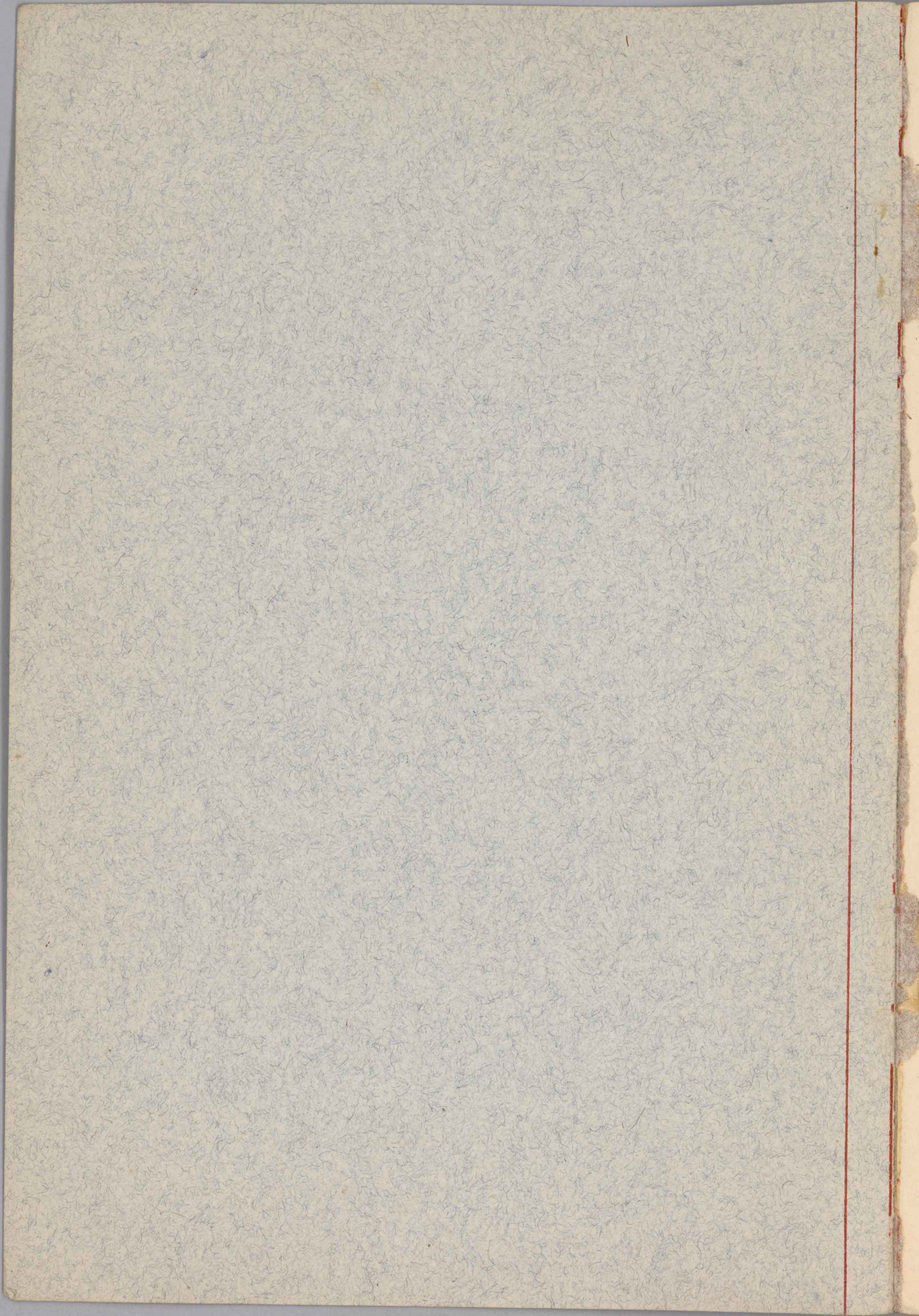


The Economics of Barbarism

HITLER'S
NEW ECONOMIC ORDER
IN EUROPE

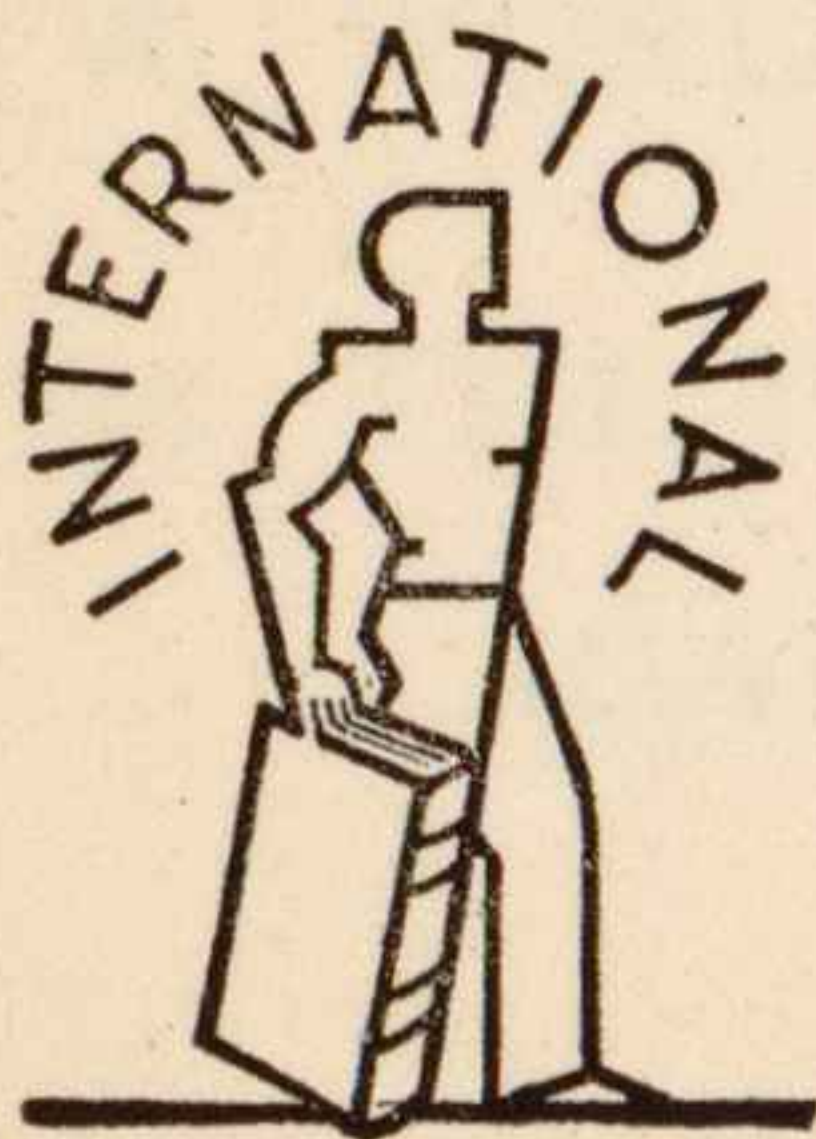
BY J. KUCZYNSKI AND M. WITT



THE ECONOMICS OF BARBARISM

Hitler's New Economic Order in Europe

BY J. KUCZYNSKI AND M. WITT



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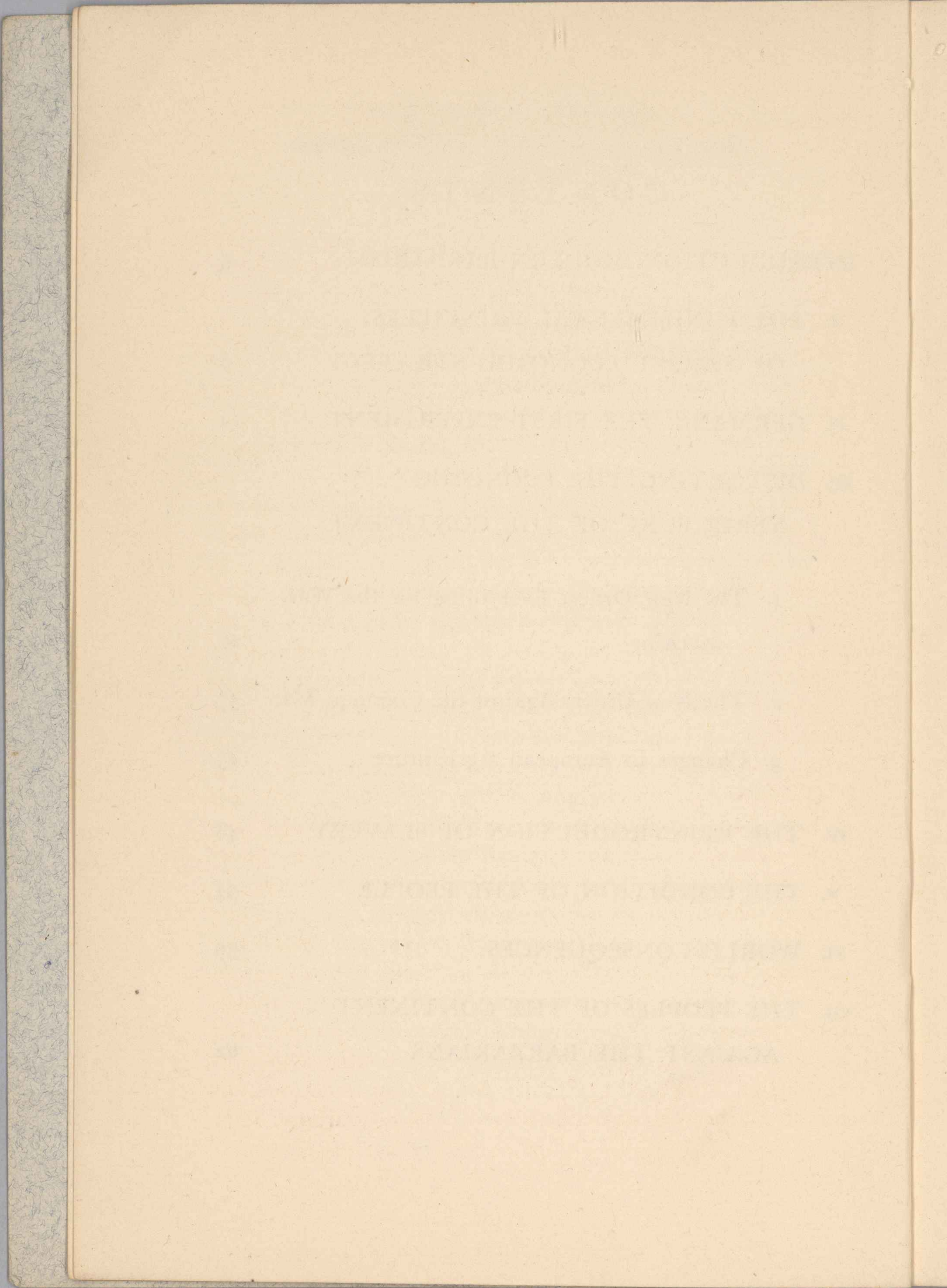
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INTRODUCTION: MODERN BARBARISM

INNUMERABLE are the crimes of persecution and perversion committed by National-Socialism. First in Germany, then in Austria and Czechoslovakia, in Poland, in northern and western Europe, in the Balkans, and now in the Soviet Union, they plague and torture the people. They rob and rape, burn and plunder, mutilate and murder.

But this is only one aspect of the conquests of National-Socialism. There is another, even more terrible, although not so well realized as yet by many people. Yet this aspect is much more dangerous. It reveals the premeditated, scientifically planned crime of National-Socialism and German monopoly capital. Goering and the others are not merely dope-fiends and sadists. Goering, in conjunction with Krupp, the coal and iron baron, Himmler with Flick, the steel king, and Goebbels with Schmitz, the chemical magnate, have made long-term plans to hold mankind in sway.

Hitler and the monopolists are endeavoring to build up a New Order in Europe—the order of Nazi tyranny, the order designed to set the German monopolists at the head of world economy. They are making use of all the experience mankind has gained in every field of science. They pervert science into an instrument of planned oppression and exploitation, on a huge scale and over a long period. They are not like the barbarians of old, who rode roughshod through the civilized world, destroying blindly. They are modern barbarians, well trained in specialist schools of barbarism. They move carefully, blundering sometimes but not often; they destroy with deliberation and purpose. They

plan with devilish precision. It is for this reason that they are so dangerous, so hard to combat. And for this reason we must study their methods; otherwise we cannot fully realize their menace and be fully prepared to overcome them.

In this short book, we do not deal with the crimes of brutal passion which the barbarian conquerors have committed and are committing daily. We do not write of the requisitioning of stocks so urgently needed by the hungry peoples of the Continent. We shall not speak of the resale of these stolen goods to those from whom they have been stolen, at enormous profit, nor of the countless other deeds of barbarism of which one reads or hears so often. We deal here only with the large-scale, long-term acts of modern barbarism, with the planned economic enslavement of the European continent and of the whole world by Nazism and German monopoly capitalism.

For we must realize that, while we are fighting for a new and better world, German fascism is already beginning to build a new and more terrible one. Out of the ruins of the old world, they are already trying to build the foundations of a world where freedom and culture are unknown, and where terror and oppression flourish. It is against this "new" world that we are fighting—against this world they seek to construct out of the worst elements of the old.

This vile New Order is no ramshackle affair thrown together by ignorant jerry-builders. It is the work of masters in the masonry of evil. Nothing so good, so brave or so noble but that they try to find some malevolent alchemy to convert it to the service of their foul design, until, fashioned anew in the furnaces of corruption and infamy, it emerges ready to fill its appointed place in this edifice of torture, degradation and suffering.

It is this that makes these modern barbarians so dangerous. It is for this reason that we present here a picture of the new economic world these barbarians are building today.

I. THE FUNDAMENTAL PRINCIPLES OF FASCIST ECONOMIC STRATEGY

IN ORDER to keep conquered territories subjugated, it has always been necessary to maintain armed forces in key positions. The army has always been, and still is, the instrument of power in the hands of the conqueror. It is a mobile instrument which can be used wherever conditions in the occupied territory render it necessary. Either the chief centers of population can be occupied—if necessary, entire quarters of a town or city being placed at the disposal of the forces—or, if advisable, military centers can be constructed at strategically important points outside and, perhaps, far away from the large towns. Whatever may be the case, the army is always the chief instrument of suppression, and is essentially mobile.

The problems of economic strategy which face the conqueror are more complex than those of military occupation, however. Under conditions existing nowadays—those of capitalist monopoly and imperialism—the decisive industries are the heavy industries, including the manufacture of armaments. In order to secure the economic subjugation of a conquered country, it is essential to secure control over its heavy industries. Once these are in the hands of the invader, industry as a whole is also in his grasp, and, in addition to this, he has secured the industrial foundations of his military domination. Formerly, the economic problems of military occupation were chiefly concerned with the acquisition of foodstuffs for the conqueror's military forces. Today, the problem becomes more and more one of the industrial supply of armaments.

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Nowadays the heavy industries of a country—from the conqueror's point of view—are the economic equivalent of military bases. They are the centers through which control of the whole of the country's economy is maintained. At the same time, they function as the chief supply bases for the invader's military machine.

If we observe Europe today, we can note—and we shall examine this in more detail in the next chapters—how the heavy industries of France, Belgium, Luxemburg and Poland are treated by the Nazis with almost loving care. Women and children may die of hunger. But heavy industrial machinery must be cared for; and if, in the course of war, factories have been damaged or destroyed, they must be repaired or rebuilt very quickly if they had been producing heavy industrial goods.

The iron and steel industry, the metal, chemical and coal-mining industries, are flourishing in Europe today. Their production is constantly being increased and their mechanism improved by the efforts of the best brains available. There is no blinking the fact that heavy industry in Germany and the conquered territories is being run well, from the purely technical point of view of securing increased and improved production. High-quality products are being efficiently manufactured. For the heavy industries are the basis of the fascist crusade of terror and conquest against the whole world, as well as the basis of supply of the vast armies which keep the peoples of Europe, including the German people, in subjection.

The first principle of National-Socialist economic strategy, therefore, is: Keep intact, build up, and, above all things, take over into your own hands the heavy industries of the subjugated countries.

The specific tactics employed by the German monopolists—that is, by German fascism—to gain control over the heavy industries of conquered countries vary considerably. In

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some cases the original owners are just simply expropriated; in others, the nominal capital of the undertaking is increased and the majority of shares is transferred to German monopolists; in others, again, "native Quislings" are given a considerable share in the capital; and, yet again, in others, the German monopolists even pay out a little actual cash in order to obtain control. But, varied as the methods are, their object is always to secure effective control of heavy industry by German monopoly capitalism.

The consumption industries are treated very differently. Textiles, food, clothing, pottery, etc., have an inferior position in the fascist economy, dominated as it is by the heavy and armaments industries. It is theoretically conceivable that this might change somewhat when, in the course of time, the ownership of colonial raw material sources might strengthen the position of the consumption industries. For instance, a colony chiefly producing cotton might give the textile industry a position superior to that which it enjoys today. But for the present consumption goods industries are not only in a weak position; they are also treated harshly. In the conquered territories, they are sometimes simply closed down. Damaged or destroyed factories are not restored or rebuilt. In Belgium and France, for instance, the state of the consumption goods industries is a sorry one. The tendency is to concentrate the production of consumption goods in Germany, thus giving the German consumption goods industries a monopoly of production for the whole of Europe. Consumption goods, anyway, are of considerably less importance than heavy industrial, that is, armaments, production. Fascism can never have enough armaments; therefore any additional arms-producing source is an advantage. But consumption goods industries produce for the people, for their maintenance and not for their destruction, and therefore it does not so much matter if

their products become scarce. Furthermore, the German consumption goods industries are capable of producing in considerable quantity. Since it is not the ideal of fascist economy to produce as large a volume of consumption goods as possible—in direct contrast to armaments—but only so much as to keep some of the people fit to produce armaments, since it is not the ideal of fascist economy to raise the people's standard of living as high as possible, consumption goods are regarded as of minor importance. Furthermore, since it is in the interests of fascism to rally to its support all the big industrialists within Germany, it is good policy to give to the German consumption goods manufacturers the monopoly for at least the whole of Europe.

Thus, while we find in heavy industry a tendency towards decentralization throughout the whole of Europe (of course, always under German control), we find in the consumption goods industry a tendency towards centralization within Germany.

There are, however, two exceptions to this. The first is that a number of consumption goods industries have to be located near sources of raw materials. Fish-canning, for example, must take place near the sea fisheries. It would obviously be impracticable, and therefore unprofitable, to concentrate the whole of the fish-canning industry in Germany. The same holds true in a number of similar cases. The second exception is that in certain instances consumption goods industries are transferred from western Europe to just beyond the eastern frontiers of Germany proper—chiefly to Czechoslovakia. The reason for this is that wages and the standard of living are lower there than in Germany and the profits accruing to German monopoly are correspondingly higher. It need hardly be said, of course, that these exported factories are still owned by German capitalists.

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The second principle of National-Socialist economic strategy, therefore, is: with certain exceptions, to kill the consumption industries outside Germany proper, or to let them die, and to concentrate consumption goods production inside Germany.

Thus, we see that the policy pursued in the consumption goods industries is, as a whole, exactly the opposite of that pursued in the heavy industries.

The Nazis' agricultural policy in conquered countries is again quite different, and again it is shaped exactly to the requirements of fascist dictatorship. Like the heavy industries, agriculture receives much consideration from the National-Socialists. After all, people must eat, and some, if possible, must be well nourished if they have to perform heavy industrial labor. The need to secure a food basis for National-Socialism is one reason for the attention given to the development of agriculture. A second reason is that agriculture is generally "conducive to political apathy." Agriculture means heavy work, long hours and relative isolation from the cities. All this makes the development of a strong national opposition movement to the Nazi rule more difficult.

Pétain's appeal to the French to return to the occupation of their forefathers, to go back to agriculture, has a triple purpose: to relieve unemployment in the French consumption goods industries, to increase agricultural production, and to impede the growing movement of rebellion against the invaders and their agents.

Agriculture is not only being encouraged by the German conquerors; it is being changed in character. There is an accelerated tendency towards increasing the size of large estates. Furthermore, there is a tendency to bind agriculture more closely to the chemical industry by giving large stretches of land to chemical combines (chiefly the German I.G. Farben Trust) for experiment and as bases for raw

materials. The same trend towards an increasing domination of agriculture by the chemical industry is apparent in the forcing of peasants and farmers to take a certain quantity of artificial fertilizers. Finally, there is a tendency to change the crops in accordance with the demands of modern industry and fascist plans for self-sufficiency. This is especially clear in the case of the large-scale experiments in introducing the cultivation of the soy bean.

The agricultural policy of German fascism thus brings regression to many parts of Europe. It is in part the reverse side of the policy of de-industrialization pursued in those industrial districts producing chiefly consumption goods; and it is also in part a policy of de-urbanizing large sections of the European population. It is a policy aimed at reducing the intellectual level and the national and political consciousness of the peoples of Europe. At the same time, it strengthens the hold of the Junkers and their kind over the subjugated countries. Finally, wherever it introduces any technical progress, this progress is closely bound up with an increase in the control of the chemical industry over agriculture.

The third principle of National-Socialist economic strategy, therefore, is: to further agriculture in order to impede the development of political opposition, in order to enrich the Junkers, in order to strengthen the position of the chemical industry, and, finally, in order to increase the food basis of German fascism and further the policy of self-sufficiency, or autarchy.

This last point is not without significance for the large agricultural producer countries, such as Canada, the United States, Argentina, Australia and others. If successful, it would obviously strengthen the bargaining power of German fascism.

These three principles of National-Socialism combined

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determine the economic character of the New Order now being built up in Europe by German fascism. For this strategy is already being applied today, and its consequences are already being felt in Germany as well as in the occupied territories. It is the new order of barbarism, of conquest and world domination by arms and economic power. Its full realization would put back the technical and economic structure of certain parts of Europe a hundred years or more while overdeveloping economy in other parts of the Continent. Finally, it would concentrate certain sections of industry on the production of goods which are of a purely oppressive and destructive value.

II. GERMANY—THE FIRST EXPERIMENT

THE first victim of modern barbarism was the German people. Germany was the laboratory where the National-Socialists and the monopolists first tried out their ideas, where they began to practice the economics of barbarism.* The lessons of Germany were then later applied to other countries and modified with the growing scale of their application.

The fundamental principle of National-Socialist and monopolist economy in Germany was formulated by Goering in his classical saying: "Guns for butter." Dr. Schacht enlarged upon the implications of this slogan in a speech he made to the Economic Section of the German Academy on November 28, 1938:

"The less the people consume, the more work can be done on armament production. The standard of living and the scale of armament production must move in opposite directions."

Such is the policy of the economics of barbarism: produce as much of the means of destruction as possible—as few goods for the man on the street as possible—and out of this you get enormous profits for the monopolists and frightful deprivation for the mass of the people; out of this emerges the new world order of barbarism.

If we glance at the economic history of Germany during

* For a more detailed survey of economic conditions in Germany before the present war, see J. Kuczynski, *Germany's Economic Position*, London, 1939

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the years 1933 to 1939—from Hitler's advent to power to the year of the present war's outbreak—we find that the above principles were closely followed. Let us first examine some figures of industrial production: production in general, then the specific figures of the production of consumption goods and the production of investment goods (*i.e.*, heavy industrial or armaments goods):

INDUSTRIAL PRODUCTION IN GERMANY

(1929 equals 100)

Year	General Production	Consumption Goods	Investment Goods
1932	53	76	34
1938	126	113	136
July, 1939	135	120	147

The production of investment goods—that is, of armaments goods chiefly—increased much more than any other branch of industrial production; it increased more as compared with 1932 and also more as compared with 1929.

Yet, from the above table one gains the impression that the production of consumption goods, while lagging behind somewhat, has increased not inconsiderably. The reason for this impression is that the consumption goods industries produce partially also for war. The textile industry, for instance, produces uniforms and numerous other goods of importance to the army.

A better and more impressive picture can be gained by comparing the development in certain individual branches of industry:

INDUSTRIAL PRODUCTION IN SELECTED

GERMAN INDUSTRIES IN 1938

(1928 equals 100)

Production of toys	85
General production	125

Production of investment goods	137
Production of pig iron	157
Production of trucks	205
Production of copper	304
Production of gasoline	600

Toys are of no use for war purposes. Therefore their production has been curtailed; in 1938 it was 15 per cent lower than in 1928.

Investment goods already include a much higher percentage of armaments goods than production in general; therefore their production has increased more than that of toys and more than that of production in general. Pig iron production is even more closely tied up to the armaments industry and therefore shows a greater increase in production. Trucks are still more closely allied to armaments, while copper and gasoline come even closer: these, therefore, show the highest increases. Had we absolutely pure armaments branch statistics at our disposal, such as, for instance, figures for the production of tanks or guns, the increase in production would surpass all figures in the above table.

One must not, of course, assume that Hitler or other leading National-Socialists decided on their own initiative upon such a policy. The policy was (and is) decided by the most important heavy industrial monopolists, who execute it in conjunction with the leaders of the Nazi party. Very soon after they came to power, leading National-Socialists became members of the directorates of the big companies, while the chief industrial capitalists became members of the state administration. Thus, the two groups became joint planners and executives of what we today understand by National-Socialist economic strategy.

One may say, therefore, that from the very beginning of the Hitler regime Germany was governed by a dictatorship of heavy industrial monopoly capitalists and National-

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Socialist leaders—a combination which became more and more integrated and can now no longer be separated into its original components.

No wonder that under such conditions the whole of German economy was subordinated to the interests of heavy industry. Everything was done to further its aim: to conquer the world and subjugate it to its will. The light industries, producing for the people, were starved for raw materials, man-power and capital. The state became the chief instrument of the lords of coal, iron and steel, the armaments and chemicals kings, for controlling the German people and German economic life. Control means, in this case, directing (and curtailing) all activities in such manner as best to serve the heavy industrial monopolists—in other words, as best to serve the preparations for war. For without war, the National-Socialists and monopolists never expected to achieve their goal.

State control of foreign trade, of imports and exports, was one of the chief means of controlling the national economy to serve preparations for war. The following table of German imports shows how foreign trade control can direct general economic activity in the desired direction:

NET IMPORTS OF SELECTED COMMODITIES INTO GERMANY (in thousand tons)

<i>Commodity</i>	<i>1929</i>	<i>1938</i>
Rubber	49	108
Zinc ore	95	138
Lead ore	114	141
Copper ore	430	654
Raw cotton	358	351
Eggs	168	102
Cheese	64	32
Lard	125	42

We see that imports of rubber have more than doubled, while lard imports have declined by almost two-thirds. Guns instead of butter, rubber instead of lard, armaments raw materials instead of food. By cutting down the imports of cotton and wool, cocoa and lard, German fascism cut down the production of civilian goods manufacturing industries. The foreign exchange saved by reducing these imports was used for importing increasing quantities of armaments goods.

This development runs parallel with that shown in the previous table on production. The nearer we come to the armaments industries, the bigger the increase, whether of production or imports.

Use was made of the banks in a similar way, and for similar purposes. The banks were forced to cut down loans to factories and firms engaged in relatively peaceful business and in some way serving production for the people. On the other hand, they were compelled to make extensive loans of capital to the armaments industries and to heavy industry as a whole.

Foreign trade monopoly and state control of the banks were thus the principal indirect instruments for remodeling German national economy to suit the warlike purposes of the National-Socialists and monopolists.

While production of armaments goods was forced up, that of consumption goods was not only curtailed; it also declined in quality. Substitutes were produced which at some time in the future may be developed into something really worth while and useful, but which were forced upon the people long before that stage was reached. For instance, the German textile industry was compelled to lower its technical standards and produce third-rate cloth for the mass of the people. The new substitute product, the staple fiber, was being produced in ever-increasing quantities until, in 1938, about 15 per cent of all fiber used in Germany

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was *Zellwolle*, or staple fiber. In fact, one may say that high staple fiber production is a characteristic feature of fascist economy. The biggest producing countries of staple fiber—producing in 1938 90 per cent of world production—were (and still are) Germany, Italy and Japan—three countries eager to restrict the importation of useful goods and equally eager to expand the importation of armaments materials.

Production of substitutes was not restricted to the consumption goods industries. Much scientific research was, and still is, proceeding to find substitutes useful to the armaments industries. But there is a vast difference between the treatment accorded to the ordinary citizen and to the army. In the latter, substitutes were introduced only after they had proved to be of high quality, while civilians had to be satisfied with any kind of substitute.

In this way the production of goods of destruction and its technique made rapid strides in fascist Germany, while both quantity and technique of the production of consumption goods were deliberately lowered. This is typical, of course, of the economics of barbarism.

The first six years of fascism in Germany, from 1933 to 1939, were also used to develop the technique of plain economic robbery. Various methods were experimentally tested on an increasing scale, with the Jews as chief material for research. It often began by what is called "the squeeze": Jews were forced to pay for permission to continue in business. This method was followed by that of the "squeeze-out": no raw materials and no government contracts were given to Jewish-owned businesses. A variation of this is the forced sale—forced, not because of economic difficulties, but because of hooligan terrorism and government pressure. More primitive methods, such as putting the owner into a concentration camp or even murdering him, were also resorted to. In fact, all the methods later applied in the conquered territories were first employed in Germany.

If we ask, "Who really benefited from this policy?" the answer is simple: the heavy industries, that is, the armaments industries; and the other big concerns, trusts and monopolies. At first sight this answer needs no additional illustration. Krupp and Voegler, Stinnes and Wolff, Poensgen and Schmitz, the representatives of coal and iron, steel and chemicals, are the men behind the throne, the real rulers of Germany. They are the ones for whom this new political system has netted hundreds and thousands of millions.

But, one may ask, did not the small firms, the numerous independent craftsmen and shopkeepers, the small farmers and peasants, gain anything from the increase of production and business activity? They not only gained nothing; they lost heavily. They became the economic victims of this system. Thousands, nay, hundreds of thousands, of them saw their business fail; they were the economic equivalent of cannon fodder in the armed war.

There are two reasons for this, which, in effect, are but two aspects of the same process. In order to prepare as quickly and efficiently as possible for war, it is necessary to produce where production is most efficient and to utilize man-power where it can best be used. Now, small firms—and particularly the small-scale production methods of the independent small workshops—are not as efficient as the factories. Similarly, the distribution of goods is more economically organized if it proceeds through a relatively small number of big stores than through innumerable small retailers. Therefore, with their customary ruthlessness, the National-Socialists and monopolists instituted a large-scale massacre of small businesses. The former owners of these businesses and their employees were then forced into the armaments factories. How this work of destruction was accomplished is not without interest. High taxation and curtailment of supplies of raw materials were fairly effective—

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thousands of small concerns perished. But this did not work fast enough. Consequently, local regulations were introduced to the effect that if a business could not show a certain minimum turnover, it was regarded as inadequate from the national standpoint and therefore received no state or municipal orders; it was barred from supplies of raw materials and excluded from membership of its particular trade organization. This served rapidly to increase the number of victims. In one year alone (1937) the number of independent retail businesses in the province of Brandenburg, for example, fell by over 10,000, or more than 20 per cent. In the winter of 1938, 600 dairy shops in Hamburg were forced to close down, while Munich was even more successful in closing down 1,500 small provision shops and dairies. Between April, 1936, and the end of March, 1938, 104,000 small independent craftsmen had to close their businesses.* By the end of August, 1939, the figure had passed the 200,000 mark. Probably no less than 300,000 independent craftsmen, small shops and small-scale factories or workshops had to close under National-Socialism previous to the present war. In this manner, a huge army of workers—often highly skilled—was recruited for the big trusts.

No wonder, then, that the weight of the big trusts in German national economy grew from year to year. An ever-increasing volume of invested capital fell into the hands of the large companies. Since among these big companies themselves there was also a considerable change in the distribution of power and economic importance, it is obvious that the final winners must have gained enormously. These final winners, of course, were the monopolists in the heavy industries, who profited not only at the expense of the innumerable small businesses which had been killed off but also

* *Essener National-Zeitung*, August 21, 1938.

at the expense of the trusts and big concerns in the consumer goods producing industries.

The pattern of the reconstruction of German national economy under Nazi rule is determined by the adaptation of that economy to the needs and requirements of war and preparations for making war. Everything was subordinated to this single purpose, necessary for the fulfillment of the dreams of German heavy industry—dreams which had been shattered so disastrously in 1918 and which were so seriously endangered in 1932, when the leadership of the National-Socialists helped to rescue big business from the indignation of the German masses.

There remains one other large branch of German national economy with which we must briefly deal—agriculture. Under the National-Socialists, the standard of agricultural production was improved in some respects, while in others it deteriorated. Germany possesses a very large chemical industry, producing great quantities of artificial fertilizer. Partly because the chemical industry belonged to the ring of armaments monopolists and partly because the National-Socialists wished to increase agricultural production, the sale and use of fertilizers were considerably increased. Peasants were forced to spend a high percentage of their income on fertilizers. In this way the chemical industry plundered the peasantry, while the yield per acre was increased. On the other hand, the quality of cattle fodder deteriorated. It had been imported in large quantities, and since imports of civilian goods were decreased in order to save foreign currency for armaments and their raw materials, substitute foodstuffs were tried out. This substitute fodder, and inadequate supplies of any kind of fodder, had a most deleterious effect on the health of stock, and the quality of milk products deteriorated. Furthermore, cattle suffering from malnutrition not only produced inferior meat but were also less able to resist disease. This was

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one reason for the phenomenal spread of foot-and-mouth disease in 1938. In contrast to the heavy industries and to the consumption goods industries, agriculture thus presents a more diversified picture from the point of view purely of production.

The effects of the changing structure of German economy, its steadily accelerating trend towards the production of goods of destruction, and away from the production of useful goods, severely affected the German people.*

Their standard of living declined, except for those who had previously been unemployed and for some groups of key workers. Within a few years food imports had been curtailed to such a degree that a serious shortage of a number of very useful food products had developed, including both fats and fruits. Long before the war started, various foods were rationed, and a considerable majority of the German people were suffering from malnutrition and especially from vitamin deficiency. During the first half of 1939, while peace still reigned in Europe, more than three-quarters of the German population were being inadequately fed. Even according to official National-Socialist statistics, average wages would have had to be increased by two-thirds or more in the greater part of Germany in order to attain the official cost of living minimum.

Although insufficiently fed, the German workers were driven to work harder and harder. The working day was lengthened for both manual and white collar workers. The sixty-hour week became the rule. Substantial groups of workers labored for seventy-two and even eighty-four hours per week. An official "collective agreement" actually exists providing for a 104-hour week in the power stations of Baden. "Time-study" men became increasingly numerous,

* For a more detailed survey of labor conditions in Germany under Hitler, see, J. Kuczynski, *The Conditions of the Workers in Great Britain, Germany and the Soviet Union, 1932-38*, London, 1939.

and the "scientific management experts" were the honored slave-drivers of German industry.

The effects of poorer and poorer nutrition and of longer hours and more intensive labor became obvious in the increase of industrial accidents. The total number of accidents in German industry increased between 1932 and 1938 by over 100 per cent. The accident rate per 1,000 workers rose from thirty-four in 1932 to sixty in 1938. In 1938, one in every sixteen workers was so seriously injured that the accident had to be reported to the general insurance office and the worker had to take time off.

For these and similar reasons, the health of the German people naturally suffered. This becomes clear even from the official statistics of the health insurance scheme. According to these, the number of cases of illness per insured worker increased under National-Socialist rule by about 40 per cent.

While accidents and sickness increased, the social insurance system was depleted of funds and social welfare measures were restricted. One example shows this very clearly and also indicates the innate brutality of the methods by which the National-Socialists and monopolists proceeded: the number of orphan children granted state maintenance was halved between 1932 and 1938.

In addition, all working class organizations and benevolent institutions were dissolved. Trade unions, labor political parties, sports clubs and burial clubs were abolished. Other organizations of the people—such as the numerous allotment-holders' associations, with millions of members of every class—were converted into National-Socialist organizations with National-Socialist officials at their head and with a new, subservient policy.

Ruthlessly, without regard for the lives and well-being of the people, the National-Socialists and the monopolists prepared the way for war, for the deaths of millions of Germans and millions of people of other nationalities. For

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more than six years the German people had to tighten their belts, were compelled by terrorism to produce guns instead of butter. For over six years the dread of bankruptcy overshadowed the daily existence of hundreds of thousands of independent craftsmen and small retailers, and many failed as a result. For more than six years German children and their elders had to endure growing privation in order that the rulers of Germany—Hitler, Krupp and their like—might eventually wage war upon the world.

Thus, the German people were Hitler's first victims. They were the first to taste the bitterness of his new economic order. They were the first to suffer the consequences of this devilish plot against the lives and happiness of mankind.

III. DISTORTING THE ECONOMIC STRUCTURE OF THE CONTINENT

1. THE NEW ORDER: EVERYTHING FOR THE WAR MACHINE

IN EVERY country conquered by the National-Socialists the German monopolists immediately take possession of the economic key positions. The German tanks were promptly followed by German iron and steel barons, by coal and chemical princes.

The world saw this strategy in practice for the first time, before the outbreak of the present world war, when Austria and Czechoslovakia were conquered. Almost at once, coal and ore, iron and steel, became German property. Minority positions in the big concerns became majority positions. The monopolists of the Ruhr replaced the "native" capitalists. The big iron and steel works and chemical plants went to work under German domination, and production was geared up rapidly to assist preparations for war.

When Austria was conquered, it became a base for the attack on Czechoslovakia. Even before the military occupation of Czechoslovakia, its economic structure was being undermined by means which Austria provided. The Austrian Baron Rothschild, for instance, was kept a prisoner until he transferred to the German monopolists his share in the big Czech Vitkovice Iron and Steel Works.

The Hermann Goering Works were one of the chief collectors of key positions. Founded in 1937, with a capital of 5,000,000 marks, for the exploitation of low-grade ores in Germany, they increased their scope very rapidly, and one year after their foundation their capital had increased to

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400,000,000 marks. The exact amount of participation of the big German iron and steel trusts in this undertaking is not known. But all the big capitalists of the Ruhr are known to have a considerable share in it. Goering boasted to Balbo that the Hermann Goering Works were destined to become "the greatest industrial enterprise in the world."* In Austria the Hermann Goering Works secured for themselves decisive control of the Alpine Montangesellschaft (ore), and the Veitsche Magnesitwerke, besides numerous iron and steel concerns and the oil-distributing agency, Fanto A.G.

In Czechoslovakia, they control Skoda, the Brno armaments works, and other concerns producing iron, steel and their manufactures. The French capital in these works (Schneider-Cruzot) sold out to German monopolists who paid them off with Czech gold held by the Bank for International Settlements. Today the same German monopolists control the French Schneider-Creuzot works! The Sudeten-German mines were consolidated, by means of expropriating or cheaply buying out their chief shareholders, into the Sudetenländische Bergbau A.G. This concern founded the Sudetenländische Treibstoffwerke A.G., today one of the biggest producers of synthetic oil.

Just as the conquest of Austria was used to undermine Czechoslovakian economy even before the country was conquered, so was the conquest of Czechoslovakia used to facilitate infiltration into Balkan economy. In Rumania, for instance, local branches of the Skoda and Brno armaments works were used to set up a nephew of Goering in control of the Reshiza Works, which account for 80 per cent of the steel production and 50 per cent of the locomotive production of Rumania.

* Much useful material on the Hermann Goering Works is to be found in "The Hermann Goering Works," by K. Lachmann, *Social Research*, New York, February, 1941, Vol. 8, No. 1.

In Austria and Czechoslovakia the heavy industrial concerns taken over by German monopoly capitalism were at once geared up as integral sections of the machinery for war preparations. By the summer of 1939 both the Austrian and Czechoslovakian heavy industries had joined the German in working full blast for the coming war.

The forms of conquest, the methods of "collaboration" between the German monopolists and the big industrialists of the conquered countries vary in different countries. They are determined by the necessities of warfare, by the economic structure of the particular country, and by the place each country is assigned to fill in the New Order of Europe. For these reasons, for instance, methods used in France are widely different from those used in Poland. But, while the pattern may vary, the result is the same; the heavy industries of each country come under the control of the real rulers of Germany, the German monopolists of coal, iron, steel and chemicals. And these industries are ordered to proceed at once to reach maximum production. The tanks leading the aggressor's attack upon the Soviet Union are not only of German, but also of Austrian, Czechoslovakian, French and Belgian manufacture.

A few weeks after the end of the war against Poland, the German monopolists founded the Haupttreuhandstelle Ost. This organization has the right to take over all Polish property if "the defense interests of the Reich require such action"; another excuse for such action is "the strengthening of Germandom." With these arguments, the organization expropriated within a single year:*

- 294 big industrial works
- 9,000 medium-sized industrial works
- 76,000 small industrial works
- 9,120 big trading firms
- 112,000 small trading firms.

* *Die Zeitung*, London, April 17, 1941.

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The Koenigs and Laurahuette mines were taken over by the Hermann Goering Works. The ironworks of the same concern were given to the Roechling concern, which has its headquarters in the Saar territory. Krupp acquired the Bismarckhuette (coal and iron*); the Fuerstengrube goes to the I. G. Farben (dye) trust.† The enormous estates of the Wirek Kopalnie are divided among the three biggest estate owners of eastern Germany. Schaffgotsch gets 50 per cent, Ballestrem gets 30 per cent, and Donnersmark gets 20 per cent. Each of these three estate owners and industrialists is estimated to have a family fortune of over 100,000,000 marks.

The Polish locomotive works, the Kattowitzer Lokomotivfabrik, Chrzanow, were taken over by the biggest German locomotive concern, Henschel and Co., A.G., Cassel.

In Poland almost every big industrial concern has simply been confiscated. The former owners received no compensation. This is plunder pure and simple. The capital gains of the big German industrialists are enormous. Mines, factories and machinery worth hundreds of millions have come to them through the conquest of Poland.

In France, Belgium and Holland, the pattern of conquest and control is very different from that used in Poland. In these three countries the factories and concerns belonging to one industry are grouped together into one economic unit—a syndicate, a holding company, a ring, and so on. At the head of such a unit the German monopolists usually put a native Quisling, who often had worked with the German monopolists for years. He is usually a member of the native fascist party.

In Holland, for instance, the fascist leader, Rost van

* *Ibid.*

† *Ibid.*, August 1, 1941.

Tonnigen, has been put at the head of the Central Bank. He and another Quisling, Dr. Fentener van Flissingen (connected with the rayon trust, Aku-Glanzstoff, and former president of the International Chamber of Commerce), formed and are now at the head of the National Committee of Economic Collaboration.

While officially concluding economic agreements with German organizations, this National Committee is actually engaged in handing over Dutch industry to German monopolists. This somewhat indirect way of taking over Dutch industry is proving useful, for it makes possible such official pronouncements as:

"A new Europe is in process of reconstruction . . . concerned with the prosperity of the European people and not with the interests of a group of capitalists. The peoples will not be shut off from each other, but will co-operate for the common good." *

Such "co-operation" requires, of course, delivery of the whole of Dutch heavy industry into German hands. The German Vereinigte Stahlwerke (United Steelworks) received the lion's share in Holland. They took over the iron and steel works of Ymuiden and later the Van Leersche Iron Works. The chairman of the combine into which have been amalgamated these works is the above-mentioned Quisling, Fentener van Flissingen. The real power behind him, the German Ruhr magnate, Ernst Poensgen, with four other German industrialists, is content with a modest position on the directorate. However, these five form a majority!

The important Dutch power stations, which were not fully used after the closing down of so many factories producing consumer goods, are to be linked up with those of

* Quoted in *Economist*, London, November 30, 1940.

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the Ruhr territory.* In this way they are placed at the service of the German armaments industry.

The taking over of a number of Dutch banks† (Koopmans Bank, Amsterdam, N.V. Rijnsche Handelsmaatschappij, Handelstrust West N.V., etc.) by the big German banks facilitates control over Dutch industry. Although these banks are now under the control of German banks, they keep their Dutch names. It is the expressed policy of the German banks to veil these proceedings in order to avoid a run on the deposits in the Dutch banks.‡

In France, as in Holland, numerous *comités d'organisation* have been formed in order to facilitate the control of various industries. As in Holland, these committees are headed by native industrialists who have for many years been collaborating with their colleagues in Germany. Like their Dutch counterparts, they have often financed the fascist movements in their own country. Prominent among them was the automobile tire manufacturer, Michelin, who died recently.

Collaboration between French and German heavy industry has always been close, while, at the same time, competition between them was often very bitter. At the annual meeting of the Hasper Iron and Steel Works in 1915, Peter Kloeckner, the leading German Catholic heavy industrialist, declared:

"The iron-ore production of Germany amounts to only 3,000,000 tons annually, while that of France amounts to 10,000,000. At the same time, the pig-iron industry of Germany is much bigger than that of France. Germany, moreover, has much more coal than France. It is only just, therefore, that France should

* See *Economist*, May, 1941.

† See *Die Zeitung*, April 12, 1941.

‡ *Ibid.*, June 12, 1941.

give to Germany the iron-ore resources of Briey and Longwy, which she does not really need and of which she cannot make real use. This can easily be arranged by a trifling frontier rectification."

Because Germany lost the last war, Kloeckner lost all his iron-ore property in Lorraine. Only his coal mines in Germany were left to him. Today the German monopolists are trying to make good the losses of the last war and to seize what they failed to seize then. Immediately after the last war, the heavy industrialists of the two countries again began to work in collaboration. Roechling was a leading industrialist on the German side, and the de Wendel family was foremost on the French. These two formed common trusts like the A.R.B.E.D. and the H.A.D.I.R. companies and the International Bank in Luxemburg. This collaboration was not interrupted by the present war. H.A.D.I.R. continued to send 3,000 tons of ore daily to Germany, and a few days before the big German offensive in the west the directors of the International Bank, Frenchmen and Germans, sat peacefully together to discuss business affairs.*

The victorious offensive against France made it possible for the German monopolists not only to realize their aspirations of 1914 but to improve upon them considerably. The ore resources of Lorraine and the de Wendel Works in Lorraine and Luxemburg were taken over by the Hermann Goering Works. Other works were given in trust to a combined administrative committee of the Hermann Goering Works, the Vereinigte Stahlwerke and the Kloeckner Works.† At the same time, the German colliery owners guaranteed the supply of coal and coke to the "French" iron and steel works.

* There is much useful material on relations between German and French industry in two articles by A. B., "Die Deutsche Wirtschafts-hegemonie in Frankreich," in *Renaissance*, August, September, 1941.

† See *Economist*, June 14, 1941.

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In addition to such direct measures of control, the banks are used to penetrate French industry, as in Holland. The International Bank in Luxemburg, that peaceful oasis of the monopolists of Germany and France during the first period of the present war, has floated a new holding company to purchase and finance industrial concerns, aimed at the exclusion of foreign interests (chiefly American).* Lazard Frères, Crédit Lyonnais, Banque de l'Union Parisienne, and all the other well-known French banks are under German domination, and so are the numerous French industrial concerns which these banks in turn control.

The automobile industry in France has been reorganized, so that the French firms have been obliged to come to an "understanding" with the German and Italian concerns, which now dictate the types and methods of mass production and thus "give bread to 800,000 families," as a speaker on the French wireless has explained.† The important Paris machine-tool concern of Cuttat has come under the control of the Leipziger Maschinenfabrik Pittler A.G. The German Dye Trust and the three biggest French chemical concerns have formed a central French chemical monopoly, called Francolor. A French Quisling is president of the monopoly, while the German Dye Trust controls 51 per cent of its shares.‡

French heavy industry is at present engaged in supporting the National-Socialist war effort. Its factories are working, often at full capacity, and some are even expanding. The great automobile concern of Peugeot, for instance, is enlarging its capacity for the production of trucks.§ The iron and steel industry is working much better than is

* *Ibid.*

† *Die Zeitung*, May 6, 1941.

‡ *Voelkischer Beobachter*, Berlin, December 14, 1941.

§ *Die Zeitung*, August 7, 1941.

usually supposed. Rumors that it is working very badly are occasionally put out for deceptive purposes by semi-official German agencies. But on October 19, 1941, the *London Sunday Times* reported:

"The re-equipping of most of the French armament factories is now complete and work is going ahead so far fairly free from the attentions of the R.A.F. The three great Hispano aircraft plants, Gnome, Rhône and Salmson, have received large orders for airplane engines, which will keep them going, with renewals, probably until the end of the war. . . . [In] the great Loth factory at Neuilly-sur-Seine, near Paris . . . cannon, precision instruments, bomb-sights and blind landing and aircraft detection instruments are turned out. Most of the new output goes to restock German military stores in western Europe, since accumulated stores have been sent to Russia; the vast Renault works at Billancourt and Ivry-sur-Seine are turning out tanks on a long-range contract, often on the basis of parts sent from Germany."

Nothing can illustrate and summarize better the enormous help which German fascism has received from French heavy industry than the following statement by John T. Whitaker, who had special facilities to study this question:

"France alone has supplied to Germany more than America has sent to Great Britain—according to an estimate given me by three German sources and confirmed by William L. Batt of our War Production Board."*

In Belgium the program of industrial reorganization is combined with the program of "changing the racial structure of industry." Flemish industry is to be furthered at

* *The Nation*, New York, April 18, 1942.

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the expense of the Walloon because "the Flemish people are racially nearer to the German people than the Walloons." The province of Limburg is to become a second Ruhr territory. But the "racial reconstruction of Belgian industry" does not prevent the German monopolists from acquiring control over all the important works.

The Flemish people are really destined to be nothing more than the superior of two grades of servants. The Otto Wolff A.G., well known as international heavy industrial promoters even in the time of the Kaiser, has taken over part of the share capital in the iron works of d'Ougrée Marihay; the Vereinigte Stahlwerke acquired shares in the John Cockerill Company; Kloeckner and Hugo Stinnes have founded a company for the purchase of Belgian mining interests.* All the well-known names reappear in Belgium. As usual, German monopolists take over. Control of the Belgian banks, just as in Holland and France, facilitates penetration into numerous concerns. The Dye Trust reappears with shares in the Solvay concern and in the Union Chimique Belge.

Belgian heavy industry is engaged in producing for the fascist war effort. If there has been any change, it is towards more intense use of capacity. Everywhere in western Europe, industrial works are engaged in producing the means of destruction.

In Denmark and Norway, conquered by the National-Socialists, the coal, iron and steel industries play a minor role. In these countries, however, the power industry has been developed to a very high degree, and the National-Socialists are continuing this development. Plans exist for the creation of a combination of power stations, based upon water power and designed to furnish electricity for a large part of Europe. In February, 1941, a German-Norwegian

* "Trade and Engineering: a Monthly Review of Industrial Progress," *The Times*, London, October, 1941.

company was founded in order to increase considerably the generation of electricity.* It is said that the increase is to be 10,000 million kw.h., of which the greater part is to be carried over cables to the Continent. In Denmark, also, new power stations are being constructed.

The German Dye Trust is extremely active in Norway and Denmark. The leading Norwegian chemical concern, Norsk Hydro El Kvaestof, has always been within its sphere of influence; this concern is now actually controlled by the Dye Trust. They are jointly erecting a plant for the production of light metals, and another for the production of aluminum oxide. In Denmark, the Danish Sulphuric Acid and Superphosphate Company is working under the control and with the patents of the German Dye Trust.

In the Balkan countries, heavy industry is considerably less developed than in the western or even the northern countries of Europe. The interest of German heavy industry is here chiefly concerned with raw materials, *i.e.*, oil, ferrous and non-ferrous ores. True, there is also some production of iron and steel and their manufactures, and this production is being expanded under pressure of the needs of the German war machine. But oil and ore are the chief immediate interest of German heavy industry in the Balkans.

The Kontinentale Oel A.G., under the chairmanship of Funk, the German Secretary of State for Economic Affairs, has the task of coordinating all Continental oil-producing activities. One of the first acts of this company was the foundation of a subsidiary company in Rumania for the control of the output of that country. In Hungary, the German Wintershall A.G. acquired all oil rights, thus ejecting Standard Oil from the advantageous position it had previously held. The capital of the Kontinentale Oel A.G. is 80,000,000 marks (the Hermann Goering Works started with a capital of only 5,000,000 marks!). Though this com-

* *Economist*, May 3, 1941.

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pany does business on a continental scale and though it is headed by a member of the German Cabinet, the big German monopolists are its real owners. Thus the German trusts control the whole of the European oil industry, partly directly and partly through the Kontinentale Oel A.G.

The production of Balkan ores, which formerly was to a large extent in the hands of British and French capital (as was also the oil industry), and, to a smaller extent, controlled by some of the Balkan states, has now become a German enterprise.

This short account of the conquest of European heavy industry by German monopoly capital should be sufficient to show the methods and scope of the process.

Heavy industry is being taken over and reorganized to form a widespread net of centers producing the means of destruction. It is actively engaged in producing the tools by means of which German fascism intends to enslave mankind and suppress everything we mean by "civilization" in Europe.

2. THE NEW ORDER: AGAINST THE COMMON MAN

Poland was the first country conquered during the present war. This country possesses considerable raw-material resources of importance to heavy industry, such as coal and iron ore, but she has chiefly been famous for her textile industry. Under the tsars, Poland was the chief textile center for all Russia's Empire. During the twenty years of her independence preceding the present war, Poland remained one of the chief textile-producing countries. According to the principles of the New Order for Europe, however, as set forth in Chapter I, this country must be destroyed. No one will be astonished, therefore, to read in a

memorandum,* issued on behalf of Goering by Frank, Governor of Poland, dated January 25, 1940, the following "guiding principles":

"From the aggregate of economic activities in the Governor-Generalship the following results in particular are expected:

"The dismantling and demolition of industrial establishments which are not included among armaments works or reserved as shadow factories, or of which the buildings have been damaged."

Even before this general outline of economic policy in regard to consumption goods industries was developed, special regulations governing the textile industry had been published on October 25, 1939, which prohibited the opening of new mills and which permitted existing mills to function only for so long as they had stocks of raw materials. Since, furthermore, part of these stocks were confiscated for the German textile industry, production was quickly reduced to between one-fourth and one-fifth of pre-war production. Even the severest world economic crisis did not reduce textile production to so low a level in Poland as did the New Economic Order of Hitler. And there is this important difference between the working out of a crisis and of the New Order: during a slump, the plants and machinery are at least kept intact; the New Economic Order destroys the machines and converts them into guns. Thus, the New Order destroys valuable productive property which may take decades to rebuild. It radically changes the economic structure of Europe, to the acute disadvantage of the peoples and to the advantage solely of a small group of monopolists, predominantly German.

* See Jon Evans, *The Nazi New Order in Poland*, London, pp. 98, 101.

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Norway and Denmark, the next two victims, possessed only an unimportant textile industry, while their food industries were in most cases closely connected with local natural resources. The destruction of the former, therefore, was not a severe blow, while the latter were generally kept going, especially the Norwegian industries connected with fishing. Denmark's breweries, famous all over the world, suffered considerably for lack of raw material. But on the whole one may say that the economy of Norway and Denmark, while, of course, suffering severely from German occupation—with the consequent shortages in raw material and the consequent absorption by German monopolists—was not radically changed in its structure. As soon as the Nazis are driven out of these two countries, the material basis of industry—the factories and the machinery—will be in condition once again to produce the goods they formerly produced.

Holland, Belgium and France have suffered considerably more under the New Order than Norway and Denmark—though less than Poland. Belgium and France have a very important textile industry. The textile factories and machinery damaged or destroyed during the war are not being rebuilt or repaired. They are being dismantled. Machinery is being made into tanks, and the bricks used for enlarging heavy industrial plants. Those textile factories which are intact are working at greatly reduced capacity—a figure of 40 per cent of pre-war capacity is given unofficially. On account of restricted allowances of raw materials, or because they have been closed down, they are suffering the same fate as that of the damaged factories. German monopolists are systematically destroying a considerable part of European textile productive capacity. Food industries in these countries are allowed to keep going if they use home-produced raw materials—this applies especially to the canning industries—but chocolate manufacturing, for instance, or the

tobacco industry (especially important in Holland), are dying for lack of raw materials, and the idle factories are being dismantled or are falling into decay. The same holds true of other consumption goods industries, such as the Dutch and Belgian toy industries, the furniture industry, the porcelain industry, and so on. An exception is being made in the case of a few firms which have a world-wide reputation and may later be useful for overseas export purposes. Some of these are already exporting to Germany. However, they are being placed under the control of German concerns which are not particularly preoccupied with their producing capacity, but which by this means have acquired their good name and secret production processes.

Some textile and consumption goods factories are being transferred from the west to the Sudeten territory, to Bohemia or Moravia, where they produce under German control and at considerably lower labor costs. But such transfers are relatively unimportant and affect but very little the structure of industry on the Continent.

In the Balkan countries, the most recent victims of Nazi aggression, little change has taken place, since the industries producing civilian goods are small both in number and size.

An important exception to the general policy of the German monopolists and fascists in this field is the staple fibre industry. There are two reasons for this. First, the staple fibre industry, though producing civilian goods, is really part of German heavy industry, being closely allied to the chemical industry; second, the staple fibre industry is largely dependent upon home-produced raw materials, chiefly timber. It is not surprising, therefore, that while the textile industry is disintegrating in conquered Europe, staple fibre and rayon industries are springing up everywhere, and that the existing plants are carefully nursed by the German monopolists who acquired control over them soon after the conquest of each country. Even countries which are treated

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as barbarically as Poland have the "privilege" of seeing a staple fibre industry growing up on their territory. The methods of controlling and expanding the staple fibre industry all over the Continent are the same as those applied in heavy industry.

The German monopolists who control all this activity are the I.G. Farben Trust and the Vereinigte Glanzstoff, on the one hand, and the Zellwolle Ring and the Phrix Trust, on the other hand. The first two were originally rayon producers, while the two others began as holding and producing companies of staple fibre. All four of them work in close cooperation, in spite of occasional differences. They not only control the German rayon and staple fibre industry, but they have brought under their control the whole companion industry of the Continent, and are now erecting new factories. They exercise this control partly through the shares they have acquired in various Continental concerns, partly through their influence in the timber industry, which provides the most important raw material, and partly because they own the most valuable patents. The following list shows in detail the control of the rayon and staple fibre industries of Europe and the plans for the erection of new plant:*

Germany: Four concerns working closely together control German and practically all European industry.

France: All rayon and staple fibre producing firms are controlled through the newly formed France-Rayonne, which is in turn controlled by the Zellwolle Ring. In exchange, some shares of the Zellwolle Ring have been allotted to French capitalists.

Belgium: Two companies under German control are

* Three articles, containing much useful information on the staple fibre industry in Germany and on the Continent generally, were published by *Die Zeitung* on June 10, 11, 13, 1941.

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reorganizing and enlarging the rayon and staple fibre production of this country. They are the Société Belge de Fibranne and the Fabelta. The latter is building several new factories at present.

Holland: The Dutch rayon industry, always closely allied with the German Glanzstoff Company, has been completely taken over by this concern. New staple fibre factories are being built under the joint control of Glanzstoff and Phrix.

Norway: Phrix and A.S. Borregard formed jointly Norsk Cellulfabrik, engaged in building large staple fibre works.

Poland: Erection in Lodz of the first Polish staple fibre factory by Phrix.

Spain: Phrix has acquired 24 per cent of the shares of the newly founded Fefasa concern, engaged in the production of staple fibre.

This process of acquiring and expanding an entire civilian goods industry is of the greatest interest. It shows that the German monopolists intend to control all important industries outside Germany, even if they are not heavy industries, if such industries are at all allowed to exist outside Germany. It shows, furthermore, that this control is exercised by establishing a special controlling body in each country, in its turn controlled from Germany. It also shows that German monopolists intend to build up this substitute industry, with its inferior products, all over Europe. The advantage of this substitute is that it wears much more quickly than ordinary wool or cotton products, thus ensuring a rapid turnover and higher profits. Clothing will be an increasing factor in the budget of the people. The clothing market will grow greater therefore. The position of the textile and clothing industry will thus be strengthened—and yet there will be no serious consequences within the

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reigning German monopoly ring, since the textile industry is becoming more closely linked up with heavy industries, owing to its increasing dependence on the chemical industry. Thus the dominant position of heavy industry will not in the slightest be affected by the strengthening of this section of the textile and clothing industries.

The study of these developments in the civilian goods producing industries on the Continent, therefore, shows that the New Order of the National-Socialist and German monopolists is becoming a terrible reality. It shows that every day lost in overthrowing the fascist regime means increased sacrifice today and involves ever greater labor of reconstruction in the future.

3. CHANGES IN EUROPEAN AGRICULTURE

For various reasons, agriculture is a branch of national economy very much favored by the National-Socialists.* In almost all the countries conquered by German fascism, we may observe an extension of cultivated area, an intensification of production, and, wherever possible, a planned change-over to industrial crops.

In France the extension of agricultural production, fostered by the Pétain government as well as by the German authorities, has had a considerable success. Extension of agriculture not only means more food; it also means the dispersion of the people—the depopulation of the large towns, which nurture a political menace to the regime. Finally, it facilitates the absorption of numbers of unemployed who formerly worked in industries producing only for consumption, and not for German armaments. During the first year of fascist domination in France, the agricultural plan provided for an extension of wheat acre-

* See Chapter 1.

age by almost 30 per cent, from 3.17 million hectares* to 4.10 million. This extension seems actually to have taken place. Nevertheless, this year's harvest has been an extremely poor one. The chief reasons for this failure of the harvest to reach anything like the required level were probably lack of manpower, lack of fertilizer and manure, and lack of horse-power. In his speech to the French nation in April, 1941, Pétain stated:

"The government intends to give to the farmers the place in the community which has been denied them for so long."

They have not yet received this place. They will never receive it under the present regime. Although there cannot be any doubt that the Pétain government, as well as the German authorities, are seriously trying to improve the condition of French agriculture, this does not mean that they desire to improve the condition of the agricultural workers and peasants. It means only that they urgently need to increase the volume of French agricultural production. They hope partly to accomplish this by amalgamation of agricultural property into large estates. "Politically unreliable farmers and landowners are expropriated, and their farms and estates are taken over by the Organisation Ostland, founded originally for the amalgamation and administration of Polish agricultural property. This organization has close connections with Gestapo chief Himmler, who is thus on the way to becoming one of the biggest estate-owners in the world.

The previously quoted memorandum on Poland also contains the following directions by Goering, the largest private owner of forest land in the world, with regard to agriculture:

"2a. Intensification of agricultural production, espe-

* A hectare equals 2.47 acres.

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cially on the larger estates of over 100 hectares. . . .

"3a. To see that the increase in agricultural production and the restoration of livestock, which has been reduced to an extraordinary extent through the war, is taken in hand by the supplementing of organizational measures for safeguarding seeds and fertilizers—if necessary by imports from the Reich—through adequate supplies of agricultural machinery to be produced in the Governor-Generalship, and by systematic extension of water transport, which simultaneously must take into account the requirements of waterways and the supply of electrical power."

We see here a large-scale program of agricultural expansion and intensification—of course, at the expense of the people, especially of those engaged in agriculture, and to the benefit of the Junkers and of fascist plans for self-sufficiency.

No time was lost in taking over Polish agriculture. A decree, issued by Goering on December 13, 1939, provided for the confiscation of all Polish-owned agricultural and forest land. By March, 1940, 3,000 large estates and 200,000 peasant holdings had already been taken over and their exploitation placed in the hands of German settlers under the supervision of the Ostdeutsche Landwirtschaftsgesellschaft.* This piece of whole-cloth expropriation was of great political importance because it not only demolished the material basis of a substantial part of Polish sabotage and resistance; it also established a considerable number of German landowners and kulaks whose interests were closely tied up to those of the National-Socialist regime.

Special attention is given to the culture of industrial crops, chiefly flax, in order to increase the raw material basis for the German textile industry.

* See *Berliner Boersen-Zeitung*, April 2, 1940.

The results of Polish agriculture have so far been poor, compared with pre-war standards. But they have somewhat improved recently, and it would not be surprising if, in the near future, Polish agriculture were giving a larger yield than before the war—while Polish agricultural workers, who have always had a very low standard of living, will be even worse off than before.

The German fascists' agricultural policy in the Balkans is chiefly concerned with increasing the yield of industrial and high-grade crops. Hungary, for instance, was ordered to increase the area under oil-seed, and this was duly increased by 50 per cent in 1940 and another 50 per cent in 1941. The Hungarian landowners "seem to be willing to carry out the plans for German-Hungarian agricultural collaboration so long as prices for all leading agricultural products are guaranteed at a higher level, like the wheat price." * In Bulgaria great importance is attached to increasing the production of soy beans, flax, cotton and tobacco. Bulgaria's tobacco crop has increased from a peacetime average of about 45,000 tons to 50,000 in 1940, and may possibly reach 65,000 in 1941. She has become Europe's largest producer of tobacco, and it is intended to make her Europe's largest producer of cotton.

In Rumania, sunflowers (for seed oil) and soy beans are the products most favored. Sunflower acreage has been quadrupled under fascist pressure in recent years, and soy bean production, introduced under control of the German Dye Trust, has risen rapidly. In order to control and finance the purchase of agricultural products in Rumania, a special bank, the Agromex A.G., was founded, directly under the control of a number of Rumanian banks, indirectly under that of the big German banks. The German-Rumanian company Solagra is empowered to purchase the entire harvest of sunflower seeds.

* *Economist*, July 26, 1941.

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In Holland, Denmark and Norway, the National-Socialist agricultural policy encounters considerable difficulties because these countries, being chiefly producers of dairy products, are to a high degree dependent upon imports of fodder. Scarcity of fodder, combined with sabotage, has led to a considerable reduction of stock, which had already been depleted because of large-scale German requisitions for the army. It is intended to overcome the fodder shortage by the production of chemical fodder. Norway, Sweden and Finland are manufacturing cellulose foodstuffs under German patents and with German capital. This artificial fodder is said to show good results when fed to cattle, horses and sheep.* It would not be surprising if the National-Socialists were to succeed in the course of time—if allowed time—in producing a considerable proportion of the fodder needed on the Continent, thus making Europe independent of foreign imports.

Just as the German fascists and heavy industry monopolists have been very successful in building up a war machine at the expense of the people, so are they on the way to success in the reconstruction of Continental agriculture at the expense of the people.

* *Ibid.*, July 5, 1941.

IV. THE REINTRODUCTION OF SLAVERY

ONE of the gravest and most momentous features of the New Economic Order which the German monopolists and National-Socialists are imposing upon Europe is the re-introduction of slavery. Even *before the war*, numerous restrictions on the freedom of bargaining and on the movements of the workers were introduced in Germany itself. In many industries the worker was not allowed to leave his job. He was practically indentured to his employer. Also, he was not allowed to form any kind of association which was not sanctioned by the National-Socialist Party. He was often not allowed to choose his occupation, but was compelled to perform certain kinds of work.

A similar but even more drastically restrictive system has now been introduced into all territories of Europe conquered by the National-Socialists. Throughout the Continent, the workers have lost those liberties which they had gained through centuries of struggle and endeavor. Over 50,000,000 workers, with their families, have been forced into this first stage of slavery.

The second stage of slavery, nearer still to the original servitude of ancient times, is that imposed upon prisoners of war, and also, particularly, upon workers deported from their homelands to Germany. These workers were either lured by promises or forced by unemployment or by menaces to leave their homes in France, Belgium, Holland, Czechoslovakia and other conquered countries and go to Germany. The total number of foreign workers in Germany is constantly increasing. It is difficult, therefore, to give

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statistically an accurate representation of the process. The following table, however, presents the most recent figures given over the German wireless for February 28, 1942.*

FOREIGN WORKERS IN GERMANY

ORIGIN	NUMBER
Poland†	1,000,000
Italy	300,000
Belgium	250,000
Czechoslovakia	230,000
France	150,000
Jugoslavia	100,000
Holland	100,000
Hungary	40,000
Denmark	30,000
Bulgaria	30,000
Rumania	5,000
Greece	3,000
Norway	2,000
Total	2,240,000

To these must be added thousands of workers from Switzerland, Spain, Portugal, Sweden and Finland who, however, cannot be considered as on a level with the others, since they are paid and are regarded as free workers, and do not come under the regulations affecting workers coming from the other countries.

* In an article by Peter A. Speck, entitled "Foreign Workers in German War Effort," appearing in the June, 1942, issue of the *Monthly Labor Review*, published by the U. S. Department of Labor, Bureau of Statistics, we read: "The total [of foreign workers] from all countries, including war prisoners, probably ranges between five and six millions, and the drive for workers continues. A report from Germany in April, 1942, indicated that about 8,000 foreign workers were being brought in each week."—Ed.

† This is about one-fifth of the male labor force in Poland.

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These 2,000,000 and more transported workers are treated as inferior to their German colleagues. The following "guiding rules" have been devised to govern the treatment accorded to imported labor:*

"The German worker is our brother; the foreigner (*Volksfremde*) is our racial enemy.

"The barrier between our workers and the foreign workers must always be clearly recognizable. The German worker is not the colleague of the foreign worker.

"The specialized and easy jobs are to be given to the Germans, even in case a foreign worker is, by chance, the better qualified of the two.

"Foreign workers must never supervise German workers.

"It is forbidden to speak to foreign workers except on matters connected with the work.

"Any German who associates with a racial enemy will be publicly warned and shamed.

"It is not permitted to invite racial enemies into your house and to sit with them at the same table."

It should be noted here, as an indication of both the relentlessness with which this policy is pursued by the National-Socialists and of the real spirit of the German people, that in recent months there have been almost daily reports in the German press of prison sentences inflicted upon German workers for infractions of these rules. There have been numerous cases when German workers not only associated with foreign workers on friendly terms but helped them to return secretly to their own countries.

Among the foreign workers in Germany, the Poles are the worst treated. Especially heavy deductions are made from their wages, and they are officially treated as prison

* *Die Zeitung*, May 8, 1941.

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labor. The majority of the Poles are prisoners of war who have been "freed." The Italians are relatively better treated than the majority of the others; their food is brought from Italy. A considerable number of foreign workers live in barracks, to which brothels are often attached. When Dumoulins, the red-baiting French trade union leader, who, under Pétain, turned fascist, visited these barracks, he objected to the brothels because, on their account, the French workers might not send so much money home to their families. The German Labor Front authorities, however, pointed out that no charge was made in these establishments. It is said that chiefly Polish women were compulsorily recruited for these brothels, but anti-fascist women of all nationalities, including German, have been forced into this occupation. The rate of suicides among them is said to be very high.

In National-Socialist and monopolist circles there are two conflicting views regarding the employment of foreign labor in Germany. One view is that this can be only a temporary measure. The following reasons for this view were expressed by Dr. Friedrich Syrup in the Berlin *Reichsarbeitsblatt*, July 15, 1941:

"The conventions for the exchange of labor should provide for a definite period for each foreign worker, so that bonds with their homes may not be severed. Migration within Europe should not lead to permanent settlement in the country employing foreign labor, nor further an unnatural admixture of European peoples and races.

"Moreover, it would be economically and politically wrong for any country to rely in large measure on the working power of other people. The soil only belongs, in the long run, to the people who are employed on it themselves and the coal to those who dig it. No na-

tional economy is sound which cannot dispense with the help of foreign workers. Foreign workers are useful in times of pressure, but the fundamental production of any country must be assured by the labor of its own people."

The arguments on the other side are that by means of the employment of foreign workers it will be possible to create a German "labor aristocracy" very easily. The foreign workers, while useful from the viewpoint of profit as cheap labor, would also be used to form a subordinate caste upon which the German workers could look down. This argument maintains that so long as there exists a section of workers over whom they feel superior, the German workers will regard themselves as specially favored and will therefore support the National-Socialist system. This argument adduces the experiences of American capitalism, with the social gulf existing between the "native American" workers and the immigrant population, and particularly the Negroes. It claims that, especially in the Southern states of the U.S.A., the hold of the employers upon white workers is relatively strong, because the latter imagine themselves to be more closely allied to the employers than to their Negro fellow workers.

This, the second, point of view is shared by the majority of the monopolists, and it is gaining ground in spite of the fact that the attitude of the German workers, who, as we have seen, often suffer severe punishment because of it, is very discouraging. In contrast to the petty bourgeoisie, the German workers were never anti-Semitic, for example; nor have they become so under National-Socialism. Neither are they desirous of becoming "aristocrats of labor," despising their brothers from other countries as inferior in race and kind.

In addition to the 2,000,000 odd foreign workers, there

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are in Germany over 1,000,000 prisoners of war from various countries.* Many of these are put to work, only a fraction of their earnings being handed over to them, while the remainder is kept back for board and lodging. In addition, they have to pay the wage tax.

The work of this imported compulsory manpower and of the prisoners of war is of very low quality. Forced labor is invariably inefficient, and, for political reasons, is doubly inefficient in this case.

True, the National-Socialists have succeeded in making Germany over into a vast prison camp, in which the "foreign inmates" are even worse treated than the "natives." True, they are planning to introduce slave labor as a permanent institution. But, in contrast to their partial success in the "reconstruction of European industry," they are failing here because compulsion and terrorism can never produce efficient workers, nor can it divide brothers who suffer beneath the same tyranny.

* See footnote on page 49.—*Ed.*

v. THE CONDITION OF THE PEOPLE

WHATEVER the National-Socialists and monopolists do—whether they build up or destroy an industry—they act against the interests of the people. If they build up heavy industry, it is not to construct more houses, automobiles, railways, or to make refrigerators and household utensils for the people. It is to manufacture more weapons for use in yet more wars. If they intensify and extend agricultural production, it is not to raise the standards of the people, to grow more food for them, but to become less dependent upon imports from “enemies in future wars.” If they curtail production of some goods, it is not because there are already sufficient articles of this kind available, but in order to produce more armaments in their place.

The National-Socialists and the monopolists wish to conquer the world and to exploit all peoples. They desire to become much richer and more powerful than they already are. This lust for power and wealth necessitates the oppression of the people, material as well as spiritual. Here we can deal only with material oppression. Also, we shall not here describe how stocks of useful goods were requisitioned by the German armies and the National-Socialist occupation officials, nor how stocks of raw materials were taken over by the monopolists. For these acts of robbery cannot be repeated. What we have to study here is the long-term program for Europe of National-Socialism and monopolism. The program can be condensed into one word: poverty.

Guns instead of butter; war and poverty instead of peace

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and plenty. Such was the program which the National-Socialists and monopolists implemented in Germany in the period from 1933 to 1939. It is this same program which they are imposing upon the whole of Europe, with its population of over 500,000,000.

Malnutrition existed in Europe before the war to a considerable extent. Now, however, there are few who do not suffer from it. Millions suffered from hunger in Europe before the war. Today, it is hundreds of millions. This is no sudden calamity, no temporary condition—it is a program.

The people of Europe are to be kept deliberately on as low a standard of living as possible. People who are hungry, whose health is undermined, whose children grow up weak or crippled are less likely to take revolutionary action. By undermining the health of the people, the New Economic Order plans to undermine their spirit. This method does not work quickly; it is not a short-term program. But, after a number of years, its results must become obvious.

There is a second important reason for lowering the standard of living. The less the people can buy, the greater the share of the product going to their exploiters. The division of the national product—or, rather, the product of all Europe—works out more and more to the benefit of the National-Socialists and monopolists.

Nobody can assert today that conditions here in Britain are good, as far as nutrition is concerned. Many of us suffer from some form or other of shortage. We are able to understand, therefore, how much the people of Europe are suffering if we examine their rationing. In the following table, we give the latest obtainable information on quantities of the most important commodities allowed per adult person per week in various countries.

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WEEKLY RATIONS IN EUROPE AT THE END OF 1941 *

(In ounces)

COUNTRY	BREAD	MEAT	SUGAR	FATS
Germany	80	14	9	9½
Czechoslovakia (Protectorate)	62	14	10½	6
Poland	43	6	4½	1
France	68	9	4½	4
Holland	63	10½	9	6½
Belgium	55	8½	8	3½
Norway	65	**	7	7½

The first point of importance is that bread is rationed on the Continent. The second is that without exception all the rations combined are everywhere lower than in Germany. A third point—which is not evident in the above table—is that while in Britain numerous goods can be bought free of rationing almost everything is rationed in the occupied countries as well as in Germany. And yet another point is that frequently people cannot even buy the rationed commodities because of shortage.

In comparing rations in Germany, the best-fed country on the Continent, with the exception of Portugal, Sweden and Switzerland, and in Britain, we must bear in mind that here one can buy cereals, vegetables and fruit without coupons, while in Germany they must be bought—if at all obtainable—with coupons. An American journal some time ago estimated the average consumption in calories to be 10 per cent higher in Britain than in Germany.

But the above table misses another important part of the

* For most of these data, see "Conditions in Occupied Territories," 2nd Report, *Rationing Under Axis Rule*, issued by the Inter-Allied Information Committee, London, and *Economist*, January 17, 1942.

** Rationed by butchers when they have meat.

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story. It does not show how even in the short period which has elapsed since the occupation of these countries the standard of living has fallen. The steepest decline, of course, immediately followed the occupation. But since that initial decline, others have occurred. Conditions in Holland show how far this fall has proceeded:*

RATIONS IN HOLLAND, SEPTEMBER, 1940,
AND SEPTEMBER, 1941

(In ounces per week)

COMMODITIES	SEPTEMBER, 1940	SEPTEMBER, 1941
Bread	80	72
Flour	9	3½
Eggs (in pieces, not ounces)	1 (November)	¼
Meat	18	11
Cheese	3½ (October)	1
Rice	3	2
Oats	3	2
Fats	9	7

The difference between the German standard of living, which declined relatively slightly last year, and that of the conquered countries has increased not inconsiderably during the past year. This is all the more important since in a substantial number of conquered countries the standard of living was formerly higher than in Germany and thus the population felt more keenly the deprivation.

All these figures are hard to come by, and even when obtained are unsatisfactory, chiefly because they inadequately convey their significance. They do not convey the hunger and misery they represent nor the anguish of parents seeing their children go hungry. They do not convey the suffering

* For most of these data, see *Economist*, October 4, 1941.

inflicted upon millions. They do not convey the full horror of the New Economic Order of barbarism.

The question arises: Can people live and work on such rations? The answer is that many cannot. But they do not all have to live on such small rations. In all occupied countries, as in Germany, skilled and heavy workers receive better rations than the average. They are the favored slaves. Workers in the armaments industry, in coal-mining and so on are considerably better fed, in order to keep production going.

The devilish scheme of the New Economic Order is thus revealed: To starve the people into moral degeneracy and political apathy, but to keep the skilled armaments workers going for the purpose of conquering yet other countries.

There is scientific and psychological planning behind the policy of the National-Socialists and monopolists. They are not primitive robbers, but highly trained gangsters who make use of every branch of science in order to achieve their purpose: the conquest of the world, the undermining of the morale of the people, and the ruthless exploitation of the millions of Europe, later to be followed by the exploitation of the rest of mankind.

VI. WORLD CONSEQUENCES

GERMAN fascism and monopoly capital control the continent of Europe, with the exception of the Soviet area. Not a few people, particularly in some South and Central American countries, will ask, as many have done before them: "So what?"

The reply is that the domination of Europe is only a preliminary to the domination of the world. "But will Hitler be able to start a war against the American continent today or tomorrow?" many will ask. Not only will he be able to do so—if not prevented—but he has already begun to do so. The entire New Order of Europe constitutes a war against the rest of the world.

German fascism will be defeated. The only question is: "When?" Is it to take a long time and to entail even more frightful sacrifice than that which Europe, to a special degree the Soviet Union, and, to a lesser degree, Britain, has already made? Or is it to be accomplished rapidly so as to spare mankind untold misery? This depends upon the help which is given, mainly to the Soviet Union and, to a lesser degree, to Britain.

The longer people will only ask, "So what?" the longer will it take to beat the fascists, the greater will be our sacrifices, and the more difficult the task of world reconstruction after the war. It is therefore of great importance to answer that question, and, in answering, we must make plain what the domination of Europe will mean, particularly to the countries of America.

First, there is the purely economic question of the ex-

change of commodities. With Europe under its control, with self-sufficiency increasing through extended and intensified agricultural production, with cheap, yet skilled, labor at its disposal for the production of industrial goods, German monopoly capital will be able permanently to reduce imports to a lower level and rapidly to increase the volume of cheap exports. To express it differently, German monopoly capital will be able to exclude American goods from all markets except those of the American continents. At the same time, it will be able to enter the South and Central American markets as a formidable competitor. With the aid of Japan, German monopoly capital will be able to exclude the United States from both Asiatic and British Empire markets, unless Great Britain gains a decisive victory. If Britain is forced to make a compromise peace, it will be either an armistice, resulting sooner or later in complete submission, or it will mean immediate surrender, in actual fact, whatever the forms of the peace treaty. Then German monopoly capital will place before the Central and South American countries the choice: either you take our goods and we will take your agricultural surplus or you can try to offer this surplus to the United States—and you will soon see what happens!

Few can doubt as to how the Central and South American states will react. Unless the United States and Canada are prepared to sacrifice their own farmers, they will have to refuse the agricultural products of their Central and South American neighbors. If they are willing to sacrifice their own farmers—who will already be in a sorry position because of the loss of their European markets—this will constitute a heavy blow to American industry. For the industry of the United States is even more dependent upon its own country's agricultural community, as a consumer of industrial goods, than upon other American countries as importers of United States goods. Whatever the United States

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does, it will suffer grievously. The European continent in the hands of German monopoly capital means the end of the United States as a great economic power. It is the first step towards the enslavement of the Americas.

We have here refrained from discussing the probability that the Central American and South American countries may be invaded by the armed power of Germany. For this of course would mean that they would enter the present conflict, anyway; and our insistent "So what?" would be answered more sharply and brutally than by the purely economic arguments adduced above.

The decisive truth to be grasped on the American continent is that no isolation from events in Europe is possible. The economics of barbarism, which the German fascists and monopolists are now instituting in Europe, are of a highly epidemic character, and lead everywhere to paralysis. No country can remain immune to their effects.

Like epidemics, also, they spread farther and faster than their symptoms at first indicate. While many believe that they are still out of range and immunized, the germs have already started to destroy them. It is not only of the greatest importance that the people of the Americas realize what the economics of barbarism will mean in the future; they must also realize that they are already being poisoned, that the economics of barbarism are already reaching across the Atlantic and are affecting the life of the American peoples. The only way in which they can quickly save themselves is to give the greatest possible help to those peoples who are today actively engaged in war against German fascism and monopoly capital. The defeat of Hitlerite Germany will bring in its wake the defeat of Japan, Italy, and the Axis satellites.

VII. THE PEOPLES OF THE CONTINENT AGAINST THE BARBARIANS

GERMAN fascism and monopoly capital have conquered almost the whole of Europe. They have subjugated hundreds of millions of people. They are building up an economic system designed to enslave and exploit the people for ever.

But the peoples of Europe are resisting; they are fighting fascism on a common front with the peoples of the Soviet Union and of the British Empire. Together with all freedom-loving peoples, they are fighting against these modern barbarians. They are building up, not a new world as yet, but an "economic system of their own," or, rather, they subtly change the structure of the economic system which the barbarians are trying to build up.

Despite all the efforts of the National-Socialists and the big industrialists, their economic edifice always looks somewhat different from the blueprints.

In this small volume we have no space to tell of the heroic guerrilla warfare in Yugoslavia, Poland and Greece against the foreign conquerors, nor of the heroic deeds of the vanguard of the opposition in Germany, France, Belgium and Holland; it cannot record the courageous acts of the trade union leaders in Norway and of their friends in Denmark; it is not its province to describe the steadfast underground work of the opposition in Austria, Czechoslovakia, Hungary and Rumania. It deals only with the problems of economics. But precisely because of that, it must also mention the economic fight of the people, a fight of the greatest importance and which has gained considerable successes, a fight which

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is carried on by large numbers of men and women, workers and peasants, all over Europe, whether they are politically organized or not.

This fight is fought on the front of production. The weapons are sabotage and passive resistance, ca'canny and the purloining of goods.

"Work slow." This slogan is followed all over Europe: in the mines of the Ruhr, in the iron and steel works of northern France, in the armaments works of Czechoslovakia. Wherever we look, we may find millions of workers working below their capacity, skill and efficiency. The fascists' calculations are constantly being overthrown, and they can do but little about it. They did not realize that the peoples of Europe love freedom and will fight for it. They reckoned that they were slaves, machines of a certain power, that they were numbers which could be added and subtracted, divided and multiplied. But they were wrong. Some fine and noble element has been mixed in the stuff used for the building of the economic society of barbarism—a strange a foreign, an unexpected element. And this element is making the edifice of barbaric economy insecure. The economic structure is still strong. It can be destroyed only if it be shelled from the outside. But it will crumble quickly under a successful onslaught from without, for it is constantly being undermined. Its structure is not firm, for the spirit and the deeds of resistance are permeating its fabric.

"Put sand into the machines. Every breakdown of machinery, of supply and distribution is a help to those who fight fascism on the battlefields." So do they whisper in the factories and mines of Germany, France and Holland, and wherever fascism reigns. And thus are the careful calculations of the barbarians demolished. There are more men in the mines of Belgium than before the war, yet production has not reached pre-war levels. Parts of the mines often

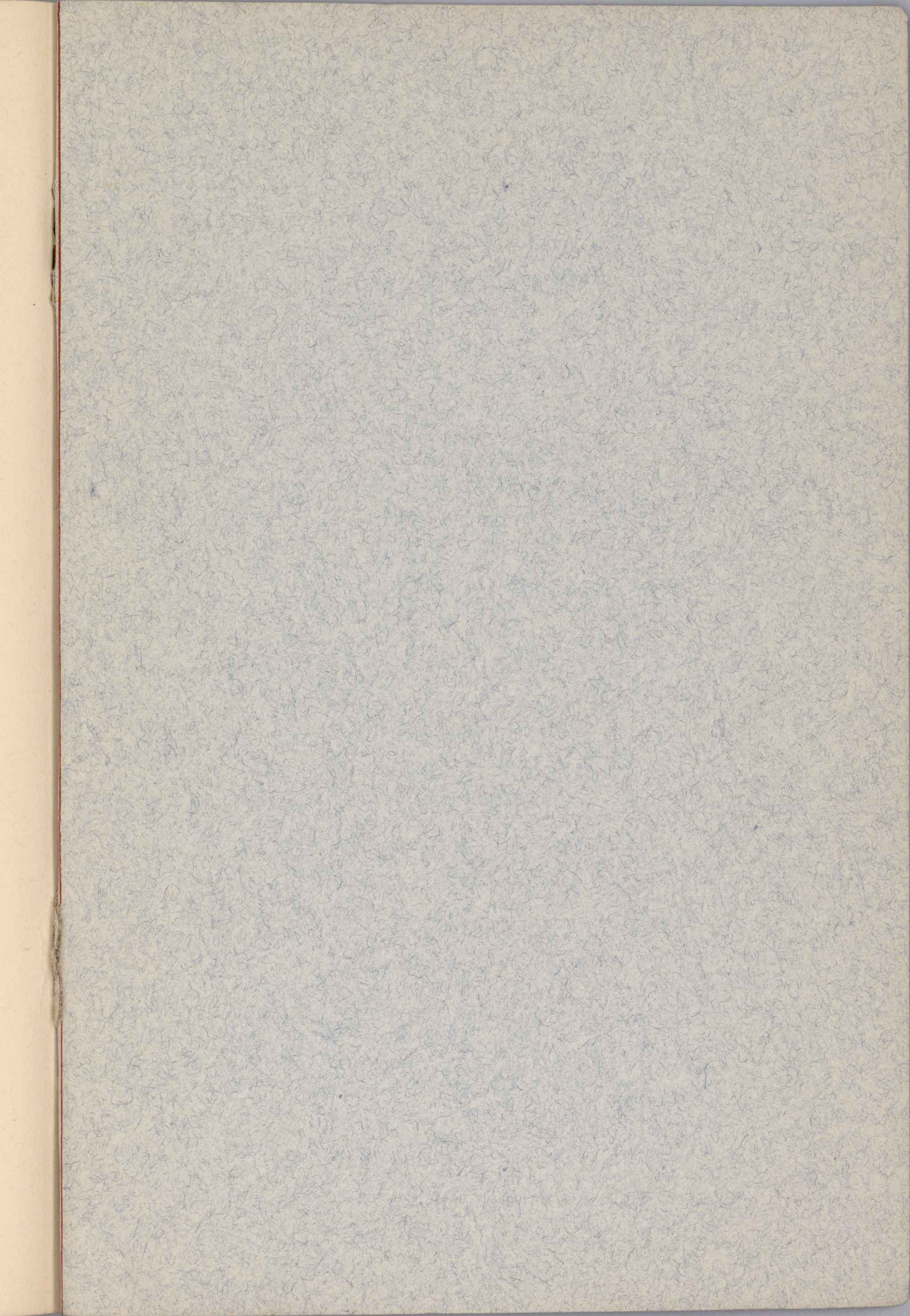
become unworkable because of breakdowns. We can note similar occurrences throughout Europe.

Peasants also take part in this movement. They hide eggs and secretly slaughter pigs. They falsify their accounts and deceive the inspectors. The careful calculations of the barbarians are unfulfilled, and everywhere food disappears that they had reckoned with.

There is a gigantic struggle going on between the fascists and the peoples of Europe. Tens of millions are fighting on the one side, while on the other there are only the few who benefit from the regime. But those few have at their disposal the weapons of terror and the machinery of oppression. Europe's millions can cripple the barbaric efforts of the National-Socialists and monopolists. They can hinder and unsettle their calculations and plans.

Nevertheless, they are not strong enough by themselves to overthrow this hated system. They need outside help. The people of the Soviet Union are fighting with all their might. But all the peoples must join in this fight and give their best. The quicker this foe of mankind is overthrown the better for us all. Any hesitation now means tens of thousands of deaths tomorrow and untold suffering for those who live.

Let us all fight together against those who are our common foe, the foe of the German people and the conquered peoples of Europe, the foe of the Soviet peoples, the foe of all mankind.



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