of economic groups which would disturb the needed internal balance. In brief, a balance-of-power policy similar to that employed in foreign affairs appears as a democratic inclination in internal and Empire politics.

Notwithstanding all this, as soon as the balance-of-power in Europe breaks down, all these variegated interests combine, because the necessity to resist at all costs the domination of Europe by a single power prevails for most of them. The absence of such a threatening situation was the reason for the lack of English unity against the outside world. This lack of unity was not a weakness but a luxury.

So long as Britain was not threatened on the Continent, she could use all her remaining strength to make her further retreat before America as painless as possible for herself and as hard as possible for the United States. But in the case of a unified Europe, Britain would clearly be at the mercy of the United States; she would cease at once to be on equal terms with America. She would no longer be able to fight independently for the maintenance of her position, for she could not attack the United States without inviting defeat by Europe, and she could not fight Europe unless supported by the United States. She would not have the choice between Europe and America, because an alliance with Europe would transform England into a mere outlying province of the far more powerful nation that controlled the Continent. There would be less to lose through the acceptance of American protection.

Despite all the remaining rivalries between England and America, the Anglo-American alliance during the last war showed the real direction of Britain's future imperialist policy. At an important British war conference in 1917 it was pointed out that the co-operation of the Anglo-American fleet would have to continue after the war. Only in this way could a recurrence of the situation that had led to the war be prevented. It was further said that to rule the seas is to rule the world and that meant that the two most powerful navies must work together. No other nation must ever be allowed naval parity with either England or America. Thus Anglo-American co-operation would hopelessly outnumber any and all nations. Though dressed in terms directed against Germany, this principle was a declaration of war on the part of England and America against the rest of the world.

The idea of a permanent Anglo-American alliance penetrated American war propaganda as well as British. It was now maintained that the policy of both nations was identical, faced as they were by the danger of European unification through Germany's military expansion. In his book *The Defense of the Empire*, Norman Angell illustrates this point quite well. Germany, he writes,

*"which had annihilated France as a great power, overcome Russia, opened the roads to the East through Slav territories and the Near East, was in a position to occupy, when she would, the Continental parts of the narrower seas — such a Germany would*

*have been master of our policy: irresistible. We might as well, in such contingency, have had no armaments at all, because the outcome would have been a foregone conclusion... Even distant America, at the period of the German onslaught, was stirred by the same spectre, of this growing Germanic power. One of the most effective bits of war propaganda in the United States was a map of Europe showing pan-Germania dominating the whole."*

America's refusal to enter the League of Nations was directed not against England but against Europe. Austen Chamberlain reassured the House of Commons in 1929 that in all important questions of international relations, legal or otherwise, Anglo-American conceptions stood together and in opposition to those of Continental Europe. The Dominions were even more than the mother country interested in the continuation of the alliance created by the last war. Canada of course had no other choice. But notwithstanding the continued commercial rivalries between England and America in Asia, fear of further Japanese expansion prompted Prime Minister Hughes of Australia to say on the eve of the 1921 Washington Naval Conference that he would "salute with satisfaction every American warship laid down in the ship yards." In 1936 Winston Churchill, in an article on Naval Policy, vehemently opposed all those who insisted upon naval parity with the United States. He pointed out that a big American navy, exceeding even that of Britain, was exactly what England needed to feel secure.

Events have meanwhile shown that against all appearance to the contrary the Anglo-American bloc of 1917 continued to constitute the basic policy of both nations. They could not unite, for as we said before, combination implies liquidation, but they could work openly and under cover against a third force that seemed detrimental to their interests. It is clear, too, that the capital mergers which progressed with the spreading of American investments supported a common policy with England rather than any sort of solidarity with the crisis-ridden and bankrupt European nations. American capitalists began to look on England as if she were their own country, just as the English had once looked upon America as lost territory that had to be regained. Despite jokes about Yankee coarseness and English nobility, there was much intermarrying. The frictions that remained were family frictions, internal struggles for economic and political advantages, rather than rivalries between two imperialist nations.

### The End of Appeasement

But what about Chamberlain and the policy of appeasement? What about the Nazi hope of coming to an understanding with the umbrella-men? It might well be that the Nazis, like most of the Marxists before them, overrated the importance of the existing frictions between Britain and the U.S.A. But whether the Nazis seriously engaged in wishful thinking about an Anglo-German collaboration or not, they had to consider and make ready for an Anglo-German war.

The Nazis' desire for a friendly solution of the issues at stake was largely of a propagandistic nature. It was in line with anti-semitism in

Germany and abroad, with their support of the nationalistic aspirations of the Hungarians, Croats, Bulgarians, Finns, Arabs, with all the other devices that spread confusion and disunity among their actual and potential enemies. Her repeated willingness to come to terms with Britain led astray many diverse elements: those English politicians who preferred a European orientation, those who thought themselves, as did the German capitalists before them, capable of controlling and using the Nazis, and those who expected that things would eventually straighten themselves out. And of course the threat of a possible Anglo-German collaboration led to bewilderment in France, Russia, and the United States.

In view of the tremendousness of the issues for which this war is fought, all these propagandistic devices seem to be quite insignificant. Yet Germany cannot afford to overlook even the smallest item that may work in her favor. Against a powerful coalition of enemies Germany is indeed extremely weak. She has no navy capable of opposing the combined sea power of the allies, no comparable productive capacity or raw material sources, not even man power. To be able to fight the United States with any possibility of success, she must first subdue the whole of the European Continent — a very difficult undertaking in the midst of war. What she lacks generally she has to make up for specifically with better organizational methods and greater efficiency. The superiority of the German war machine — of which diplomacy and propaganda are a part — is based on her inferiority in other respects. This situation is not a recent one but has accompanied the whole of German history and explains her stern military tradition.

However, it no longer matters whether the Nazis seriously believed in the possibility of an Anglo-German collaboration, or whether the idea was mere propaganda. More interesting is the question as to why there were people in England who preferred an appeasement policy. Some of the appeasers went quite far in their readiness to satisfy German demands. Mr. Garvin, for instance, urged consistently in the English *Observer* that Central Europe and the Danubian countries should be brought under German control in order to secure a lasting European peace.

"Under German control" did not, however, mean the outright annexation of the Danubian countries by Germany, but a sort of economic union that, by relieving temporarily the tension in Germany, would without doubt increase the tension between Germany and Russia, as the latter nation would be most directly threatened by a German penetration into the Balkans. Behind the willingness to grant far-reaching concessions to Germany was both the desire to keep England out of war and, if a war should be unavoidable, the desire to have it occur in the East. Such a war would interrupt Germany's march to the Near East. She would instead turn into the Ukraine. It would appear easier to the Germans to expand at the expense of Russia than to face once more the combined forces of France, England and America. Hitler himself had spoken ecstatically about what

Germany could do with the wheatfields of the Ukraine, the oil of the Caucasus and the minerals of the Ural mountains. Furthermore, a number of study commissions had spent some time in Russia and had returned convinced that it would not be an easy task for Germany to subdue the Bolshevik regime. Thus with the possibility of a prolonged and exhausting war between Russia and Germany, peace and strength could be preserved in the democracies. In the end the democracies would be able to control further both Germany and Russia, regardless of the outcome of their war.

Behind this reasoning there was no more than the inability to realize the full force of the new military power of Germany and the meaning of Nazi diplomacy, which was determined by a consistent distrust of all nations' politicians, and agreements — their own included. If the English appeasers hoped to solve their problems by re-directing Germany's expansion from one sphere to another, the Nazis made ready for a struggle in all the spheres that German arms could possibly reach. They were realistic enough to understand that they were facing a multitude of enemies as soon as they reached out to become the first European power. At the same time that they did all in their power to strengthen the belief that the direction of their expansion was towards the East, they prepared nevertheless for a war against the West. If, however, the Russians had not played into Hitler's hands, he most probably would have attacked Russia first, but without losing sight for a single moment of the inevitable struggle in the West. The Russian-German pact was no doubt the most important victory the Nazis ever won — the greater because it had been prepared by the enemy himself. The Russian-German pact was the direct result of pre-war English diplomacy. It was exactly the opposite from what had been intended by the policy of appeasement.

The appeasers wanted an alliance neither with Germany nor with Russia. Since Russia's power was overestimated and Germany's underestimated, it was reasonable to expect that a war between them would inactivate them for some time to come. Thus neither the fate of Austria nor that of Czecho-slovakia could stir Britain to action. Lord Halifax could not see that the Munich agreement of October, 1938, had in any way been broken by Germany when she invaded Czechoslovakia six months later. In one of his speeches he pointed out that the Czech state "had ended its own life by internal disruption", and he admitted that "the architects of Munich had not contemplated the operation of the guarantee of Czech independence in a situation of this kind". But with the German attack on Poland and the signing of the Russian-German pact, the whole situation changed at once. Suddenly it was clear that Germany was either not ready for a major war, or was bent on an attack against the West.

At this time Germany was probably still trying to wrest further concessions from England and France without serious struggles. Both nations could either go to war or give Germany half of Poland and the whole of the Danubian territory. Germany would thus have had an enormous ad-

vantage in the European struggles which would have been merely postponed. France's military position would have been extremely weakened and the black-mailing tactics of the Nazis considerably increased. Just what was the situation? Did Germany feel herself too weak even for a war against Russia, or did she feel strong enough to risk war against the West? In the later case the war would be inevitable and its postponement could serve only the Germans. Thus there was no longer any need to weigh the question of peace or war. Over night the appeasers turned into warriors.

There was, however, still another element involved in the appeasement policy. This element should not be exaggerated but neither should it be overlooked. This was the fear on the part of private capital that it would face destruction in the course of another war. The English capitalists as a whole had gained nothing by the last war. On the contrary, their position had become increasingly more precarious. The war had led, furthermore to a state-controlled capitalist economy in Russia. Germany herself had come quite close to similar changes, and if the German revolutionary forces had succeeded, the whole European Continent might well have ceased to support a private capitalist economy. The turmoil of the first world war, as subsequent events proved, had not been sufficient to realize the potential threat, but who could be sure that a second world war could be terminated with equal success? Who could be sure that it had not been a mere stroke of good luck that secured the preservation of the traditional capitalist system after 1918? Would the exhausted Allied troops, desiring peace above all, really have fought against a powerful revolutionary wave that involved the greater part of Europe? And even if they had remained loyal to their masters, would they have been able to crush a revolutionary force? No one could be certain. Not even in 1918 since, at that time, the German army and parts of the Russian had not been disarmed. Though the Germans had lost the decisive battle in the West and were in full retreat, there had been no panic, the retreat was orderly. Besides, the victory of the Allies had been a costly one, expensive enough to make them accept an armistice instead of a triumphant march to Berlin.

What would a prolonged second world war bring? Ten years of depression had left their marks all over Europe. Even a second defeat of Germany might result in no more than a collapse of the whole European capitalist economy. Long before its conclusion, the war itself would in all probability lead to important social and economic changes in England as well as in Europe. It might endanger the Empire — there was the possibility of a series of national revolts. For the first time in capitalist history capitalists became convinced pacifists. They were unable either to overcome the economic crisis by means hitherto effective or to envision escape from the crisis by way of warfare. Just as they had learned to eat from their reserves rather than to attempt to increase their profits by further capitalist accumulation, so they became deeply interested in the maintenance of the political *status quo*. Not that they had ceased to be imperial-

ists. It was only that they could no longer act as imperialists without endangering the whole economic structure and the social institutions so dear to them. Out of the fear that they might lose as private capitalists what the nation might gain by imperialist actions, the more class-conscious of the old bourgeois class in Germany, England, France, and the United States as well hesitated to enter another war. The case of Thyssen only dramatizes this attitude that also came to light in the English appeasement policy and that still plays its part in the policy of American isolationists. A fascistic revival at home in the exclusive interest of private capital would be quite desirable, but vast imperialistic adventures under the auspices of fascism would only hasten the transfer of economic and political power into the hands of the aspiring fascist elites.

The sudden shift in English policy in 1939 thus also indicates the degree to which the old capitalist power groups had already been displaced by new political forces, themselves capitalistic, yet in many respects distinct from that ruling class which fought the last world war. The strengthening of the state as against individual enterprise, the pre-dominance of "political" over "economic" power as a result of capital concentration and, more directly, of that concentration under prolonged crisis conditions, was a necessary prerequisite to overcoming in some manner the capitalistic stagnation and to launching a new series of imperialistic struggles. In Germany the fascist elites had already completely merged with the old capitalist class; in sociological terms the initiative in the war could thus fall to Germany. The fact that in the other capitalist nations this same process was also on its way helps to explain the sudden turn from appeasement to war. If England and France were sacrificing their capitalist interest in an increasing measure to Germany, it meant the slow destruction of private capital in the democracies, for this situation had to sharpen progressively the internal crisis in these nations which, in turn, would foster the fascization process. An appeasement without an end, and there is no other appeasement, even if it is designed to safeguard private capital, turns inevitably into a powerful lever for the further fascization of the world and the end of traditional capitalism.

In 1939 it must have been clear even to the most willing foreign Nazi sympathizers that the Nazis were neither the protectors of private capitalist interests in Germany, nor respecters of private or any other sort of property elsewhere. The imperialist drive of the Nazis spelled not only the end of her own "independent" bourgeoisie, threatened not only England's privileged position in the world, but forecast also the end of private capital in Britain. Further appeasement would have been suicide. Both from a national and a capitalistic point of view. War was once more the lesser evil. A defeat of Germany, administered by all the democratic private capitalist forces of the world, may not only safeguard national independence and the Empire, may not only improve England's position in relation to Europe and America, but may also stop or at least slow up the capitalist transfor-

mation process towards a state-controlled capitalist economy, which eliminates the hereditary capitalist class.

Notwithstanding their reluctance to enter any war, the motivations of the English appeasers have always been a mixture of specific class interests and official British foreign policy. Both were fused, but fused in such a way that the emphasis given to one or the other was determined by necessities produced by the interplay of the numerous world forces. In other words, the emphasis upon appeasement to safeguard the prevailing English ruling classes could never become strong enough to lead, on its own part, to disaster. Appeasement might come to an abrupt end at any particular moment. The signing of the Russian-German pact was that moment.

It was clear that the German-Japanese alliance did not allow Russia to change her policy at will. England was thus threatened simultaneously in both Asia and Europe. Russia's inactivity would force England to appease Japan unless she would be willing to weaken America's striking power in the Atlantic and Europe by engaging her in an Asiatic war. America, the English ally, had thus to be restrained in her ambitious Asiatic designs. This was possible only by granting America far-reaching concessions. England's position was indeed a very difficult one. She was bound to lose from whatever situation might arise; her policy was restricted to creating conditions that involved the smallest loss. It was this difficult position in which Britain found herself that never allowed Stalin's fear that England and Germany might strike a bargain at his expense, to come to rest.

A war between Germany and the Western powers was indeed highly profitable to Russia, provided that it did not end with a rapid and overwhelming German success. But such a contingency was not easily thinkable in 1939. At least the risk to be taken appeared rather small. The war would grant Russia security for more time to come — time that could be used to speed armament production, to acquire strategical positions. Russia felt freer not only in regard to the West but also in regard to the East. Russian imperialism could only wax if all the other imperialist powers were engaged in deadly combat. Stalin's famous smile on the occasion of the signing of the German-Russian pact came directly from the heart. That smile brought to England the blood, sweat and tears that Churchill loves so dearly.

### The Struggle for England

The full meaning of the diplomatic game that was played before the outbreak of the war came to light only in the course of subsequent events. Political cynicism is hidden behind high-sounding ideologies. No one in England could admit that Germany had been appeased in order to be deprived of her ambitious goals, that peace was to be maintained in order to foster a war profitable to Britain. Nor were the Germans willing to declare that their pact with Russia was designed to outsmart English diplom-

acy, that it would not change Hitler's attitude towards Stalin's Russia, and that the great "Christian Crusade" had merely been postponed. Nor was Stalin able to announce that he shook hands with von Ribbentrop because with "Asiatic cunning" he had just succeeded in double-crossing friend and foe alike and that he merely worked for the greater glory of the "fatherland" which, with a war between the imperialist rivals, would now really be in a position to "overtake" the capitalist world. Nor was America willing to lift the mask of neutrality and reveal its war-hungry face that had not changed expression since Roosevelt's quarantine speech of 1937. Thus the appeasers were taken for appeasers, the aggressors for crusaders, Hitler and Stalin were judged as two of a kind, and America was celebrated as the only civilized nation on earth. The innocent ones among the rulers and their subjects excited themselves on the apparent, not on the real, issues at stake.

What appeasement meant was revealed by its failure. How close to success the English had come in their attempt to drive Hitler into Russia had long been demonstrated by the Nazi-Polish non-aggression pact signed in 1934. This pact spelled the possible creation of a Berlin-Warsaw-Kiev-Baku axis against Russia. The Polish ruling class, however, encouraged by the French who feared a stronger Germany and so counteracted English plans, were deadly afraid, and justifiably so, that a strengthened Germany at the expense of Russia would only be the prelude to their own end. They preferred the bird in the hand to the two in the Russian bush and were not able to overcome their suspicion in favor of an alliance with Hitler. Up to 1939 the Nazis tried to win Poland for a war for the Ukraine. The last offer was probably made by Goering himself during his visit to Colonel Beck in January 1939. No agreement was reached and two months later the Nazis marched into Prague. However, Poland was still allowed to participate in the dismemberment of Czechoslovakia.

Out of the growing fear that German expansion might not be prevented, nor diverted into a war against Russia, England and France signed a pact with Poland to secure her integrity. Germany answered with the Hitler-Stalin pact. Thus the war which, as far as Britain was concerned, should have found Poland and Germany side by side against Russia turned into a German-Russian alliance for the new partitioning of Poland. The new world war had begun in earnest. And a few months later, to the amazement of everybody, France's military power was broken in a few weeks. Britain, now isolated, seemed to be lost.

However, at the moment when England seemed weakest her really powerful position in the world became at once manifest. At that moment, the unfolding of the war really began. Every capitalistic and nationalistic interest opposed to Germany practically entered the war. All that was now necessary for Britain was to "carry on" no matter what might happen. The most senseless activities as, for instance, the Balkan campaign of some time later, became reasonable undertakings. As long as the war continued, noth-

ing was lost that could not eventually be regained. The appeasers pushed themselves aside; a new defense effort was made. No peace with Hitler under whatever terms and conditions became the sole strategy necessary. Time had to be gained — time to allow America to arm herself sufficiently and prepare a new A.E.F.; time to organize the whole Hitler opposition all over the world and throw it actively into the war. Every interest opposed to Germany was now concentrated in the defense of Britain.

The destruction of England might prove to be equal to a vast "world revolution", though not necessarily one of a proletarian character. The consequences of an end of Britain and the collapse of the Empire are unforeseeable. But this much seems almost certain: that it would release nationalistic and imperialistic forces all over the globe which might well escape any kind of control. All ruling classes in all the world might be directly endangered. There would in all probability be a general rush of the numerous national and imperialistic scavengers to grab as much as possible in the re-division of the world initiated by a total British decline. America — prepared or unprepared — would act at once, and so would Japan and Russia. National uprisings in India and the Near East would mix with the general struggle for positions and resources. Manifold interests would clash. The whole world would become embroiled in warfare. The organization of the various operating forces would become impossible; alliances would collapse over night, all plans and procedures would be overturned. Chaos would rule; not only the necessary capitalistic chaos without which the capitalist world cannot exist, but chaos in an as yet inconceivable sense. Production of life-essentials would be further reduced; destruction would rule supreme. Revolutions would mix into the imperialistic and nationalistic struggles; in brief, a situation could arise that would escape all comprehension. The small-time "Nihilists" of the Nazi Party as well as the imperialist Babbitts recoiled before the spectre of the enormity of the possible world conflagration released with the destruction of Britain. They were not willing to accept the final consequences of their cherished social structure. They tried to re-organize the world in accordance with their specific capitalistic needs, to prevent its being thrown into complete anarchy. They proved to be able to enjoy the entrance to hell, not hell itself. Britain and the Empire must be saved either for German-Europe or for America. But it must be saved, it must not be allowed to fall apart and thus turn the whole world inside out.

Hitler must have hoped that the Russian pact, the rapid defeat of Poland and France and the invasion threat would convince the English ruling class that it would be better to accept the losses implied in an understanding with Hitler than to continue a war whose outcome pointed not only to the utter destruction of Britain but of the whole capitalistic world. Hitler's arguments were indeed powerful and convincing, yet no ruling class has thus far freely abdicated either before an internal or an external foe. The British ruling class was aware of its own role within the capitalist world structure. It dared Hitler to invade. Yet Hitler had no intention of doing

so, quite independent of the question whether or not he would have been able to do so if he had wished. If England was not willing to come to terms before an invasion, after a successful invasion there would no longer be a question of reaching an understanding. Not even the fleet, not to speak of the resources of the Empire, would fall into Hitler's hands. Part of the ruling class, if not all, would have left the country. Valuables would have been removed or destroyed. Hitler would have found himself in possession of some additional territory, whose inhabitants he would have been unable to feed, and a demolished productive apparatus which, in the face of an already acute shortage in raw materials, would be a very questionable gain. The war would not have been terminated but only spread further, and would have taken on new forms which might be even more destructive than the methods previously employed. The whole of Europe might be slowly starved to death, as there was no way to force America's acquiescence to the new situation by military means. There was no reason why America should come to terms with Germany after a successful invasion of England. Europe's position was extremely difficult due to the long disruption of world trade and the great part played by non-consumption production. The job facing Germany was too gigantic to suggest success. Even political unification seemed to be an impossibility in the face of the continued war that would make the food problem increasingly more threatening, that would make it more and more difficult to hold the superiority in armament production. Even after the invasion the world would still be closed to German Europe; she would still have to fight on in the Near East, for India, in defense of Africa, and possibly against Russia. But now she would have only a decimated army, a still more insignificant navy, and a weakened air force — the unquestionable results of an invasion of Britain.

England must not be defeated but forced into an alliance with Germany. Britain had to be shown that to subordinate her interests to those of Germany, to pool her resources, i. e., to pool her riches with Germany's poverty, was still better for her than to continue an apparently endless fight on the side of America which would lead only to the ruin of the whole world. Thus the great attacks of the *Luftwaffe*, often described as part of an unsuccessful invasion attempt, came to a sudden end from time to time. Nazi air bombers were careful not to demolish the English railway system, not to destroy too many harbors and docks, not to interfere too much with other essentials for the continuation of Britain's economic life. Their destruction was a sort of demonstration of what could happen to Britain if an all-out war really got under way. The concentration of bombing attacks such as on Coventry were only "samples" — gigantic symbols of future possibilities.

The military defeat of England would not be enough to serve German ends. It would have meaning only if it terminated the war with an Anglo-German agreement that led to the pacification of the Continent and to the resumption of international trade. Germany's refusal to attempt at any time the invasion of England brings out her essential weakness, but also

the conscious and instinctive recognition on the part of her politicians of the real issues of the war. The only peace they seem to be able to get is a peace by force. Yet, force may exclude the possibility of a peace that leads to the establishment of a European situation that will force the United States, for some time to come and in her own interest, to come to terms with Hitler, to share the rule of the world with the Nazis.

To share the world with Hitler may mean to lose it to Hitler. Not necessarily so, but possibly. Who knows if Hitler will not succeed in constructing with Britain's help a real United States of Europe able to compete on equal or better terms with the United States in Asia and South America? Nations there would have the choice between America and Europe; they may counteract American politics, they may have to be continuously bribed or be completely subjected by military force. The creation of a closed economic system in the Western hemisphere alone forecasts, through the reorganization processes connected therewith, the end of innumerable vested American interests. A period of warfare to ease America's position may well coincide with a period of European reconstruction under German dominance. Will Europe regain her position in the world economy that she lost during and after the first world war? Her productive capacity pooled, her organization centralized, she might well be able to exceed all the capacity of America.

However far-fetched all this may sound at the present stage of development, it is nevertheless one possible perspective — a perspective already foreshadowed by actual occurrences such as the co-ordination of Central Europe, the Franco-German agreements, the barter exchange and its success in South America before the outbreak of the war. Actual occurrences determine actual policies, but the threat inherent in that practice of expanding the present practice into a permanent one leads straight to the fears of the future previously described. Thus long-run perspectives and immediate practice both determine the present activities of the various nations. In order that the larger perspective may disappear, its small-scale reality must first be ended. Thus Britain's independence from Europe must be defended at all costs, the unification of the European Continent must be prevented by every means.

Even if Hitler's optimism in regard to the possibility of an enforced Anglo-German understanding had been justified, this understanding could no longer be a question between England and Germany. It was a question to be settled between the Nazis and America. Of course, without the Anglo-American alliance it is difficult to see how England could have withstood German pressure for long. But with this alliance a reality, England was no longer master of her own decisions. Thus the Balkan battle, Hitler's second great attempt to bring Britain "to reason" could have no results. It is not Britain but America that must be convinced of the futility of an attempt to defeat Germany.

To do business with Hitler means to do business at England's expense. If Hitler at present and in view of objective limitations has to be satisfied with sharing the world with Roosevelt, the latter, who does not face such limitations, cannot be convinced that it would be right to turn into a "Benedict Arnold". Why should he "eat the crumbs from Hitler's victorious table", when at small expense he can have the whole cake and table too? What Hitler can offer America she can get herself without his help. When Hitler says that he has no designs in the Western hemisphere it is merely funny. The Western hemisphere was America's long before Hitler offered it so generously.

Yet America's help to Britain is no act of charity. The American isolationists' complaint that lease-lend billions and other aid to Britain impoverish America merely to satisfy the interventionists' perverse love for England is just as "hypocritical" as the American "defense needs" enumerated by the "Great Hypocrite" himself. What Britain has lost to America and what she is going to lose makes up a hundred-fold for all the "aid" received and all the "aid" to come. How pitiful are the attempts of English businessmen to keep up their world trade in spite of the war. During the course of this war most of it will fall automatically to the United States. How realistically Churchill spoke when he "allowed" the United States to protect "British interests" in Asia. The longer the war lasts and the more "aid" America extends, the weaker England will be. The professional appeasers cannot help being just as generous towards Roosevelt as, not so long ago, they were toward Hitler. When interviewed by a reporter of the *Chicago Tribune* (9/16, 41), Lord Halifax declared:

"...The necessity forces itself upon the minds of the American statesmen of pushing her defense boundaries further out, as, for instance, to Iceland. The defense of America and the defense of the British commonwealth are essentially a single problem; this is why we provided America with bases in the West Indies and so on... The British government will be agreeable to America CONTINUING AFTER THE WAR her defense policy of extending her frontier further out."

Halifax simply states that whatever America takes now in the course of the war she will be allowed to keep. But here he is only plagiarizing from his old friend Hitler, who also has the habit of offering what is already taken. More sensible men than Lord Halifax are, however, no less aware of the losses involved in the Anglo-American alliance. G. Crowther of the *London Economist*, for instance, writes in the October issue (1941) of *Foreign Affairs*:

"If the American people have to learn the responsibilities of their strength, the British people have to learn the limitations of their weakness — and there can be little doubt which of the two is the more painful adjustment to make."

He cautions his American friends to take it easy in the face of the great opportunities open to them, and he advises his fellow Englishmen to lose what they must lose as cheerfully as possible. "Thumbs up" while the pockets are rifled.

Because of the fact that Britain will lose regardless of who wins the war — Germany or America — one phase of the German-American struggle consists of competitive bids for England's support. It is up to the British to decide whose offer to accept. In the end, however, it depends on the fortunes of war whose offer they will accept or will be forced to accept. England's weakness, paradoxically, turns into a new strength. She can at the moment almost at will wrest great concessions from both America or Germany. Thus it appears that Britain is determining America's policy, that her Foreign Office dictates in Washington. Thus she can continue to sing defiantly that there will always be an England, being quite sure that Hitler will not attempt an invasion for some time to come, if ever. It was Churchill who after the Balkan debacle maintained that a Nazi invasion of Russia would be far more likely than one of England.

At present, because of the great role that private capital still plays in England, the British ruling class is convinced that though it will lose under any circumstance, its losses will be smaller under Roosevelt's than under Hitler's "protection". To change their minds, or to bring to power "new minds" and, at the same time, to convince the United States of the uselessness of her resistance to the realization of a German Europe, Hitler marched into Russia. This march had many reasons behind it but the most important, it seems to us, was the recognition that an open and full-fledged war with America had become unavoidable.

### The German-Russian War

Seldom can a single clear-cut reason be found for political occurrences. A general policy emerges out of a multitude of reasons which are by no means in harmony one with another. The always-latent yet unexpected turn in German-Russian relations has as many causes as it has objectives. It is true that Germany wants to have the wheat, oil, and raw materials that Russia provides. But this is not enough to explain the German attack. For the time being, and probably for a long time to come, war destroys the possibility of getting these materials in significant quantities. A continuation of the German-Russian trade would have yielded better results. To be sure, if the German invasion turns out to be successful, the direct possession of the Ukraine and the Caucasus will in the long run be of greater value than any sort of trade agreement that might fluctuate at any time or vanish altogether. It seems clear, however, that no immediate need for Russian supplies could account for the invasion. As a matter of fact, aware of the possibility of a German attack and anxious to postpone it as long as possible, Russia had stepped up her deliveries to Germany precisely at the moment when the German-Russian relations began to deteriorate. There was, furthermore, an ever increasing Russian dependence upon German industrial products because of the blockade. The future of German-Russian trade pointed towards improvements.

It is argued, however, that Hitler counted upon a very short war in Russia and hence on the possibility of a rapid exploitation of Soviet resources in a very short time. Though the methods of control and production have been improved considerably, and although it is not possible to draw conclusions for the present war from the last one, still those experiences cannot be altogether disregarded, and the German general staff knew from the last war how difficult it is to organize production in occupied territory and make it yield even meager results. It should also be obvious that though the German general staff may have hoped for a short war, it could not base any decision on the mere hope. It must have taken into consideration the possibility of a prolonged war, the more so as it was certainly aware that mechanized warfare is less successful in less developed countries. Yugoslavia and Greece did not disprove this fact because there the enemies had not themselves been mechanized, the onslaught could be prepared and supported from near-by bases in Rumania and Bulgaria, the territory was limited, the supply lines short. In Russia the German army faces another mechanized force. The farther the Germans advance, the less efficient their mechanized force must become. It takes time to move the bases from which to operate further. It is not a question of travelable roads: the decentralized Russian industry, the Russian "scorched earth" policy, the large stretches of mainly agricultural territory must slow down a mechanized army and diminish its destructive power.

The industrial density of the West not only increased the independence of the advancing motorized columns, not only provided them with repair facilities, oil, and other essentials, but made the Western nations far more vulnerable than Russia. With the rapid capture of important industrial sectors the supremacy of the German army was assured. The military striking force of the allied armies became a temporary and meaningless factor because of their early divorce from their industrial bases. There was thus little fighting and there were millions of prisoners. In Russia the situation is different, and such sweeping immediate successes as had been possible in the West were not to be expected. In the face of these obstacles, the actual advance of the German army in Russia seems rather more imposing than their quick victory in the West. It is nonsense to speak of Hitler's "time-table" that the Russian army has upset. To speak in such terms merely means to take the German propaganda more seriously than the Germans do themselves; for, after all, this time-table business is a mere stunt of the German propaganda institute in line with their success movies and other devices for scaring the timid.

We are inclined to believe that the Nazis were well aware of the difficulties they would have to face in Russia. They most probably attacked when they did, not because they felt that Russia was weak, but because they were aware of her full strength. Of course the Nazis might have expected Russia's early political collapse as well as a revival of Ukrainian nationalism. Yet by merely looking at their own methods of suppress-