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THE STATE OF EUROPE

**TO
BENNIE**

THE STATE OF EUROPE

By
HOWARD K. SMITH
author of
"LAST TRAIN FROM BERLIN"

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MAP. THE IRON CURTAIN

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PREFACE

I would like the reader of this book to know that I am acutely aware of both the limitations inherent in my subject and my own personal limitations. Asking the reader to accept as cut and dried my verdicts on so fluid and complex a continent as Europe to-day, over such a recent period as the four post-war years, and in such emotional circumstances as surround the Cold War, would be brash indeed. Wherefore, I would beg the reader to accept the analyses and conclusions for what they are intended to be: working hypotheses, arrived at conscientiously and re-checked and re-tested at every opportunity—but ever subject to alteration if a longer perspective and new evidence suggest the need for it.

HOWARD K. SMITH

ADELBODEN,
April, 1949.

CHAPTER I

ON THE IMPORTANCE OF BEING EUROPE

THE WORLD ALMANAC divides the earth into seven continents or 'continental areas': Europe, North America, South America, Asia, Africa, Oceania and Antarctica. Yet, when there is talk about *the* continent with no closer definition than that, people always know which one is meant. When Mr. Henry Ford named his lushest car model, or Hollywood song-writers one of their catchiest dance numbers, 'The Continental', again there was no question as to whose attractions they were borrowing to embellish the prestige of their product.

Even in its current state of eclipsed fortunes, the scrawny little gut of earth jutting out from the great Eurasian land mass remains the world's first continent, with a lien on the rest of mankind's interests and concern which no other part of the world enjoys. The UN, it is said, has devoted half of all its debates on problems with locality to the problems of Europe, the rest of its wordage being shared out among the other six continental areas. During and since the late war the United States of America have dispensed an incredible amount of aid to the rest of the world through Lend-Lease, UNRRA, and the Marshall Plan, with the avowed aim of lessening poverty and limiting the occasions for violence and war. Although there is far deeper poverty and has been much more violence on several other continents, nearly 90 per cent of all America's billions in aid has gone to Europe alone. The world's press, by a sort of Themistoclean balloting process, daily votes Europe first place in the world's interests. You may add up the columns of space given to news of the various continental areas in any representative newspaper anywhere in the world over any reasonable period, and the result will almost invariably be this: most space goes to news of the continent of the newspaper's location; but second most space in the newspapers of Chicago, Shanghai, Capetown or Rio, is devoted to news of Europe.

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There are profounder reasons for Europe's world primacy than the highly developed state of her very attractive tourist trade. First, the continent has a spiritual claim on mankind that is seldom consciously recognized. Europe is the world's motherland, the centre of radiation of the first universal civilization. All our basic modes of thought and expression, our key institutions, the unconsciously accepted values we carry about with us and by which we judge the world, were formed long ago in Europe, and nothing intrinsically new has been added from another source. From Europe the European white man carried these standards over the whole globe, even planting his banners at the poles and in the midst of jungles. By means of them white Europeans became the world's ruling class. The overwhelming majority of the population of both Americas consists of Europeans. All the white—that is to say almost all the ruling—population of Africa is European, as is the dominant population of Oceania. Where, as lately in Asia, new native governments have arisen, the forms of rule have remained European: Republicanism born in Switzerland, Communism born as a social theory in London, Capitalism born in Manchester.

The tie of sentiment that binds 'colonists' to the mother-continent is stronger than they generally realize. For example, famine is the constant companion of Asiatics and nothing much is done about it. But let a European country suffer from a temporary food shortage and the rest of the world blossoms with organizations to send Bundles to Britain or Friendship Trains to France and Italy.

A second reason for Europe's primacy among the continents is economic. Until recently, Europe was the most productive industrial unit in the world. She has now lost that position to America, but remains the most important factor in the rest of the world's foreign trade—providing more exports and taking more imports than any other continental area. As an example of her importance to America, in 1929, the last reasonably normal year for Europe—when there was no war, post-war dislocation or economic depression—Europe bought more American exports than all the rest of the world together. In a world grown so highly interdependent as ours, Europe remains the keystone of

trade. It is nearly impossible for any large area of the world to enjoy economic health if the economy of Europe is ailing.

A third, and perhaps the most important reason of all, is the accident of global strategy in a world which has come to spend most of its wealth and labour on war. Eighty per cent of the land surface of the globe is situated in the northern hemisphere, and Europe lies smack in the middle of the area of easiest communication. The distance from London westward to San Francisco is nearly the same as the distance from London eastward to Vladivostock. A single power in control of Europe would be in an excellent position to threaten or dominate four other and larger continents, and for much of her history in fact Europe has dominated all four of them: Asia, Africa, North America and South America.

As a result, the rest of the world is far more sensitive to small changes in Europe than to big changes elsewhere. For the past thirty years both Asia and South America have recurrently been torn by wars and revolutions without precipitating world conflict. There have been seven wars, civil and international, in Asia since the end of World War II which have not seriously increased world tension. But in Europe a mere incident was enough to start one world-wide war, and the invasion of a nation not one-twentieth the size of China (*i.e.* Poland) was sufficient to start another. Since World War II, Chinese Communists have seized one broad area of China after another without any noticeable effect on the world's arms production; but the Communist half-blockade of a small area of Berlin has started a world arms race that threatens mankind with perdition.

Europe, it is clear, is the world's continent of destiny. In order to understand what follows we must understand how and why Europe became what it is.

Europe is far and away the smallest of the continents. It is less than a quarter the size of Asia, less than half the size of North America. If European Russia be excluded, it is not much larger than Australia or India. Move away from the world map a little and it seems a ridiculously minuscule appendix to Eurasia,

in about the same proportion and relation as the peninsular state of Florida to that part of the United States east of the Mississippi. It is difficult to believe that this small peninsula, not quite one-fifteenth of the total land surface of the globe, could educate and so long dominate all the other fourteen-fifteenths.

Though the smallest continent, Europe contains twice as many people as North and South America together. The density of population in Europe is twice as great as that of Asia, nine times that of the United States. For four centuries, Europe's principal export has been its population. Only in the past generation has the outside world begun to restrict European emigration and has thereby created perhaps the outstanding aggravation of Europe's problems—the pressure of population on both limited resources and the established institutions of the *status quo*.

Another problem of density from which Europe suffers more acutely than other parts of the world is a super-abundance of nation-states. The nation-state is the characteristic political institution of modern European civilization. In its sovereign supremacy it has replaced all the basic institutions of the past—the Tribe, the City, the Class, the Church—as the chief object of worship and the cynosure of loyalties. At one time it was indubitably a fertile institution, releasing energies and giving birth to new freedoms. But technology has now shrunk the world, made it far more complicated and interdependent, and the national frontier has become a barrier to progress, a protection for inefficiency, a shackle on development. Europe suffers from these troubles far more seriously than other continents, for she has thirty of them compressed in smaller space—about twice as many separate sovereignties as any other continent contains.

Moreover, the national frontier is a tougher structure in Europe than elsewhere. It will be harder to break down, for national traditions are older and more 'glorious'. There is almost no dwarf state in Europe that has not had a period of imperial 'greatness'. Each derives therefrom a host of romantic national myths which tend to make the nation-state sacred and inviol-

able. There is no country in Europe which has not had a war, or several wars, with its neighbours, with the result that its nationalism has been reinforced. Finally, the national compartments are made more self-contained by differences of language. The nations of Europe speak fifty-odd key tongues and many more dialects. Present circumstances are hammering away at Europe's national barriers, but the little progress made so far in battering them down is a measure of how impregnable they have been built up.

Europe's principal characteristics, and her early pre-eminence in history, derive chiefly from the nature of her geography. Her very scrawniness was largely responsible for attracting the man-animal in hordes from Asia to the peninsula, and holding him there to prosper and multiply. At no point west of the Russian border is it possible to be as much as 500 miles from the sea. A glance in a school atlas at a map of the world marked off in climatic zones will show that almost all Europe lies within the narrow parallels of moderate temperature and mean rainfall, a situation enjoyed by no other continent. The soil is rich, and even to-day after centuries of intense exploitation many Western European countries produce more grain to an acre than does the fruitful American Middle West.

In the dawn of history civilization advanced by piracy and trade, and both moved by water. Europe was a natural attraction, for no continent is so accessible by water. It is surrounded on three sides by easily navigable seas, and another—the Baltic—penetrates its interior. Along much of its coastline, the seas are nearly tideless and speckled with islands as guides and havens. Although Europe is less than a third the size of Africa, her coastline is three times the length of Africa's. Its jagged contours provide adequate harbours almost anywhere. These were immense advantages for the movement of men, goods and ideas in the days of primitive navigation.

Also, there is no continent so thoroughly laced with rivers. In the heart of the continent the headwaters of four great rivers leading to all the surrounding seas run within few miles of one

another. Apart from short breaks by land in the middle of the narrow continent, primitive traders could cross it in almost any direction by water. When Mediterranean civilization exhausted its resources, it possessed in Europe what none of the other ancient civilizations had: a rich, accessible continental hinterland to inherit its seeds and nurture them to a more luxuriant new growth.

European civilization proper begins with the Middle Ages. It has developed according to a distinct rhythm—a succession of pulsations—that is germane to an account of the state of Europe to-day after World War II.

The collapse of Roman administration left Rome's European colonies in a state of chaos, forcing them to create their own social institutions. In a purely functional response to the times, they generated the structure of feudalism: local groups of men gathered around their strongest and tacitly agreed to pay him political and economic allegiance in return for his military protection.

Feudalism performed an invaluable service, and a high degree of stability crystallized out of the chaos. In a primitive way Europe prospered, and its people multiplied in conditions of increasing security. But then the pulsation began. The nobles and their codes outstayed their usefulness. With a lessening of barbarian pressure their social function atrophied. Increased population demanded new means of employment and new sources of sustenance; in general they required a broader way of life than that permitted by the narrow limits of the feudal system. In the clash of new needs with outdated institutions, Europe became a troubled world of unemployed warlords and unemployed beggars.

A series of events brought the pulsation to completion. The Crusades to the Holy Land attracted the disgruntled unemployed at both ends of the social scale, and they brought back from the East new appetites that could only be satisfied by the rebirth of trade. The friction of commercial contacts awakened curiosity and corroded old values and codes of behaviour. In the end the long ferment of cultural Renaissance, religious Reformation and the rise of the tradesmen to power shattered the feudal principle

and replaced it with the much broader and richer way of life dominated by the commercial principle.

Through fully half this long transition, Europe remained a secondary influence in the world; it was still the Mediterranean basin whence most wealth and culture radiated. It is curious to reflect that the Balkans, which we now consider backward, enjoyed at that time, due to their Mediterranean proximity, greater wealth and culture than did Britain, then a dim island of vulgar inhabitants.

Europe came into its own through a commercial accident. The Moslem Turks held an expensive monopoly on trade with the Indies. The Mediterranean peoples, pressed to the limits of their resources, sought a free access to the trade of the Indies by way of the Western seas. When the Italian sailor, Columbus, returned from a westward voyage to claim he had found a new free route, stock markets collapsed in the rich Italian city-states. There was never a more justified market crash. For the next two centuries, the world's centre of gravity moved steadily away from the Mediterranean to the Atlantic seaboard.

Europe—the new centre of the globe—found broad new outlets for human energy and there followed another increase of population. The great exportation of humanity began, and the settlers created vast new empires ruled from Europe. In time, the familiar pulsation recurred. Commerce alone was not an adequate outlet. The pressure of new population and the accumulation of surplus capital from trade combined with a wider curiosity and the flourishing of science to bring in a new age—the age of invention and machinery, to supplement existing means of employment and sustenance. Up to this time, mankind had known only one period of technical improvement—at the beginning of the Bronze Age around 4,000 years before Christ. The wheel had then been invented, animals had been domesticated for locomotion, and metal spades, axes and knives devised. It is a curiosity of history that the subsequent civilizations of Mesopotamia, Egypt, Greece, Rome and medieval Europe added virtually no new principle to these techniques. It remained for the pressures of eighteenth century Europe to

generate an advance in mechanization whose evolution is not even yet complete.

To analyse adequately the new industrial age would require a book, or several books, the length of this one. To do so is especially difficult, for it has apparently not even approached its climax. We have hardly adjusted ourselves to the changes brought about by steam power, internal combustion and electricity, before all three seem likely to be outmoded by the frightening new development of atomic power. It would seem that the most drastic changes are still to come.

So far the modern age has matched its blessings with its curses. It has enriched material life beyond the dreams of our grandparents. It has both expanded immensely the leisure of Western man and provided him through education with the means of profitably filling it. Within two centuries, the literacy of Western man has risen from under 5 per cent to over 90 per cent. For all the scorn that is poured on modern man and his follies, he is a much more curious and a wiser man, asks more questions and is harder to fool than any of his ancestors. Democracy, the political system which requires leaders to win assent for their actions from the mass of the people, has been a natural consequence. If modern man is in a worse mess than his forebears, it is not because he has not made great intellectual progress; it is because the machine has created an infinitely more complicated world whose changes are too confusing and too swift for psychology and institutions to adjust to them.

For the first time in history the basic cause of social discontent does not seem to be poverty—an absolute lack of means of livelihood. Although poverty exists, in the very worst of times the majority of Western Europeans enjoy a higher standard of life than medieval men did. The main source of discontent appears to be the fear of poverty, or in one word, insecurity. The cause, I would suggest, is that we are operating a changing and progressing industrial economy on the basis of the old commercial principle, fashioned for the period of the French Revolution. The chief mechanism of the commercial principle, the market, is too limited to contain the progress of techniques. It is inadequate for distributing the produce of the machines,

and limits employment. It creates an artificial scarcity of goods and an artificial over-population. We seem, thus, to be in the familiar pulsation. New population is pressing against the established principle for new outlets for its energy and for new sources of livelihood.

In Europe, where industrialism first flowered and whence it spread to the rest of the world, the effects of this pressure appeared early. A productivity too great for available markets caused a series of internal depressions in the industrialized countries and led to a new period of expansion abroad. The nations sought from their conquests either new markets or sources of cheap raw materials which would allow them to undersell competitors in existing markets; in addition they sought strategic positions from which both could be defended by force if necessary. During the few years before 1914, the pressure became intense. Professor Halévy has described the period as a race between forces making for internal upheaval and forces making for foreign war. Esmé Wingfield-Stratford, in his memoirs, *The Victorian Aftermath*, made the same observation, 'If the war peril from Germany delayed much longer to materialize, it seemed quite in the cards that it might be forestalled by revolution.' Though they were less acute, the pressures had similar effects in the United States, whose Ambassador to Britain, Walter Hines Page, observed in 1917, 'Perhaps our going to war is the only way in which our present prominent trade position can be maintained and a panic averted.'

The forces making for war won the race. Germany, with a vigorous and swiftly expanding industry, but a late-comer in the competition, found all the outlets occupied. Thereupon she proceeded to relieve the pressure according to the Prussian militarist tradition.

World War I was unlike any war Europe had ever known. French and British troops went into it dressed for the war of 1870—wearing cloth parade caps. It took them over a year to follow the Germans in adopting the steel helmet against the new, far more destructive artillery. It was the first war fought with mass armies and by the total harnessing of economy to military ends. It disrupted society more disastrously than any

war since the Thirty Years' War in Germany, and—though it was not apparent for another two decades—dealt a fatal blow to Europe's supremacy in the World.

Perhaps the outstanding consequence of the war was the Revolution in Russia where a small band of dedicated radicals—known to the world at first as the 'Maximalists' and later by the Russian word for it, 'Bolsheviks'—seized power in the largest country on earth. Europe, with its social maladjustments exacerbated by the war, never got over the event. The outstanding development of the between-wars period is directly traceable to it: when Adolf Hitler began to rebuild the German war machine, the Western European powers were more relieved than anxious to see at last a strong counterweight to the Bolsheviks established on the continent. Moreover, the failure of war to relieve the existing pressures had spread disillusion and pacifism among the peoples, and they accepted the lead of their governments for a policy of appeasement. Thus, after an interval of twenty-one years, Germany was able to resume her plan of violent expansion.

World War II was more disastrously a complete world-wide war than World War I. It cost, it is estimated, more than all the past wars Europe had fought since the Middle Ages together. A provisory estimate in money terms made by the Bank for International Settlements in 1946 sets the cost at £338 thousand million—four times the World War I figure of £84 thousand million. America alone spent as much on World War II as all the nations of the world spent on World War I.

In terms of casualties it cost 60 millions compared to 37 millions in the first war. Twenty millions were killed compared to 8.5 millions in the first war. It was the first truly total war with every civilian village a war-front. By air bombings and by the Nazi policy of 'liquidating' inferior races, it is estimated that 7 to 13 million civilian non-combatants were killed—probably they were more numerous than combatant deaths in World War I. Social disruption among those who remained alive was immeasurably greater. It is reckoned that throughout the war over a quarter of the people of Europe were uprooted by removal as

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slave labour, by being harnessed into invasion armies or by flight from persecution.

It is an astonishing fact, and a tribute to the truth that men do learn, that after this unparalleled disruption Europe pulled itself together with remarkable speed and vigour. European wars of the past have invariably been followed by a trail of plagues and famines. But after this, the worst war in Europe's history, there were very few internal upheavals and nothing to match the civil war and the intervention in Russia or the Balkan wars at the end of World War I. No case of mass starvation and no large-scale epidemics occurred. After World War I, it was six hectic years before European economic production attained its pre-war levels. After World War II, most of the nations of Europe had recovered pre-war industrial levels by the end of 1946, little over a year after the end of hostilities!

The reason is clear: men drew on their experience and planned the post-war period. Long before the end of hostilities, Bretton Woods formed the basis for economic revival; UNRRA pooled all surpluses for distribution to shattered lands according to their needs; international conferences among the Allies laid out makeshift diplomatic *modes de vivre* before the end of the fighting; the UN was formed as an arena for adjusting differences to develop later.

There is a perverse tendency to-day to scoff at these institutions and arrangements because they have not brought total peace and the millennium. Yet they represent an enormous step forward from the past. Without them the war to-day would certainly long since have changed from cold to hot. UNRRA directly prevented mass starvation in half a dozen European countries. Indirectly it prevented epidemics, upheavals and a rash of local wars that desperation might have incited. In a continent so short of elbow space and so strategically important as Europe, no local war can remain purely local for long. Without the agreement at Yalta as a temporary basis for relations between the Allies, and without the creation of the UN to give a modicum of elasticity to Great Power relations, the tensions of the post-war period would almost certainly have led to strategic grabs by all the nations as a matter of sheer self-defence in

the general atmosphere of suspicion. Bretton Woods was a considerable assurance to the highly competitive economies of the West that there would be no cut-throat dash for post-war markets.

If these institutions have not resolved all our problems it is simply because the problems have grown too tremendous. There has never been a situation so universally explosive as that today. Our little planet has shrunk and tightened within a generation. In that narrow spatial setting, it is an unhappy coincidence that the World power-map has undergone a radical revision such as it has never experienced before, while at the same time there is maturing an ideological conflict as dangerous as any that rent the Middle Ages with religious wars. In a less constructive-minded generation, the situation might already have degenerated into a general holocaust.

That it has not, and that Europe has so rapidly pulled itself out of all those difficulties which are *caused by war* are indications of human progress, and show that humanity still has the stuffing in it and has learned a good deal about how to apply it. If there is a theme to this book, however, it is that Europe is not suffering from temporary post-war maladjustments; it is suffering from a permanent crisis whose solution will require that basic changes be made. Europe is in the middle of a new pulsation with the momentum of centuries behind it and it is to a great extent independent of individual wills. By democratic consent if we are wise, by force if we are not, the pulsation will be completed.

From here on we investigate contemporary Europe nation by nation. About mid-way I shall attempt to make some generalizations that I consider valid for the whole continent. As in all orthodox 'whodunnits', the villain of the new phase of Europe's crisis—the Cold War—will not be named until the end. But the reader will have no trouble whatever guessing if he looks on this outline not as a 'whodunnit' but as a 'whatdunnit'.

First, then, to the principals of the report—Great Britain, Soviet Russia, and the new first nation of Western Europe: The United States of America.

CHAPTER II

THE FALLEN BASTION

'Nothing much happens in Britain, except miracles.'

—STANLEY EVANS, M.P.

IT IS a forgotten fact that at the end of 1946 relations between the great powers stabilized and for a few brief weeks life on our planet became very nearly pleasant.

The classic cause of trouble among victors after a war is that the defeated powers leave a vacuum on the world power-map. A vacuum is both a temptation to the aggressive and a menace to the pacific, a cause of instability and friction, until—generally by haggling at a peace conference—the victors can agree on some way of filling it.

Throughout 1946, the victorious powers haggled over the larger part of the vacuum Hitler left: the defeated Nazi satellites, Italy, Hungary, Rumania, Bulgaria and Finland. Since possession is nine points of the law it was pretty clear what the general outcome would be: Hungary, Rumania, Bulgaria and Finland were going to become areas of predominant Russian influence, for they were occupied by Russia. Italy, occupied by the Western powers, would become an area of predominant British influence. The principal aim of the haggling was the desire of each side to keep at least a good economic foothold in the territory of the other. Thus, Russia insisted on sizable reparations from Italy to tie a portion of Italian industry to the Russian market, and the West struggled to win part control of the Danube to maintain an open door to its markets and fields of investment. Both fought to the bitter end to dominate the no-man's-land of Trieste.

Through two meetings of the Council of Foreign Ministers, the long acrimonious Paris peace conference and a session of the General Assembly of the UN, the powers exerted pressure where they could, yielded where they had to, until at length a state of balance was reached. There are no reasonable grounds for

being shocked at the procedure; until we attain world government this will have to remain standard behaviour for victors after wars. In the end, at the New York UN Assembly, the satellite treaties were agreed on and the vacuum was declared filled.

There remained of course a great number of points of friction over the earth, but probably no more than after any other war. There remained also the prime vacuum of Germany, but there was reasonable hope that some arrangement could be made to fill it without fighting. The German question at this time was still being viewed *on its merits* and not as a pawn in the Cold War.

Over the rest of Europe omens were uncommonly favourable. Production had by this time amazingly recovered pre-war levels in most of Europe. Not even a major strike had disturbed the tranquillity of most of the continent. In the West, Communists were co-operating with Catholic parties in democratic cabinets. In the East, some countries in the Soviet orbit had enjoyed model democratic elections.

Agreement on the satellite vacuums brought a general sense of relief from tension. In New York Mr. Bevin said, 'the sun of peace is rising at last'. Mr. Molotov passed through London and threw out cheery Christmas greetings to reporters. America and Czechoslovakia patched up relations (which had nearly broken when at the Paris peace conference Secretary of State Byrnes saw Czech Foreign Minister Masaryk applauding an especially bitter Russian attack on America; thereupon America broke off negotiations for a loan to the Czechs) and began negotiating a 'comprehensive treaty of friendship and commerce', whereby Czechoslovakia would become the first country in the Russian sphere to agree to American post-war plans for multilateral trade.

In Germany, American occupation authorities ended a cause of bad blood by returning some 600 Danube barges and ships to their Danubian owners. The ships had been impounded by American Military Government frankly as a means of pressure for the peace conference. In Bulgaria, Georgi Dimitrov assumed the premiership with a speech proposing greater friendship with

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the Western Allies. In Rumania, the government issued a statement offering British and U.S. capital 'a vast and profitable field of activity here in Rumania.'

In these circumstances I began a New Year's broadcast from London, 'It looks as though this is going to be the first Christmas for a long time when you can drape the old sampler expressing Good Will Towards Men over the mistletoe without feeling foolish. The international situation has improved so fast that it almost makes a body suspicious.'

Little over a month after these cheery words, the whole bright new scaffolding of growing stability collapsed in ruins. Three months later the Cold War began. A year later armies but lately demobilized were beginning to be remobilized, arms factories but lately reconverted received instructions to convert back to arms again. Mr. Bevin's sun of peace went behind a cloud to stay. Mr. Molotov has not said a civil word to Western reporters again.

The assumptions on which the improvement started deserve to be stated concisely for they are the key to much that has happened since. World stability rested like a tripod on the assumptions that there were three great power-blocs: America and the Western Hemisphere, Russia and her satellites, and between them, and most important of all, the historic seat and source of world power—the nations of Western Europe among whom Britain, by virtue of her Imperial solidarity, is pre-eminent.

It was this last and most important assumption that failed. The epic of Europe had passed its climax; the essential third leg of the tripod collapsed; the mainstay of the scaffolding of growing stability fell down and left the peace in ruins.

Let us take a closer look at that mainstay and see why it mattered.

* * * * *

There is nothing arbitrary in the fact that the line marking the centre of the world map—zero degrees longitude—has been drawn through the capital of Great Britain. That raw, mist-bound little island has done as much to spread European

civilization over the earth as all the rest of Europe together. Its past is certainly the least credible episode in history.

A Martian visitor to the prehistoric earth might have listed it among the geographical areas least likely to succeed. It is the same size and is situated in the same Siberian latitudes as the peninsula of Kamchatka opposite Alaska. It is also the same size as the middle-sized American state of Wyoming, only a third as big as Texas. Save for some increasingly less economic seams of coal it is not specially gifted with natural riches. Its soil and climate are not favourable to growing the important staples that support a large population.

Yet this bleak outcrop from the sea sustains a population 8,000 times that of Kamchatka, 235 times that of Wyoming. With more than 3,000 inhabitants to the arable square mile, England is said to be the most densely populated country on earth in relation to cultivable soil. Upon an unbelievably confined domestic base, Britain long kept her people the wealthiest in the world, created one of the richest cultures in modern civilization, built and maintained for centuries the world's strongest instrument of armed force—the British Fleet. A mere dab of red on the map, she carved out of that same map and still nominally reigns over the world's greatest empire—135 times the size of the motherland and containing a quarter of the earth's total population.

The great British saga began by accident of geographic location. When the medieval powers discovered the New World, Britain—through most of her history until then no more important to the world than Iceland is to-day—found herself astride the richest trade routes ever opened to commerce. Being an island and difficult of access, Britain had been stocked by tough and adventurous seamen for whom the western ocean held little menace. Also because she was an island, she was able to fight her wars of unification early and so free herself for the great adventure.

Several timely accidents assisted her. In the Wars of the Roses, the feudal barons conveniently killed one another off without seriously harming the rest of the population. An early breach with the Roman Church kept her out of the religious wars which sapped the strength of the continent. A sound and fortunate

licking in France in the Hundred Years' War destroyed her lust for expansion in Europe and left her with only the open seas to explore. Finally, about the time when European trade with primitive America grew profitable, British farmers discovered that wool pays better than grain and began to convert their farmlands to pasturage, turning peasants off the land and creating a tremendous pressure of over-population which could only be relieved by the means Britain was accustomed to, water, in the only accessible direction, America. While Germany languished in religious war, and France chafed and Spain slept under outmoded feudalism, Britain proceeded to make a going concern of empire.

Inevitably, Britain was the first to feel the pressure from a fresh increase of population and the need to do something about it with the capital accumulated in her treasuries. When her scientists discovered steam locomotion, they recalled the fortunate circumstance that the island possessed coal, the fuel of the new age. With plenteous sources of colonial raw materials, and the world for a virgin market, she built up an industrial economy none could compete with. Other nations resorted early to erecting tariff walls to keep British manufactures from flooding their infant industries. But so strong was Britain's trading position that it was not until 1931 that she ended modern free trade and began, herself, erecting protective tariffs.

Many of Britain's finer spiritual achievements derive directly from her amassed wealth. It created a large leisure class to pursue the arts and a large wealthy class which patronized them. The bastard dialect of English was refined into the richest language of world literature and the first language of world commerce. Wealth also provided a layer of fat which made for relative social health. When the demands of a lower class for a larger share of the national wealth became too urgent, there was always a surplus to yield to them rather than fight about it. Commerce, moreover, created a large middle class as a field for compromise between social extremes. Largely as a result of this, Britain still holds the world record for having undergone no violent breach in government for more than 250 years.

The miraculous creation of British greatness is less astonishing than her ability to maintain it for so long. The world has always been a jungle of sovereignties in which, in the last resort, the only rule governing relations between national compartments is the rightness of might. The British Empire is not of a piece but loosely scattered, vulnerable at many points. More vulnerable than any part of it has been the motherland itself, and it has become steadily more so. With commerce and industry yielding such rich fruits, Britain abandoned the basic security of agriculture long ago. In 1939 only 7 per cent of her people were employed in agriculture—the smallest proportion of any nation on earth. Britain became a land of city-dwellers with four of every five of her subjects living in towns or cities—the highest degree of urbanization on earth. To feed and employ her millions Britain depends on imports from overseas for 60 per cent of her food and 80 per cent of her raw materials—doubtless the highest degree of vulnerability on earth. It would seem that somewhere in the long record the arteries of empire could have been pinched shut, somehow sufficient jealous strength could have been assembled to throttle the vulnerable little island to death.

That this has not happened is thanks to the British Fleet. It serves not only to secure the motherland; as parts of the Empire have come of age and prospered, built their own industries and become less dependent on the parent workshop, it has also served as the principle bond of empire. The existence of the British Fleet protects each Dominion from its local enemies, saves them the expense of maintaining large fleets of their own, gives them an interest in continuing association in the great imperial bloc whose unity in turn gives tiny England her dominant weight in international councils. Nowhere has the significance of the Fleet been more imaginatively brought out than in *The World Crisis*, where Winston Churchill describes his first visit to Portland where he laid eyes on the assembled warships: 'Open the seacocks and let them sink beneath the surface and in a few minutes, half an hour at most, the whole outlook of the world would be changed. The British Empire would dissolve like a dream . . . the central power of union broken.'¹

¹ *vide* David J. Dallin: *The Big Three* (Allen and Unwin, 1946)

The Fleet, however, is only the most obvious evidence of the more important means by which Britain has maintained the miracle of her greatness. This, I would suggest, is an attitude of mind that is peculiarly British: a seven-days-a-week-all-night-and-every-day alertness to every potentiality of danger, an attitude of unremitting concentration to draw the last ounce of advantage out of every change in the world situation. British policy has followed no long-term plan; it acts to-day for to-day's needs of imperial security and advancement, and to-morrow will about-face completely if to-morrow's needs demand it. André Siegfried has expressed it well: 'There is no such thing as a solution. The English, those inscrutable politicians, realize this. They are well aware that the best of solutions get out of date and must be continually renewed and re-adapted to conditions which change with the months and years . . . [Britain] can never relax, for although her work is always successfully achieved, it always has to be done over again.'¹

Likewise, British policy adheres to no principle, shuns no fruitful compromise, be it with the Devil himself (a fact which in no way distinguishes British foreign policy from that of other nations; it is just that Britain has been more successful at it). 'England', Lord Palmerston once said, 'has no permanent friends. She has only permanent interests.' British foreign policy is frequently cloaked by a disinterested casualness, and because of its planlessness is sometimes known as 'muddling through'. But both the superficial covering and its name are deceptive. The British course is the product of a peculiar alertness and singleness of purpose.

If any pattern appears in the tortuous policy of Britain in modern times it has been to keep potential enemies small and divided. To this end the tiny island has done more than any other nation to carve the frontiers of the world. In addition to painting a fifth of the map red, her command of the seas has allowed the other great overseas empires—the Portuguese, Dutch and Belgian—to exist only under British protection or on British sufferance. The price these nations have had to pay has been to play the occasional role of British satellites in European politics.

¹ André Siegfried: *The Mediterranean* (Cape, 1948)

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Britain has been more responsible than any other nation for the continued 'balkanization' of Europe. She has thrown her weight into keeping the strategic river-mouths opposite London in the hands of two small powers, Holland and Belgium, rather than in those of a large nation such as France or Germany, which might threaten her security. She has worked to keep the Alpine watershed in peaceful and neutral Swiss hands rather than have it absorbed by a large power that could thereby win continental hegemony. She has preferred to keep the Balkans splintered lest their solidarity should bear down on her life-lines in the eastern Mediterranean. It is largely Britain that has kept Europe—the centre of global strategy—from falling into the hands of any one power.

There have been frightful lapses in British foreign policy. The latest one—Mr. Chamberlain's appeasement of Hitler—was very nearly disastrous. But in general, by unremitting vigilance and backed by the combined force of her empire, Britain has been able to play this vast game of chess with amazing success for centuries. It may be judged as either good or bad. On balance I think it has probably been good. The important point is that the world expects Britain to play this part. *It has become a prime assumption of world order.*

Very soon after the stabilization that began at the end of 1946, Britain very suddenly advertised to the world she could no longer play her role. The world has not yet recovered from the shock.

* * * * *

The wind that blew down the scaffolding rose at the end of January, 1947. I am told by people who know about these things that an area of high pressure somewhere above Archangel began moving in an arc over Scandinavia and down towards England, sucking Siberian cold with it. An area of low pressure, scheduled to move warmly to Scotland, was consequently deflected by the former towards the Balkans, stripping Britain of her accustomed meteorological clothing just about the time Siberia arrived in Scotland.

THE FALLEN BASTION

The bottom dropped out of dense phlegm-coloured clouds, and for three days Britain was subjected to the worst blizzard she had known since 1894. All the island was covered with from three to twenty feet of snow. Thanks to the Gulf Stream, England in winter is usually the warmest country north of the Alps. But now her country garden landscape presented a curious spectacle: hedgerows and small trees disappeared under unbroken wastes of snow. Villages were isolated as though they were located in Tibet. In the teeming industrial Midlands, the most densely populated area on earth, a few outlying villages had to be supplied by parachute to prevent starvation.

After three days the blizzard broke and a thaw set in for twenty-four hours—just long enough to start the snow melting so that when arctic cold returned next day, the snowdrifts froze into rocklike ice. Almost every major road in the country was blocked.

Coal, the corpuscles of Britain's bloodstream, coagulated at the source. Miners had to dig their way with pick and shovel from doorstep to pithead, and many gave up and stayed home. Many of those who got to the pits could not get home at night. Coal trains were brought to a standstill in the drifts. Coastal coal traffic was paralysed because the ships were imprisoned in port by frozen dock-gates.

As industries worked through their thin reserves of fuel, one industrial furnace after another went out. A microcosm of Britain's situation was a small steel village in the north. Its furnaces went cold and its workers unemployed because coal from a pit a mere fifteen miles away could not be moved through the snow! It was weeks after the thaw before the furnaces were hot again and the men could go back to work.

If ever a nation was paralysed it was Britain in her winter crisis. Millions were unemployed. War-time blackout was reintroduced over 80 per cent of the country. Domestic use of electricity for heating was restricted on pain of heavy fines. A newspaper stated the alarming truth that at that moment a country so small and weak as Portugal could have invaded and conquered England, prostrated by cold.

It was four months before industrial employment regained its

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pre-crisis level. By that time, Britain was six months behind in her life-and-death struggle to raise exports to the point at which she could pay her way in the world. Sir Stafford Cripps said that the crisis cost the country £200 million worth of export production it could never make good again.

The cold spell was an Act of God. It 'caused' Britain's crisis in the same sense that a draught causes a debilitated man, susceptible to the first germ that comes his way, to catch cold. In other words, if the blizzard had not brought Britain to her knees, something else would have. But the blizzard dramatically high-lighted the perilously narrow margin on which Britain was living. Her coal-seams had become deep and narrow, her miners older and less efficient, her mining machinery worn out. They had delivered reserves so small to industry that a short cold spell could exhaust them. Even before the crisis she was not producing enough exports to pay her way; she was living on loans from abroad and from sales of her gold reserves. A fortnight's blizzard stopped her factories and revealed her pauperdom in a cold clear light.

Let us take a quick look at the elements of the British crisis. Britain depended on the outside world for more than half her food and four-fifths of the raw materials for her industry. Before the war she paid for them by roughly three means: first, by the flow of income from her large investments abroad; second by income from her merchant marine carrying goods for other nations; third by selling her industrial goods abroad for foreign currency.

The war, accelerating developments already in process, disastrously reduced all three sources of income. First, her foreign investments. A very short while ago Britain owned half of all the foreign investments in the world. Interest flowing in from them paid for one-third of all Britain's imports. During the war she had to sell them to get ready cash to pay for war materials. Others, in Asia, went up in smoke in scorched earth retreats from the Japanese. To get more funds she borrowed heavily from the Empire. At the end of the war Britain was transformed

from being a lender to the world to the amount of £4,000 million, to being a debtor to the world to the amount of £3,000 million! She had fallen into debt to an amount equal to the value of eight years' worth of her pre-war exports.

Second, her merchant marine. Before the war Britain had the biggest merchant marine in the world, double the tonnage of the American. She plied a profitable carrying trade. During the war, sinkings decreased her merchant marine by a quarter, whilst other countries increased theirs. By the end of the war, the American merchant fleet was three times the size of the British. Moreover, the nations of the world became highly dependent on loans and goods from America after the war. America, to avoid unemployment in her new, bigger merchant marine, 'tied' the loans; *i.e.* she made them conditional on the goods being shipped to the borrowing country in American bottoms. An enormous gap was thus knocked in Britain's accustomed income from the carrying trade.

At the end of the war, therefore, Britain had only one means of buying the necessities for her swollen population: her manufactures. And to fill the gap left by the loss of her overseas investments and of her shipping position, they would have to increase their pre-war figures tremendously. Her manufacturing industry, however, was not in a propitious condition.

Before the war Britain's most profitable exports were coal and textiles. Britain once produced over 270 million tons of coal annually, of which a good deal was sold abroad. But now her mines are old; the shafts are on the average about four times as deep as American shafts, and many seams are thin and inefficient to work. Her mining population, misused and allowed to decay in depression for so long between the wars, has grown old and weary. Many of the young sons of miners have sought cleaner and better paying jobs. Before the war an American miner turned out four tons of coal a day, a German miner nearly two and a British miner only one. Since the war not even that inadequate pre-war figure has been reached. Compared to a production of 267 million tons a year in 1924, British mines since the war have been having a rough time producing just

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over 200 million tons. Nearly all of it has been needed for home manufacture; very little has brought income from export.

British textile exports face an old familiar situation. Other nations that once bought from her have built their own textile industries. New Zealand, for example, used to buy large quantities of rayon from Britain. During the war she built a few rayon mills of her own. Now the local owners are demanding tariff protection against British rayon.

Much of the rest of Britain's manufacturing industry suffers from inefficiency. British industry long ago grew accustomed to being the world's first producer, grew tired of internal competition and formed itself into trusts, the various units splitting up the market between themselves and neglecting improvements. It has been estimated that the minimum new investment of capital in British industry needed to keep it in step with the times is twenty million pounds a year. But in the 1920's investment in British industry was only one million pounds a year.

British manufactures tend to be expensive and consequently have difficulty in competing on the world market. The main reason is the high cost of the basic fuel, coal. The paradoxical situation exists that while American miners get double the wages of British miners, a British miner's wages per ton of coal is higher than the final selling price of a ton of American coal. This raises the price of all British manufactures. Before the war, for example, British automobiles cost twice as much per finished pound weight of car as American cars. Since the war British costs have doubled.

In such circumstances Britain could no longer pay her way in the world. At the end of the war, the government had met the situation by reducing imports and putting the people on austerity rations to save dollars. But still, in the year 1946, Britain's needs from abroad cost her £450 million more than the value of the goods she produced to pay for them. The British government had ambitious plans to raise exports until they filled this gap, and indeed, exports were rising. The winter crisis intervened and knocked these plans awry and threw the island into the pit of poverty.

The British winter crisis was a turning point in post-war history. For nearly two years the country had been playing the role she and the world assumed was hers—that of a great, indeed the key, power. She was first power in defeated Germany, occupying its vital Ruhr, and defender of the eastern Mediterranean in Greece and Turkey. It was to Protestant Britain, not to America with its large Catholic population, that General Franco sent a letter proposing an alliance against Communism. Belgium, Holland and Denmark were sending their young officers to Britain for military training and their troops were wearing British uniforms. Britain was still serving as the consolidator of Western Europe. At the time, Britain was maintaining a great power's armed force of 1,250,000 troops and spending £750 million a year fulfilling her world-wide commitments—over four times more than richer, pre-war Britain paid for her armed forces.

The winter crisis made the impossibility of all this manifest. A nation nearly choked to death by poverty at home could no longer afford to keep a million of her youngest and best workers abroad, or to pay the tremendous cost. Britain began to relinquish commitments faster than any nation had ever abandoned power before. She could no longer pay for her troops in Greece or support Turkey, and told America so. India was given her independence. Burma went. Palestine was handed to the United Nations. Effectual control of the Ruhr was abandoned.

The great British Home Fleet was reduced almost to the point of disintegration. For a short period at the end of 1947 it was down to a total active strength of one cruiser and four destroyers. The bonds of Empire loosened perceptibly. South Africa elected a government whose cabinet contained for the first time not a single member of British origin, and whose avowed policy was secession from the Empire. The new Dominions of India and Pakistan also talk of breaking away. Eire has dissolved the last link binding it to the Empire. The other Dominions, Canada, Australia, New Zealand, are learning to look to a new power for protection. America's battle fleet had risen in the war from below parity with the British Navy to over five times its war-time tonnage. Now it became not merely the greatest but almost the only fleet of consequence.

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Small countries began sniping at the wounded lion to see what would happen. Guatemala probed at British Honduras. Argentina renewed claims on the British Falkland Islands. Iraqi mobs overthrew a government which had re-negotiated a defence treaty with Britain, and the treaty was denounced. Egypt broke off negotiations for a new treaty.

A few months after the world had partially filled the vacuum Hitler left, Britain—and with her Western Europe—collapsed from the power-map and left the biggest, most dangerous vacuum of all. It was very much as if the seacocks of the Fleet had been opened on the occasion of Mr. Churchill's visit to Portland: the whole outlook of the world was changed.

* * * * *

If ever a people deserved a happier fate than that just described it was the common people of Britain. Though Britain has been wealthy, her wealth has been exceedingly badly distributed. Poverty has been more apparent in Britain than in some poorer continental countries.¹ Even as late as the nineteenth century, starvation continued to be listed among British vital statistics.

The common people fought a glorious war. For a long decisive year they fought it alone and probably saved all our necks. At the end, in the General Election of 1945, they showed astonishing gumption, defeated every prophecy, voted Mr. Churchill (a wonderful war-time leader but highly myopic regarding the social issues of peace) out of power and the Labour Party in. It was the first clear majority Labour had ever won in the House of Commons, with 393 seats to the Conservatives' 197. Liquidated in the Tory holocaust were 5 former cabinet ministers, 8 other ministers of cabinet rank and 19 ministerial under-secretaries. The bright new parliamentarians of Labour included

¹ The reason for this paradox is that a large portion of the poor of continental countries can fall back on supplements from handicrafts and domestic agriculture. In Britain, agriculture was abandoned, handicrafts were largely replaced by big industry and the people were totally dependent on the precarious mechanism of the market, a notorious maldistributor. Also, poverty is always uglier in cities than elsewhere, and the British are 80 per cent urban dwellers.

35 ex-miners, 66 former railway workers, 21 women. They marked the first day of their control of the Commons by shaking the old panes of the chamber with a rendering of the 'Red Flag'.

The General Election was an international event of some moment. At Potsdam, where the Big Three were in session preparing the future of defeated Germany, Marshal Stalin was indisposed for two days. Rumour said he was suffering from a formidable hangover after celebrating the defeat of his favourite enemy, Winston Churchill. In Greece the right-wing government supported by Churchill felt the clutch of panic. Political demonstrations were forbidden for four days and in the cities soldiers with tommy-guns were posted at all corners after dark. An American newspaper thought it saw the Apocalypse. It rallied to President Truman, calling him the last defender of private enterprise around whom 'swirl the waves of a world upheaval started by the British electorate'. An old lady at Claridge's Hotel in London said, 'But this is terrible. They have elected a Labour government and the country will never stand for that'.¹

The old lady's fears, like Stalin's hopes, were unjustified. The bulk of the Labour leadership—especially Prime Minister Clement Attlee, Lord President Herbert Morrison, and Foreign Secretary Ernest Bevin—are highly conservative Labourites who could be counted on to steer well to the right of the far left. The nationalization programme to take over certain industries from private ownership was forced into Labour's election platform against the will of the leaders by a 'rebellion' from the floor at the party's last annual conference before the General Elections. Of Labour's new parliamentary representation, nineteen members are on the boards of Capitalist companies. Of its working class members, many are old-time trade union bosses, who can be more Tory than Tories.

Labour's programme of legislation—now near enough to completion to justify an assessment—has been less a revolution than a process of bringing Britain up to date. When the full nationalization programme is finished only 20 per cent of British assets will have become public property—about the same proportion as in Switzerland, the most conservative democracy in Europe.

¹ J. E. D. Hall: *Labour's First Year* (Penguin Books, 1947)

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The nationalization of the coal mines had long been considered inevitable by all parties, and it is not nearly so radical a move in its context as the creation of TVA in America. The nationalization of transport has been almost as urgent. The British winter crisis was less a coal crisis than a crisis of the country's dilapidated transport system. The nationalization of 'Cable and Wireless' and the Bank of England and of gas and electricity concerns merely fits Britain into the pattern of several other modern states. The extension of social security and the near-socialization of medicine and dentistry bring Britain up to the level of the Scandinavian nations.

The next stage of nationalization—that of the Iron and Steel industry—is more debatable. Far from decrepitude, Iron and Steel in Britain is breaking all past production records. However, Labour has so written the nationalization bill and so timed its passage that it will in fact be a campaign issue in the coming General Elections and the people will be given a second chance to say whether they desire it or not.

On balance, it is my impression that the desirable and necessary things which the Labour government has accomplished far outweigh its numerous mistakes and failures. Labour's rule has in fact been a tonic to Britain. A much juster distribution of national wealth has taken place. For the workers, real wages have risen 11 per cent above pre-war and social insurance benefits 84 per cent. For capital and management, the income from rent, interest, and profit has fallen by over 20 per cent. In 1938 there were 7,000 people who received over £6,000 a year income after taxation. To-day there are only 80 people in that category. It is worth adding that in the period when British wages rose 11 per cent, American wages fell 10 per cent and French wages fell around 25 per cent.

British food prices have risen under Labour's administration only 2 per cent, compared to the next lowest rise of 9 per cent in Switzerland. In the period of this data, American food prices rose 30 per cent.

In the first two years after World War II, Labour built 112,000 houses compared to 6,000 built in the two years following World War I. Though economy is in a parlous state, and

despite the interruption of the winter crisis, British industrial production to-day stands at 18 per cent above pre-war. Its exports are at present 38 per cent above pre-war. Agricultural production in 1948 was a quarter above pre-war despite a bad harvest.

Perhaps the most significant statistics are these: in the three years after World War I, British industry lost 149 million work-days due to strikes; in the three years since World War II, Britain has lost but 8 million work-days through strikes. (In the same period America lost 206 million work-days from that cause.) The frequently posed question of whether or not Britain could have been ruled better through the post-war years by the Tories than by Labour is probably academic. Britain could have been ruled by no one else but Labour, the party sympathetic to the all-important basic producers; else industry might have stopped long since without benefit of blizzards.

Labour's domestic policy has been leftist. Its imperial policy has been highly liberal. Long before the winter crisis forced a hasty liquidation of commitments, the Attlee cabinet offered independence to several important Asiatic possessions and was in conference with native leaders on how best to accomplish the transition. Never before in history has a great empire acted with such constructive good will towards its subjects or faced a painful inevitability with such realism.

In all of Labour's progressive policies there is but one black sheep: its foreign policy. Labour's Foreign Secretary, Mr. Bevin, it has been said, dropped nothing of the programme of his Tory predecessors but the aitches. An uninitiated visitor to the House of Commons during a foreign policy debate would sometimes have difficulty guessing which party Mr. Bevin belongs to: he sits on the Labour Front Bench but the cheers for him usually come from the Conservative opposition. Behind him the Labourites sit uneasy and silent.

Mr. Bevin's aides explain the paradox of Labour operating a Tory foreign policy by saying that governments may change, but geography does not. Britain is still an island bound to throw

her force against the biggest continental power, which is now Russia. Britain was forced to control Greece to protect her imperial 'life-lines' in the Near East. Also in the Near East she has had to support the Arabs, though they are feudalists, against the Jews, though they are socialists, because even a socialist Britain needs foreign income, and Britain's richest remaining foreign asset is her Arab oil concessions.

Some of this makes sense. But it still does not explain Mr. Bevin's foreign policy. For example, it is reasonable in our imperfect world that Britain needed a certain control over Greece to protect her position in the eastern Mediterranean. However, Britain did not need a blindly reactionary and monarchist Greece. Yet, as we shall see in a later chapter, it was largely Mr. Bevin's policies that led to the monarchist assumption of power and the resumption of civil war in Greece. In Germany, likewise, Mr. Bevin's zonal policies have resulted in a resumption of real control by old-line German Big Business to the exclusion from power of his ideological allies, the German Socialists. In Palestine, the burden of his policy has been to work against a solution of the partition question both while Britain occupied the country and since she has thrown it, in hopelessly snarled condition, into the lap of the UN. All Mr. Bevin's efforts together extended Britain's resources far beyond her strength—due to the necessity of increasing troop complements in all three countries mentioned—long before the winter crisis occurred. At the end of 1946, disorders in Greece, Palestine and Germany were forcing Britain to maintain an army twice as large as the one kept under arms by the richer British government of 1920 after World War I.

The oddest commentary on Mr. Bevin's efforts is that after Socialist Britain lost her foreign initiative in the winter crisis, it was Capitalist America who took over, pushed the partition plan for Palestine through the UN against the opposition of the feudal Arabs, initiated reforms in the Ruhr which helped restore morale and raise production, and made at least a feeble attempt to restore liberalism and institute reforms in Greece. One cannot avoid the verdict that the Labour government, through Mr. Bevin, has sacrificed much of the tremendous

moral advantage it possessed by virtue of its middle-of-the-road, non-capitalist, non-communist attitude to world affairs.

Since the winter crisis British foreign policy has not mattered a great deal. Britain has become in effect a senior satellite of the United States. This opinion will grate on a good many readers, for we would like to believe that our present common course in affairs is due to a mating of souls with identical interests. In fact our interests clash at many points, and at each point it has been Britain—dependent for the next several years at least on American aid—that has had to back down. The revival of German and Japanese industry under American auspices is one example. Nothing constitutes a greater threat to the competitive position of British industry. Palestine, where Britain has backed the Arabs and America befriended the Jews, is another example. For a long time Mr. Bevin was able to continue his anti-Jewish policy there, knowing that America was painfully schizophrenic on the issue: her spirit was with the Jews, but her flesh was with the Arabs and their oil concessions. However, since it was made clear to Mr. Bevin early in 1949 that his menacing attitude towards the Israelis was alienating American opinion, his course was changed and Israel has at last been granted *de facto* recognition by the British government.

In her present enfeebled state, Britain is an unstabilizing influence in world relations. It sounds harsh but it is true that Britain, along with other European countries, has developed a vested interest in bad Russo-American relations. The main reason why the American Congress could be sold on the Marshall programme was its hostility towards Communism. If relations between Russia and America should improve it might be hard to sell the next instalments of Marshall Aid to American congresses which have an awkward way of becoming economy-minded at intervals. Thus the reaction of the British Foreign Office has ranged from cold hints to vocal protests each time the Press raises the question of America and Russia having a conference *d deux* to talk over differences. Personally, I feel that the British Foreign Office should not worry; bad relations are so well founded that we can count on America and Russia being at loggerheads for years to come without outside aid. But

the Foreign Office apparently does not want to take any chances.

It is a matter of world concern that Britain recover her strength and independence. What are the chances that she will do so? I am not among those sanguine observers who believe it possible—at any rate, not on the old basis. Recovery is a much bigger word than it sounds. It means the recapture of Britain's former relative position in the world. I do not believe it possible in this world of giants that a nation of forty-eight million people produce either the economic might or the soldiery required to rank again as a great power. Recovery means the restoration of Britain's old wealth. But nothing on earth can restore the sources of that wealth—rich colonies like India, high-interest investments in pioneering the railroads of South America and so on. Recovery means that the bonds of empire tauten again and its combined weight make Britain as great as before. But I cannot see the possibility of it; the two main prerequisites are gone. The British Fleet will never regain its relative position, for there will be no enormous surplus of wealth to spend on it. British industrial economy is ceasing to be the strong tie it was, for the Dominions are building their own industries.

By the end of 1948 Britain at long last, and with Marshall Aid, succeeded in balancing her trade, paying for imports by exports. There was much talk of British *recovery*. Although the effort behind the balancing of payments was praiseworthy—indeed it was about the finest co-operative effort in Europe—the word to describe it is not recovery. It was *re-stabilization* on a much lower level of influence and wealth after a very long fall.

Even that re-stabilization is not secure. Its continuance depends on a Four-Year Plan, announced by the British government in 1948 with the aim of paying Britain's way without foreign aid by 1953. But the assumptions on which this result is to be achieved are shaky. It is assumed that the productivity of British export industries will increase considerably. But there is evidence that it is not doing so. In October 1948, productivity per worker had increased by only 1 per cent over October

1947, and this is not nearly enough.¹ The plan further assumes that the present abnormal 'sellers' market' will continue. This assumption is certainly wrong. With the growing revival of German and Japanese industry, producing cheaper goods with cheaper labour, expensive British goods will almost certainly soon run into tough competition.

I am probably going to make myself very unpopular among the people I respect more than any other in Europe by bewailing Britain's condition at a moment (the spring of 1949) when conditions on the island are improving for the first time since the war. But the portents seem undeniable: to maintain her new stabilized position in the coming 'buyers' market', Britain is going to have to make her economy much more competitive by modernization from the ground up. (Already in 1949 we read in *The Economist* that German scientific instruments are beginning to undersell Britain's simply because German labour costs are only 60 per cent of those of Britain. German machine tools of the same quality as Britain's can be delivered to purchasers within four months of being ordered and are 5 per cent cheaper while Britain requires twenty-eight months for delivery. There is no answer to this but a drastic modernization of British machinery.) Capital for this effort can only be obtained by withdrawing wealth from the people's purchasing power. More labour can only be recruited by streamlining British society; at a time when Britain needs productive workers, there is too large an unproductive middle class of brass-buttoned doormen and redundant bank clerks left over from her great commercial past. Trade Unions maintain too many guild-like restrictions on terms of work and the entrance of apprentices and auxiliary labourers into their trades.

Britain enjoys a wonderful opportunity in still possessing colonies in Africa which can be turned into a new granary. But again, it can be done only at the cost of forgoing consumption now to provide capital to clear bush and jungle, provide the

¹ v. *Manchester Guardian*, December 14, 1948: "More Production?" In 1949 Sir Stafford Cripps published figures showing a faster rise in productivity, but they do not alter the point made here: that the rise has not been nearly enough to maintain Britain's competitive efficiency. Thus, in the first four months of 1949, exports to America fell 14 per cent.

tools, and educate the African workers. Even when the job is complete the once copious one-way flow of colonial wealth of the last century will not be resumed. The old days of colonial exploitation are probably gone forever; from now on it will have to be to a certain extent a trade partnership with the colonies—a much less lucrative undertaking.

In a word, Britain is only at the beginning, not at the end, of the drastic changes she must undergo to become a viable forward-moving social unit again. Before these changes are completed, they will probably place great strains on her people. To cite but one possibility: the job cannot be done without converting a large section of the middle classes into producers. Will they accept what amounts to a lowering of their status? On the continent assaults of this sort have turned the middle classes sharply to the right, in some cases into Nazi and Nazi-like movements which promised to save them from the left. Yet, the pinch of national income is such that if they are not so converted, the capital will have to come out of the incomes and social services of the workers, the kind of thing which on the continent has split Socialist parties and sent great numbers of workers packing off to the Communists.

The decline of Britain's wealth has left little slack for the social compromises that created her long record for peaceful change. From now on she will have to depend on the sheer good sense of her people. That, however, is a token of some moment. I can think of no people on earth more likely to face the facts, take the strains, do the job and make writers like me feel a little absurd for having hinted that there was a possibility of failure in the first place.

CHAPTER III

THE LOST CORDON

'There has been a new deal. But the cards are the same and they are of Tartar origin.'

—WILHELM VAN LOON

THE COLLAPSE of British power, followed immediately by similar breakdowns throughout Western Europe in the winter of 1946-7, occurred on a European map that had been radically altered by the war. The most conspicuous change was the emergence of Russia into Europe. Behind her the *cordon sanitaire* to contain Bolshevism—the sustained effort of 25 years of diplomatic activity—lay shattered among the other ruins of war.

When the smoke cleared Russian troops were garrisoned at the outskirts of Hamburg, once the greatest continental port, not a long cannon-shot from the North Sea. They were as near to London as Denmark and Switzerland.

No nation ever held such extensive sway over Europe with the consent of the other great powers. Russia had directly annexed an area in Europe of about 250,000 square miles—an area larger than that of France, Switzerland, Holland, Belgium and Denmark together. Eight other Eastern European countries and parts of two more had become her satellites.

The future of this expanded giant was more disturbing than its present. By 1970, it is estimated, Russia's population will be somewhere between 250 and 285 millions. Her proportion of the total population of Europe will rise from 30 to 40 per cent. It will be the 'youngest' population in Europe. To-day in Western Europe 15 per cent of the people are over sixty-five years of age. In Russia only 8 per cent are over sixty-five. Together with her European satellites she will constitute a uniform ideological, economic and military bloc of nearly 400 million people. If the Chinese war ends in a Communist victory there will be a solid Communist bloc, dominating the world's greatest land mass, of nearly 1000 million people, close to half the earth's total population. By that time Western Europe may contain not much

over 200 millions. The Communists will be on top of the hump in their world revolution.

There are no grounds for disappointment that peace was not established smoothly after such a reorientation of power. Had democratic Belgium, say, expanded to these proportions and positions, the shock to equilibrium would have been stunning. The more so since the nation which actually did so was one with traditions alien to those of the West, and with a blatant revolutionary mission.

It was not long before Western writers began picking from the annals of Communism such classic statements as Lenin's: '... It is inconceivable that the Soviet Republic should continue for a long period side by side with imperialist states. Ultimately one or the other must conquer. Meanwhile a number of terrible clashes between the Soviet Republic and the bourgeois states is inevitable.' Or the resolution of the sixth congress of the Communist International, 'The overthrow of capitalism is impossible without violence—*i.e.* without armed uprisings and wars against the bourgeoisie. In our era of imperialist wars and world revolution, revolutionary civil wars of the proletarian dictatorship against the bourgeoisie, wars of the proletariat against the bourgeois states and world capitalism as well as national revolutionary wars of oppressed peoples against imperialism, are unavoidable.'

Long before the Cold War broke out, and before Russia had taken any steps that might be considered aggressive, people in the West could not avoid the silent question: is it possible to get along with a nation dedicated to this philosophy? This question has since become more urgent. It has indeed become the most pressing question of our time.

The answer depends on an understanding of what makes the giant tick, and that is the most difficult thing in the world to discover. The forces that created Russia are unique; they do not fit the mental frames of comparison and contrast by which we understand other nations. Her peculiar situation on a plain so vast—three times the breadth of the whole United States—that she differs in kind rather than degree from other plain-states, must have had a tremendous formative effect, but one that is

very hard to estimate. It appears to have had both a unifying and a disintegrating influence.

It is a curiosity not otherwise explicable that in a world where large areas have tended to break up into smaller national units, the Tsars had remarkably little trouble keeping vast Russia in one piece. Absence of topographical interruptions has made for that tendency. Yet their absence has also tended to prevent the organic growth of internal institutions. With nothing to stop them, Russian peasants have roamed freely where hunger or promise dictated, never staying long enough in one place to establish units of organic society.

Any sporadic crystallization was broken up in the raids of the Asiatic hordes who for centuries swept recurrently across Russia into Europe. During the two centuries when the feudal basis of Western Europe was forming, Russia was under the wild, retarding domination of the Tartars.

These forces characterized all subsequent Russian history. There was no authority but the absolutist centre. It was welcomed as a necessity rather than despised. In Russian history there was little protest from the peasants against the 'Little Father': it was his officers and administrators who were blamed for wrongs. The effort of the centre was always an effort to become like the West, but to create by Tsarist *ukase* institutions that in the West grew up organically and naturally.

In every stage of the process, the underlying tendency seems always the same. In a country which never experienced the Renaissance and Reformation, the feudal hierarchy never developed a code of chivalry or a responsibility to its serfs; it remained a bureaucracy of the Tsar, created by his order. In a land which never had its 'bourgeois revolution', liberalism and individual responsibility and initiative have not taken root. It is only the man in the Kremlin at the centre who keeps the social framework from disintegrating and the people from going back to sleep in the long winters of the endless plain.

The point is that Russia's unique circumstances make it hard to distinguish what in Russia to-day is Communist and what is purely Russian. The point is not academic. It is of immediate importance for political conduct and policy to-day. What is the

reality we must either come to terms with or confront with force? If Bolshevism were overthrown would not the ensuing rulers, after perhaps a period of trying to please the West with an appearance of democracy, revert of necessity to autocracy and present the same Russian problem to the world again? The geographical ambitions of Stalin's foreign policy resemble remarkably those of the Romanovs. Last century a British newspaper published a reader's letter protesting against the 'Iron Wall' that divided Russia from the world.

I do not pretend to be able to draw the distinction with any precision. It is comforting that the Russians themselves are having trouble with it. Several Soviet Russian historians have been purged in the recurrent dispute between those who write 'continuous' history, and those who hold that 1917 was a 'breach' with the past. Russian historical films have had to be withdrawn and remade because of this delicate issue. The Soviet leaders' insistence that Russia is more Communist than Russian, and the corollary that other nations going Communist must conform to the Russian pattern, has caused rude eruptions in the ranks of her satellites who have found it hard to conform. It will not be surprising if there are more such eruptions in the future.

The historical obstacle to understanding Russia is tremendous, but there is a greater difficulty: the Russian question long ago ceased to be one of reason and fact, and became one of faith—a religious question as explosive as any which divided the world in the Middle Ages. It has become nearly impossible to judge the Russian system on its merits. Every statement about Russia starts in the listener's mind a chain of implications which affect every phase of his beliefs. If you point to the indubitable industrial achievements of the Soviet régime, a man whose values are based on the Western way of life allows his fears to travel the gamut of his instincts: you are taken to mean that Communism is good and is the coming system; Capitalist Democracy by contrast is decadent and on the way out. If he admitted that the Moscow tractor works doubled production in five years, his inner life would become barren. Man's body can take torture but his mind cannot stand that clutching empty feeling that comes with a challenge to his assumptions. So he denies the fact and

by way of defence brands you a Communist or a misguided fellow-traveller. If you point to the hideous poverty or recount some of the documented police horrors of the system, the dedicated Communist undergoes the same process, shuts his mind to the fact, classifies you as one of Capitalism's paid 'confusers of issues'. Two worlds, wrestling with their own inferiority complexes rather than with one another, have divided on the Russian question. Between them they exert a powerful pressure on the liberal observer to shade his facts to fit his audience and preserve both his reputation and his job.

I have devoted this much space to the background for observing Russia rather than to the object to be observed because the former has become far more important. As Alexander Woollcott once said, 'When you go to Russia, you do not see what the Russians want you to see; you see what *you* want to see.' A Communist and a Capitalist, of roughly equal intelligence, can go to Russia together, see the same things, interview the same people, and come out and tell two stories as divergent as if they were describing two different planets. Differences on the Russian question are in the minds of the observers, not in the objective facts. The facts are relatively few, well known and generally indisputable. I beg to repeat a few that have, I believe, had the strongest formative effects on the Russia we are confronted with to-day.

First, the Bolshevik Revolution was only very superficially a *seizure* of power. It was a popular revolution. And anyone who is going to deal with Russia or fight with her must take that into account. Tsarism had died of internal rot before Lenin set foot on Russian soil. Seven months before the Bolsheviks took power their party numbered 40,000 members in a population of around 180 millions. Numbers grew later, but that remained the hard core. A minority so minuscule cannot subvert any real authority. The fact is—there was no real authority to be subverted.

The Bolshevik Revolution was amateurish. The leaders were sharply divided over whether to undertake it, and were not the resolute band we imagine. Some days before the Revolution two of the leaders, Kamenev and Zinoviev, announced the plan to seize power in Maxim Gorky's paper. The government of the

day had plenty of time to do something about it. But the government was a mere shell. The people were already with the Bolsheviks. There ensued what was perhaps, for its scope, the least bloody turnover in history. (The blood-bath came only later—during the civil war and foreign intervention.) Travelling the vast breadth of the land a short while after, the American observer, Colonel Raymond Robins, reported complete order and no serious challenge to the rule of the Soviets.

Later, the leaders of the deposed parties attempted to overthrow the Bolsheviks by a series of individual assassinations—a means used only by parties that have no popular backing.

Later still, they joined with the Tsarist officers, got foreign assistance, and began a civil war against the Bolsheviks. The 'White' armies enjoyed every advantage. They had experienced officers, abundant financial and material support from abroad, and the armies of fourteen countries invading Russia at their side. The 'Red' army had few officers, few arms, was blockaded and in a state of starvation. At one time the Whites pressed Lenin's Bolshevik State into the space of 250,000 square miles—an area the size of Montana in a country as big as all North America. Yet the Bolsheviks won the whole country, for they had the people.

This simple fact is of first importance. The mass of the Russian people know the Revolution is their responsibility, and that they could have been rid of it at a succession of points; but they preferred to have it and fight and starve for it. To the mass of Russians the present Russian government remains *their* government.

The second fact is that the Revolution was achieved by the Bolsheviks on a false assumption. Their Marxist tenets called for Communist revolution only in highly industrialized lands, else the system would not work. Russia's population was 80 per cent peasants, 90 per cent illiterate, with very little industry. It is pretty clear from the record of debates among the Russian Communist leaders that there was no serious thought of pulling Russia up to an industrial level by her own feeble bootstraps. The assumption was that the Russian upheaval was but the commencement of world revolution. As they became Communist,

modern Western countries would lift Russia up, carrying the burden of her capitalization—a painful pauperizing process as the Industrial Revolution in Britain has shown.

Lenin's first words on arriving in Russia in 1917 were, 'The war of imperialist brigandage is the beginning of civil war in Europe.' Trotsky was emphatic, 'There are only two alternatives: either the Russian Revolution will create the revolutionary movement in Europe, or the European powers will destroy the Russian Revolution.' On the eve of revolution Lenin said, 'It [the Revolution] will conquer the whole world, because socialist upheaval ripens in all countries.'

There were grounds for this assumption. Socialists overthrew the monarchy in Austria; Béla Kun established the Hungarian Soviet; a Bavarian Soviet enjoyed a brief life in Germany. As late as 1921, at its first session, the Comintern cabled Marshal Budenny, then marching on Warsaw, 'The time is near when there will be created an international Red Army.'

But the assumption was false. The world revolution fizzled out. When the smoke cleared the Bolsheviks found themselves in possession of one tremendous white elephant, no allies and no idea what to do with it.

There were broadly three possibilities: hand over Russia to Capitalism, for which alone it was ripening; or become positively aggressive and conquer industrial allies; or make Socialism in Russia without outside aid or allies: lock the borders, starve the people, pour all wealth into capitalization. The Communists mulled over these alternatives and split over them. The third course was chosen, and in the inevitable disillusion it brought through the accompanying pain and terror, disaffection was recurrent in the party ranks. Only by means of police terror could the bulging, shapeless body of Russia be held in the strait-jacket of industrialization forced upon it by Stalin. The consequences of the 'wrong assumption' have moulded most of the characteristics of the Communist régime we face to-day.

Nearly as important is the third formative fact: the attitude of the outside world towards Russia. The Russian dogma of Capitalist hostility and inevitable clashes is a disturbing ele-

ment in the world. But the blind, dogged efforts between the wars of so many outside nations to make the dogma seem to the Russians the Lord's own truth have been just as disturbing. Lenin's statement about 'inevitable clashes' quoted in the beginning of this chapter should not be shorn of its context; it was not a wish but a prediction, which the outside world terribly fulfilled.

The invasion of Russia by fourteen foreign nations—which degenerated into a mass looting and mass murdering expedition of proportions unequalled until the Japanese invasion of Manchuria—was a bad first lesson in diplomacy for the Bolsheviks. It cost Russia seven million lives and £15,000 million worth of destruction, an experience not easily forgotten. The Russians knew what American President Wilson had said at the peace conference in 1919, 'There is . . . a voice calling for these definitions of principle and of purpose which is, it seems to me, more compelling than any of the many moving voices with which the troubled air of the world is filled. It is the voice of the Russian people.' President Wilson tried to have the Bolsheviks represented at the peace conference. The Russians knew that the American commander in Russia, General Graves, was opposed to the adventure of intervention, and that in Congress Senator Borah had said: 'While we are not at war with Russia, while Congress has not declared war, we are carrying on war with the Russian people . . . there is neither legal nor moral justification for sacrificing these lives.' From all this the Russians could only conclude that political democracy was a façade; the 'Capitalists' were the real rulers of the West—not elected Presidents or Senators.

The period between the wars, moreover, was filled with downright brazen foreign plots to overthrow the Soviet government, beside which the recent Gouzenko spy case in Canada pales in significance. Again, what must the Russians have thought of the British government's kindness to Hitler. It even signed a pact of naval rearmament with him in violation of the peace treaty after his intentions were quite frankly stated in *Mein Kampf*, 'We start anew where we terminated six centuries ago. We reverse the eternal Germanic migration to the south and west of Europe and

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look eastwards. . . . If we speak of new soil, we can but think first of Russia.'

Twenty-five years of experiences of this nature would afflict any nation with neurosis. They did so to Russia.

Our fourth and last fact is that the Bolsheviks' effort has been successful. I mean that it successfully resolved the dominant problem of Russia which was to build in a short time an industry and a morale adequate to defend the country victoriously in World War II which they had rightly predicted would come.

To realize the dimensions of the achievement it should be remembered that when seven years of war and revolution were over, capital and machinery *per capita* in Russia were on a par with the African Congo. Steel production was at three per cent of the very low 1913 level. When man declared an armistice, God declared war: in 1921 there came a drought, the worst of the century. Two million people died and nineteen million were in the last stages of starvation. There was cannibalism on the Volga.

The Communists let things drift, and production found its 1913 level only in 1928. Then they began their plans for industrialization. In other words, they had not twenty-three but only twelve years to prepare for World War II. The measure of their success is in these comparative indices of industrial production in 1940, with the level of 1913 as index 100 in all cases:

France	93.2
United Kingdom	113.3
U.S.A.	120.0
Germany	131.6
U.S.S.R.	908.6

Was the sacrifice—the bloody purges, the gruesome liquidation of the Kulaks, the deprivation and starvation—worth it for Russia? Knowing the Nazis rather intimately, I believe the answer is yes. Survival was literally at stake. In three years the Nazis executed several million Russian civilians for no other reason than that they were Russians.

Were *all* the sacrifices necessary to the result? I believe the answer is no. But I write as a Westerner, steeped in the indi-

vidualist tradition and with respect for efficiency. In Russia life has always been cheap, individuals meaningless. The Tsar sent his soldiers over the top in offensives against modern armies without rifles; the instructions were to pick up rifles from the dead if they could; if they couldn't, *tant pis*. All the candidates competing for power with the Bolsheviks showed the same callousness. The 'democratic' parties whom the Bolsheviks overthrew sent tens of thousands of unequipped soldiers into certain death in the last offensives of World War I without batting an eyelash. The White generals in the civil war—no less inclined to terror than the Reds—thought nothing of lining up several dozen civilians at a time and shooting them because they lived in villages once occupied by the Reds. In the vast, and to a Westerner unbelievable, squandering of human life that is Russian, it is probable that any government which made the effort the Bolsheviks made would have acted pretty much in the same way.

Perhaps the most important question is: have the Bolsheviks created a nation the world can get along with? Let us survey the domestic raw material of Soviet foreign policy.

* * * * *

The most important fact about Russia since World War II is that it still exists in one piece and under the same management. No nation has suffered a comparable blow, except perhaps Germany in the Thirty Years' War—and that event eliminated Germany as an influence in Europe for 200 years. The Nazi blow against Russia fell, it is worth recalling, on a country which had spent seven of the previous twenty-five years in the most destructive warfare of modern history, whose population had been further decimated by two of the worst famines in modern history and which had spent much of the rest of the period in searing purges and the sternest internal repression ever known.

On top of this, Hitler laid in ruins the richest and most industrialised part of the country and killed seven million people. Thirty-eight million more were uprooted and driven from their homes. Seventeen million precious head of cattle disappeared.

Once again, when man ceased hostilities, God began them. There was a poor harvest in 1945. In 1946 there was a drought,

worse than that of 1921 when two million starved to death. UNRRA aid came to an end as the worst effects of the drought struck the country.

The following brief domestic report on post-war Russia would seem to answer those who still argue that the Soviets have made no advance over the Tsars.

Politically the gangling giant held together under the blow. It is true that the Volga German Republic (600,000 population), was removed to the interior as a precautionary measure when the Nazis penetrated the country. After the war the bulk of two small Republics—the Crimean Tartars and the Checheno-Ingush Republic, totalling together 1,500,000 people—were removed to Siberia for ‘serving enemy occupation interests’. But the first measure is a reasonable Russian counterpart to America’s precautionary mass internment of Japanese after Pearl Harbour. The other involved two peoples not far removed from nomadism and illiteracy and to whom in a period of near starvation Nazi blandishments—including offering them the privilege of looting the homes of other peoples—must have been irresistible.

As for the overwhelming mass of the Soviet people, their loyalty was complete. There were no mass desertions as in earlier Russian armies. We have the Nazi press as testimony for the ‘fanatic brutality’ with which they fought. A German military government officer told me it was nearly impossible in occupied territories to find Ukrainian quislings, and the Wehrmacht had to resort to the ancient system of appointing local ‘elders’ to administer the villages. Time and again at the Nuremberg trials, German officers justified their mass murders in Russia by saying the Russians were less ‘co-operative’ than other occupied peoples. The few armed bands that were organized out of German prison camps or arose spontaneously from the occupied countryside seem to have been inspired by no other motive than that of wild, hungry hellions bent on plunder. Neither of the two about whom something is known—the quisling Cossacks of General Vlassov, and the ‘Benderovci’ from the Ukraine—were a match for the Red partisans, and they moved early from Russia, the Cossacks to France and the Benderovci to Poland, where life was less dangerous.

In regard to agriculture, in the bad harvest year 1945-6, Russia none the less had enough grain to distribute a million tons to her hungry neighbours. In the drought year 1946-7, though rations were painfully short, there was no famine. In 1947 it even became possible to end rationing.

In regard to industry, recovery has been amazing. Faced with the war-time ravages of economy and the job of demobilizing the world's biggest army over a transport network never adequate and now broken to homes that had been wrecked, production limped badly at first. By 1947, however, industry got into its stride. In November, 1948, Molotov asserted that production was running at 17 per cent above pre-war. When I was in Russia in 1947, the shops were already filling up with consumer goods, though at exorbitant prices. Since then, prices have been reduced by order—a step which could not have been taken without real increases in the quantity of goods and the sure prospect of further increases in the near future.

The means to this recovery—amazingly swift considering the tremendous destruction—have been several. Mercilessly milking Germany (and to a less intense degree Germany's late satellites) of reparations has been one.

Another has been one of the more dramatic developments of our time: the colonization of Asiatic Russia. The job proceeded quietly before the war, intensely during the war, and now after the war is a chief part of the three five-year plans launched by the government. During the war fifteen million people and 1,300 industrial plants were moved beyond the grasp of the German armies to the trans-Urals. Few are likely to return. It is noteworthy that the current five-year plan allocates considerably more funds for trans-Ural development than for reconstruction of the old centres of industry in European Russia. The plan tightly limits population and construction in the western capitals, Moscow, Kiev and Leningrad, but places no limitations on growth behind the Urals. Very likely, in a generation a 'New Russia' will arise in Asia and the Russia in Europe which we know will become a mere satellite.

The shift has already gone far. In 1931 Russia got but a tenth of her coal from behind the Urals. By 1940 it was 36 per cent.

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By 1950 it will be 47 per cent. The trans-Urals will produce 51 per cent of Russia's steel output in 1950, as against 20 per cent in 1930. Agricultural development there has already progressed greatly. When the 1946 drought hit the Ukraine it was from the unaffected, hitherto uncultivated acres of Altai and Kazakstan behind the Urals that came the surplus which prevented starvation.

Another means of Russia's recovery has been a good deal of aid, mainly from the United States and Britain via Lend-Lease and UNRRA, without which it is probable that the country would not have pulled through the first two post-war years with the minimum of suffering it experienced. A case can be made that another means has been the exploitation of the idea of 'Capitalist encirclement' and the maintenance of the war-scare. Before Winston Churchill gave his vigorous spin to the vicious circle of post-war suspicions in his speech at Fulton, Missouri, Stalin re-established the party line in a speech in February 1946, telling the people that the nation was still menaced by the Capitalist countries, and spurring them to harder, faster building of industry.

All these means together, however, do not add up to the achievement. On the highest estimate Russia has not exacted enough reparations from the defeated countries to make up a fraction of the damage that was done to her. Foreign aid to Russia has been, in relation to her destruction and population, much smaller than that granted to any Western European nation. War-scare propaganda can be paralysing and self-defeating as well as an incentive to work and sacrifice. There seems to me no way of explaining the achievement save by the assumptions laid out in the preceding section: the Soviets have created something which the bulk of the Russian peoples want to defend and advance. Both morale and material progress have made great strides since the end of Tsarism.

The war also brought out that prime weakness of the Soviet régime referred to in the preceding section: only the strait-jacket keeps Russia in its present shape. Any relaxation of it finds the

Russian people slipping back towards easier modes of development.

During the war a good many straps of the jacket were loosened in order to get the most out of the people. Social revolutionary propaganda was dropped in favour of slogans of national patriotism. Ilya Ehrenburg rose to high fame as a purely nationalist journalist, preaching fiery hate against all Germans—a vital deviation from the Marxist line that only ruling classes are to be hated. The 'International' was replaced by a more national anthem. The Stalin Constitution was amended to permit all sixteen Republics of the Union to have their own militias and foreign offices. This gesture was doubtless made partly to obtain more than one seat in the UN organization. But principally, I feel sure, it was made to appease strong local patriotisms and win a supplementary effort from local zeal.

The 'anti-God' league was dissolved and the Church was recognized again. Intellectuals enjoyed a short shallow breath of freedom and some writers joined in the universal end-of-war weariness and fed their readers feuilletons of pure Hollywood escapism with no bearing on the struggle of the proletariat. Here and there the papers let the people think that the outside world was not quite hostile if also not quite friendly.

Land in the liberated areas was scorched and tractors—the bond that holds collective farming together—were scarce (the Nazis removed or destroyed, it is estimated, two-thirds of Russia's tractors). So, in order to get cultivation going somehow the government shut an eye when peasants extended their little private plots of ground into areas that were legally collective. There was a free market in the towns paying unlimited prices for peasant produce alongside the government market with its restricted official prices, and peasants were encouraged to throw all the food they could onto it. Peasant 'rouble-millionaires' became notorious if not numerous. Russia was breaking out in its natural shape all over the place. Not a few shoe-factory workers began doing overtime mending on their own. Not a few truck-drivers bought peasant produce privately and between official duties carried it to the town free market to sell at—yes, a profit!

It is interesting and significant to speculate what natural shape

Russia would have assumed, had this process continued. The unruffled ease with which the collectives were re-established when Stalin finally restored the strait-jacket indicates that the trend towards private peasant farming is not as strong as it used to be. It has been my impression during two visits to Russia, and John Fischer confirms it, that the Russian peasants have done well under collectivization and are pretty well adjusted to it as a design for producing and living.¹ They are no longer the first problem of the Soviet rulers that they were in the 'thirties. The workers, in their turn, have long since been adjusted to the system.

The social development in war-time and post-war Russia indicates that a brand new problem has now arisen: the growth of a Soviet middle-class, a managerial class that did not exist before.

One of the greatest difficulties the Bolsheviks had to face on emerging from the Revolution was the absence of an intelligent, capable link between those at the top who made decisions and the basic producers who carried them out. The small Tsarist 'intelligentsia' deserted the Reds to a man in the civil war. The Soviets had to create one of their own, and they had to do it by offering extraordinary advantages to people of ability. Most of the deviations from pure Socialism hitherto countenanced in Russia have taken the form of concessions to candidates for filling this gap. Incomes for their kind of work—management, medicine, journalism, engineering—are relatively high, and more bonuses and prizes have been allotted to their functions than their numbers justify. Although at the present time they constitute only 12 per cent of the population on David Dallin's estimate, they receive around 30 per cent of the national income. The payment of interest on government loans has mainly benefited this class with an unearned increment. The recent re-institution of tuition fees in schools and colleges offers them a preferential education for their children. The only legal form of hired labour permitted in Russia—the hiring of domestic servants—is their privilege. It is a measure of their growth that the number of domestic servants in Russia rose from 150,000

¹ John Fischer: *The Scared Men in the Kremlin* (Hamish Hamilton Ltd., 1947)

in 1924 to 339,000 in 1927 and to 406,000 in 1932. Since then the item has disappeared from official statistics.¹

The new Russian managerial class shows all the inclinations of its type elsewhere. While it is probably true that the mass of the Russian people do not painfully miss the 'bourgeois freedoms' of the West because they have never known them, this new class has obviously developed a keen desire for them. Writers long for more scope, managers for a greater range of opportunity for their initiative. Among the other advantages they enjoyed during the war-time relaxation of restrictions, was contact with the outside world as officers, administrators in occupied countries and journalists. The impact appears to have been terrific. Peasants returned to the security of collective farming; workers returned to the security and the opportunity for advancement by hard work which the Soviets undeniably provide. But the intelligentsia returned to chains.

It is noteworthy that almost all the news of domestic Russian politics the world has read in the past four years has dealt with this class alone. Collectivism in the Ukraine was restored by no apparent punitive action against the peasants, but by the removal of two-thirds of the *managers* of tractor stations. After three years' duration the Russian press still talks of the purge of 'survivals of Capitalism' in the arts, and among biologists and economists.

During the two years when industrial production lagged, the press attack was directed not against the workers but against managers, and a typical misdemeanour reported in the Moscow press was that of two engineers who 'destroyed national resources' by experimenting on increasing coal production by a new use of explosives. This was obviously a typical managerial effort to exercise ingenuity with the aim of winning a bonus. It is from this class that have come the Kravchenkos and the Gouzenkos and the bulk of the deserters from the Soviet occupation force in Germany.

This, I suggest, is Russia's chief social problem, and it is a new one. It has both an optimistic and a pessimistic bearing on world relations. If the Soviet leaders intend to create a classless

¹ David J. Dallin: *The Real Soviet Russia* (Hollis & Carter, 1947)

society they cannot do so during the present period of scarcity when idealism is a luxury and there is every incentive for the new middle class to break the bounds of Socialism and create for itself a 'privileged' position. If a classless society is at all possible it is so only on the foundations of an economy of abundance, and for that Russia needs a full thirty years of peace.

In the meantime the rulers in the Kremlin do not possess a managerial class they can trust. Interchange of ideas with the outside world is out of the question on account of the unreliability of their managers. Diplomats who show friendship with the West have been brought home and only rigid, indoctrinated party members are allowed to go out as diplomats and trade negotiators. For outsiders it is already much harder to get *Intourist* visas to enter Russia; and once inside, communication with Russians is much more difficult than before the war. Relations with Russia were easier when the peasants were the principal problem, for few Western farmers spent their vacations in Russia.

The new 'Post-war Russian Revolution' was initiated by the Stalin speech of 9 February 1946, referred to above. It revived the bogey of the Capitalist menace and set the tone for all that followed—the purge of intellectuals, the replacement of patriotic by revolutionary slogans, the refurbishing of the collective system in the Ukraine.

The revolution reached its climax in a currency reform with rather dramatic overtones. In December 1947, the citizens of the Soviet Union woke up one morning to read in the papers that the money in their pockets was very nearly useless. It could be taken to the banks where one new rouble would be exchanged for every ten old roubles handed in. People who had their money in the bank rather than in a stocking at home fared better: bank deposits were exchanged at the rate of two or three new roubles for ten old roubles. Workers, however, continued to receive their current wages at full value in new roubles. By the same government decree rationing was ended and prices of consumer goods reduced.

The result was, indeed, a new social revolution. By one decree excess currency was sopped up and removed from circulation,

eliminating an inflationary pressure on prices. Living standards were radically shifted overnight against those who had cash—the peasants and the middle classes—in favour of the workers who had none. The shift was sudden and harsh, yet even so conservative a commentator as *The Economist* could not withhold its approval, 'Mr. Stalin has been much keener in his analysis of the trouble [the inflation then sweeping all Europe] and much more forthright in his steps than any economic statesman in the West.'

Our domestic report on Russia has a happy ending. The currency reform gave new incentive to the industrial workers. Industrial production rose speedily thereafter. The harvest of 1947 was good and that of 1948 excellent.

The future promise was outlined to the people in a series of three five-year plans. According to the *Cominform Journal*, they are to end the period of 'Socialism' (when, by Stalin's definition, each receives according to his labour) and bring the period of 'Communism' (when each receives according to his needs—*i.e.* there will be abundance). In 15 years, when the three plans are completed, Russia will be producing sixty million tons of steel p.a. (compared to eighteen million tons p.a. at present) and machine tools will number 1,300,000 (the figure America reached in 1943)—to quote but two key statistics on which all others depend.

Judging by Russian progress so far, the end will be attainable in fifteen years, but only just. I, for one, hope it will be achieved, for we shall then at last see if those high walls will topple; if a Sears, Roebuck mail-order catalogue will cease to be more subversive—because of its coloured display of American consumer goods—than a ton of bombs. One thing would appear certain: Russia cannot make both 1,300,000 machine tools—and guns.

* * * * *

In theory Soviet foreign policy should be a factor for peace in the world. In practice it is not.

Soviet foreign policy is based on (a) the country's past experiences, (b) its domestic necessities, and (c) its national dogma. Let us consider them in turn.

Russia's past experiences give her a desperate interest in world peace and security. Rich but too backward to defend herself, she has always been a temptation to conquerors. One cannot think offhand of any generation since the dawn of Russian history that has not known foreign invasion and rapine. John Fischer records that since 1800 Russia has suffered 14 foreign invasions, the town of Minsk been occupied by foreign armies 101 times, Kiev razed so often its people have lost count. The secret hole in the nearby field or forest for hiding possessions from the invader is as integral a part of a Russian household as the oven. Since 1914 alone, foreign invasions have cost Russia over twenty million lives. Taking into account the inhibition on natural increase, the population of Russia would to-day but for these losses number forty million more than it does. The recollection that America has not been invaded since 1815—and that was a pretty puny affair—and that American deaths in two world wars have been less than half of a million, should encourage some sympathy for Russia's state of mind. Total deaths of the whole British Empire in two world wars were not over two millions.

Russia's domestic necessities point likewise to a pacific attitude. As we have seen, her far-reaching plans require a long period of peace. The interest of the Russian people is concentrated on domestic reconstruction. In their newspapers, foreign news receives generally little space and that on the back page. The front pages are wholly taken up with news of domestic economy. Unlike Nazi Germany, Russia has no serious lack of raw materials and she has within her borders an absorbent market which maximum production for a very long time to come will not nearly saturate.

The factor of the Soviet national dogma raises thornier questions. But it too can be shown, in theory, to be essentially defensive. Marxism, as improved by Lenin and interpreted by Stalin, is first and foremost a *prediction*, and it is a prediction which puts Russia on the defensive. In logic, only after the prediction is accepted does an aggressive programme of action follow to meet its eventualities.

The prediction which is the basis of Soviet foreign policy is that Capitalism will continue in progressive decay, suffering

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recurrent crises. In the mesh of its gathering contradictions, its rulers, the Capitalists, will not tolerate the existence of a successful Socialist state in the world as a counter-attraction for the masses. If all other means of eradicating the Socialist state fail, then war will be resorted to. Moreover, a successful war against the Soviet Union would not only remove the dangerous attraction, it would provide a new empire which Capitalism could colonize and thereby extend its decrepit life.

After, and only after, the prediction is accepted does the aggressive programme of Communist action follow: beat the Capitalists to it; grab what defence bastions we can while we can; sabotage their economy from within.

In justice to the Russians it must be said that the prediction, on which all else depends, is not entirely nonsensical. Capitalism has too often seemed to substantiate it. It is a fact that Capitalism has been swept by economic crises since its beginning. The most glaring characteristic of most of them has been poverty amid plenty—a contradiction.

The latest depression was the worst—an indication of progressive decline. It is also true that while President Coolidge spoke in 1928 of the beginning of a new era of prosperity, Stalin, on the basis of the dogma, predicted the crisis of 1929, implying that Capitalists are blind and only the believers in the true faith are right.

It is true that Hitler was on the downgrade in 1932 and was hoisted to power by Ruhr industrialists who wanted an arms programme to revive their industries—indicating to a Russian two things: that Capitalism in decay resorts to Fascism, and that it leads to war. Even less suspicious minds than the Russians must have noted the conspicuous difference between the behaviour of Britain and France towards the rise of the Russian dictatorship (they attacked it), and the rise of the German dictatorship (they abetted it with trade treaties and diplomatic deals like that of Munich).

This is far from the whole story of recent events, but it is enough for a Russian. It justifies his defensive prediction; and if the prediction is accepted, the aggressive policy of action appears to him the only sensible policy.

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This brief outline of the bases of Soviet foreign policy has a hopeful conclusion. Russia's essential interests are in peace, her attitude is defensive. In theory, then, the onus of peace rests on the West: if it does not attack Russia, it can keep the peace simply by setting its house in order and so ending crises that lead to Fascism and war. This is not written with tongue in cheek. That peaceful relations with Russia are theoretically possible on these lines is an encouraging feature of the Cold War. In the long run this theoretical possibility must become a practical one.

These long-term theoretical considerations, however valid, are cold comfort to the statesman who has to negotiate with the Russians to-morrow morning. Let us assume that he has a sympathetic understanding of the Russian background but happens to be in honest disagreement on the specific matter to be negotiated. He will as likely as not find it hard to come to the stage of discussion, for the Russians make long speeches, cantankerous in tone, with the result that the conference opens in a sour atmosphere. When he finally raises the matter, he may be interrupted on a point of procedure. A day or more will be spent hammering it out. If the Russians are overruled they may make speeches accusing the majority of ganging up on them and make some references to imperialist nations trying to impose their will on others or to preparations for aggressive war against the Soviet Union. They will probably make accusations patently untrue, for example that their opponents are secretly creating a Nazi army in their zone of Germany. (This is the favourite, baseless Russian allegation against Britain.) If this process is continued for several weeks, the toughest and most sympathetic delegate begins to get angry and may let slip a word which gives the Russians justification for their belief that he is hostile to them. A weaker man may break under the strain and decide that it is impossible to co-operate with the Russians. If in the course of the conference news comes of unilateral Russian action in Eastern Europe—say, a Communist *coup d'état*, or the forced signature of a 'trade treaty' effectually tying a satellite's economy to Russia's, or some other action tending to settle in

Russia's favour one of the very questions under international discussion at the conference—he may even become belligerent. He may be converted to the opinion of his country's military men, who always prefer big armies to small ones, that the only means of dealing with Russia is by rearmament and the threat of force. The Russians are thereupon confirmed in their original belief that the Capitalists are preparing war against the Socialist Fatherland.

Not all Western diplomats have been understanding and sympathetic, nor have Russian diplomats sabotaged every international conference. But with some reservations, this is an example of relations between the West and Russia immediately after the war. I shall try later on to substantiate this imaginary sequence with a factual account.

In day-to-day activities the theoretical basis of Soviet foreign policy outlined above has been concealed by more obvious features. The first is that Russia has retreated so far into a defensive attitude that she has turned up on the other side of the circle. Thus the Russian attitude with which the West must deal to-day is not defensive but aggressive.

For example, consider the crude process of communization to which her satellites have been subjected. Doubtless in Soviet eyes the process has been purely defensive and entirely reasonable. Her need for security justifies it: she is just as entitled to have friendly nations on her frontiers as America is, even if they have to be given a little shove in the right direction. The Soviets, believing as dogma that Communism is coming to the world no matter what happens, feel that it is logical to give them a good strong push and make them Communist right now, thus avoiding the trouble of a long transition. Moreover, as Communist countries the satellites will be more likely to remain permanently friendly and will be able to resist the blandishments of Capitalism in its intermittent periods of prosperity.

Even in its most liberal and sympathetic frame of mind the West cannot accept the principle behind this behaviour. The West can understand that Russia, after her bitter experience of repeated foreign invasion, needs friendly states on her frontiers. It has agreed to a thorough repression of Nazis and Fascists

in those states. But when the Russians insist on the liquidation of even Liberals and Socialists it is clear that Russia regards as friendly only totally Communist countries. Carried to its logical conclusion this means that Russia will feel secure only when every nation is a Communist dictatorship. It is impossible to accept this conclusion.

The West might even accept the Marxist prediction as a basis for relations with Communism. The prediction is that if Reaction does not interfere by violence, Communism will grow naturally to be the first force in every country. This would admit a peaceful competition between systems. Let it proceed and let us see who is right. But in fact, Communism has not worked out that way. Of all Russia's seven satellite countries, only Yugoslavia can be argued to have gone Communist on its own initiative. In every other case the Communists have been a clear minority forced into absolute power only by Russian pressure. There is only one word for this process, however subtly disguised, and it is aggression—the forcing of one nation's will on another in contravention of international agreements.

In summary, the first outstanding feature of Russian foreign policy in day-to-day practice is that her almost morbid fear of attack from outside, coupled with her dogma of the inevitability of universal Communism, has turned a theoretically defensive attitude into a practically aggressive one.

The second outstanding feature of Russian foreign policy in practice is that it is so often based on gross misinformation that the world must be on its guard lest a false conception in the minds of Russians lead to an irreparable breach of peace. Shortly before writing this book I attended the UN General Assembly in Paris and watched an example insignificant in itself but frightening in its implications. The then Soviet Deputy Foreign Minister, Mr. Vyshinsky, to prove America's designs, told the Assembly that the Esso Company in America was already distributing to its patrons a 'War-map of World War III'. Having just returned from a trip to America and suffering from a magpie lust for saving all kinds of maps, I owned a copy of the devilish document. It was 'Map III' in a series showing the battlefronts in World War II! I shuddered to think what larger

decisions by the world's biggest nation might be based on slipshod information of this sort.

The source of this dangerous inclination to misinformation lies in the domestic situation in Russia, already described. Of all the members of the new Soviet middle class, the diplomats are the most susceptible to the attraction of the West, for they are by their profession in constant contact with it. This has led since the war to a thorough comb-out of diplomats who understand and are sympathetic to the West, and their replacement with stone-brittle party men. The Maiskys and the Litvinovs have given way to Gromykos and Zarubins. As the Canadian spy report showed, ambassadors are frequently façades; real power lies with the MVD man in an obscure position. Terrified of being suspected of harbouring sympathies for the West, Soviet diplomatic representatives tend to model the facts of their reports to fit the dogma.

Acting on information distorted to suit almost paranoiac suspicions, the Kremlin has misjudged the temper of the West and miscalculated and mistimed its actions at almost every turn since the war. It has assumed the West to be weak when it was aroused and angry, assumed it to be hostile when it was friendly. To borrow from Talleyrand, Russian behaviour since the war has been worse than a crime; it has been a blunder. In the circumstances, how can a Western statesman be sure that the Russians will not act to-morrow on misinformation and forestall an expected Western attack by themselves starting a drive to capture, say, the Ruhr district of Germany? The answer is, he cannot be sure. He must support measures of defence, even be blatant about them in the Press to make certain the Kremlin knows that such a move would certainly start war.

Due to her policy of 'aggressive defence' and the tendency of her diplomats to distort facts to fit suspicions, Russia has become, in an important sense, her own worst enemy. She, herself, has created many of the causes of her own fears.

World War II ended in singularly favourable circumstances for Russia. Her power had increased so much that she could afford to be generous and amiable at the post-war diplomatic settlements. Her prestige was probably higher in Europe than

that of any of the other great Allies. A Gallup poll was taken in France on the question: which nation did the French feel had done most towards their liberation from the Nazis? Sixty per cent of the answers named Russia; America, which had done most of the actual liberation of France, got but twenty per cent. Britain was a low third. Before his recall Mr. Maisky, the Soviet Ambassador in London, had only to appear in the streets to be cheered.

True, there were still professional Soviet-haters in the West, hoping for a chance to isolate Russia again, but they were patently in the descendant. In Britain the party of Mr. Churchill—the least contrite of the pre-war Red-haters—was impolitely ejected from power, and the liberal-minded Labour party brought in on an electoral landslide. America had been ruled for three and a half presidential terms—an unprecedented period—by the indubitably friendly Roosevelt and his liberals. So strong was his tradition that his party was to continue in office for a fifth term after his death.

The dominant mood in the West was one of regret at the pre-war isolation of Russia, a desire to forget the past and find a brand new basis for good relations. The conference at Yalta agreed that the countries of the former *cordon sanitaire* fall into the Russian sphere of interest as a guarantee that the isolating cordon would never be restored. The veto was written into the UN charter in the form desired by the Russians. The Soviet Union was given three votes instead of one in the UN.

Without underestimating our good-will in agreeing to these measures, let us not preen ourselves too complacently at our generosity. The cordon countries were not ours to 'give' to Russia; they were in the path of Russia's armies and Russia was going to occupy them and include them in her sphere of interest no matter what we did. For all the criticism lavished on it, the veto in the UN was the only sensible basis for a post-war world organization. If the great powers cannot be unanimous, international organization will not work. The grant of extra votes to Russia was likewise an act of wisdom. To grant Guatemala—with three million people and no influence—the same voting power as Russia—with 195 millions and tremendous influence—would be

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unrealistic. America could rely on the almost automatic vote of the Latin-American bloc; Britain had the vote of the Commonwealth. It was only reasonable to jack up Russia's voting power in accordance with international realities. These points, however, only illustrate my argument. In the pre-war mood, we should have refused them all, or countenanced them only under bitter protest. There was distinctly a new co-operative mood in the West.

A gesture of an importance I have nowhere seen commented on was the active effort of the West to prevent the birth of a new Nazi myth directed against Russia. When the end of the war was in sight, the German armies were ordered by their commanders to surrender not to the Russians but to the Western Allies. The object was to maintain later that the Reich had never accepted defeat at the hands of the 'Mongols'. On this basis the West was eventually to be courted into supporting Germany in a 'resumption' of the war against Russia.

It was only due to conscious, forceful action that this myth was avoided. I spent the last year of the war with the American Ninth Army which was labelled to take Berlin. In the penultimate month of the war we moved across the Ruhr towards Berlin at the rate of fifty miles a day, reached and crossed the Elbe and could no doubt have been in the German capital days before the Russians. But at the Elbe we were called back. Orders tied us down. Berlin, it had been decided, was to be a symbolic Russian conquest.

When it became apparent to the Germans that we were not coming, Wehrmacht units facing the Russians faced about and surrendered to us. We took them, until it was discovered that these were troops from the Russian front. Then, on orders, we turned them back at the gun-point with the command to surrender to the Russians. When the German High Command hastened to Rheims to surrender to General Eisenhower, the Western commanders joined the Russians in insisting that the High Command also go to Marshal Zhukov's headquarters in Berlin and sign the armistice all over again.

In Czechoslovakia the West co-operated in creating a pro-Soviet myth. When General Patton's armies were near enough

to Prague to have taken it within twenty-four hours, they were ordered to stop in their tracks. To cement relations between Russia and Czechoslovakia it had been decided that Prague should be liberated by the Russians. The immediate consequences of this decision were catastrophic. The Russians were delayed in reaching the city, and meanwhile the Nazis went to work on the local population. But our decision remained firm that Prague should be liberated by the Russians to create a sentimental link between the two countries in the interests of Russian security.

This was the atmosphere and the opportunity which Russia squandered. By pin-pricks and by larger actions her leaders chipped away at the foundation of good-will. They discredited the liberals who tried to get along with Russia and cleared the path for a revival of anti-Soviet feeling which has sometimes bordered on reaction.

The Russians were invited to send a unit of the Red Army to the British Victory Parade in London in 1946. They refused, probably through fear that their troops would be subjected to insults in the ancient citadel of Capitalism. As a matter of fact, the Conservative *Evening Standard* commented, a company of fifty Red Army men would have stolen the show, won all the cheers in the parade. So liberal a periodical as the *New Statesman and Nation* could not forbear asking: 'Can it be that the Russians do not want a contingent of the Red Army to return from London and report the overwhelming friendliness of the British people?'

Small pinpricks like this can be extremely important. I am sure, for example, that no other single action harmed Russia's standing in Britain so much as the refusal of the Soviet authorities to allow fifteen Russian brides of British soldiers to leave the Soviet Union and join their husbands in England. Nothing brought home to America the harsh nature of the Communist dictatorship so clearly as the Kasenkina case, when a Soviet consular employee in New York leapt from a third story window to escape her Russian employers.

In her larger actions Russia was too enmeshed in her dogma and misinformation to respond. She did not take the outstretched hand of the liberals. The dogma leaves no room for their exist-

tence, save as façades to be used by one side or the other—either by the Capitalists as fig-leaves or by the Communists as fellow-travelling fronts. The fact, which may be the most important fact of our times, that liberalism can grow into a force in its own right, is not in the dogma, for Marx in 1860 did not include it.

Firmly convinced of an early American depression and an ensuing Capitalist assault, Russia used the apparent weakness of the West (which was really a desire to get along) to hasten her defences. Her central aim was to protect her south-west which is her bread-basket and one of her principal industrial regions. She fomented a pro-Soviet rebellion off her southern border in Persia and used it as an excuse to keep her occupation troops in the country, contrary to the agreement with the Allies. She laid claims with Turkey for joint Russo-Turkish defence bases on the Dardanelles. These actions inevitably caused concern in the West.

In Europe, Russia was worried about her southern satellites. Bordering on them, Greece belonged to the British sphere as a defence point for British communications in the eastern Mediterranean. When Britain liberated Greece in 1944 she found it dominated by the Communists. In a conflict with them the British broke the Communists and installed a right-wing régime. Moscow watched this change of internal governments from extreme left to extreme right occur with incredible ease overnight. In a panic, Moscow acted to make sure it would not happen in her Balkan satellites, Rumania and Bulgaria. Mr. Vyshinsky went to Rumania in person, forced the resignation of the non-Communist government of that country and installed a Soviet puppet government. A similar procedure was followed in Bulgaria. The West became more concerned than ever about its Russian ally.

Meanwhile, Mr. Churchill went to Fulton, Missouri, and, speaking in the presence of President Truman, proposed that America and Britain join against Russia. Mr. Truman's protestations that this was not his policy were not believed in Russia to whom the coming gang-up was obvious. In this mood the Russians went to the Paris peace conference to write treaties

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for the ex-Nazi-satellite countries. They were certain that the conference would turn into an effort to break Russia's grip on the cordon countries and were determined to nip the Capitalist plot in the bud. By behaviour not different in any essential point from that described above in the case of an imaginary Western statesman, they broke Secretary of State Byrnes's temper and the conference proceeded cantankerously to its end.

After the UN Assembly in New York reached agreement on the peace treaties in the winter of 1946, and Russia had indeed not been raped, Mr. Molotov looked quite happy on his return home through London that Christmas. Perhaps a little ashamed at not having sent a company of Red Army troops to London for the summer Victory Parade, the Russians suddenly accepted an invitation—tendered by the House of Commons months before but not hitherto answered—to send a 'good-will' delegation from the Supreme Soviet to the British parliament. A bright little incident illustrated the new mood: just before Christmas the Russian paper *Red Fleet* published an attack on Britain for, it said, purposely mishandling Lend-Lease supplies to Russia on the Murmansk route during the war. Before *Red Fleet* had been on the stalls an hour, *Pravda*—the voice of God in Russia—blasted *Red Fleet* to probably within an inch of its existence for circulating 'misinformation harmful to relations between the Allies'. *Red Fleet* in its next issue did something exceedingly rare in Soviet journalism: it published a humble apology to Britain. In its zone of Germany a few days previously, the Russian occupation command had suspended a Communist newspaper for making derogatory comments about England's Princess Elizabeth. Russia was making her peace with the mainstay of the world's most important power-bloc.

A month later this power-bloc collapsed. There was only one power that could fill the vacuum it left on Russia's European frontier, and that was the nation scheduled by the dogma to undergo early crisis and to work out its contradictions on Russia.

Before turning to that nation I suggest a tentative answer to the question posed at the beginning of this chapter: Is it possible to live in peace with the Soviet Union? I believe the answer to be, yes.

Contrary to a widespread conception of things, the Soviet Union is not simply a Russian version of the Nazi state—bound to aggression by its own internal faults and failures. The necessary aggressiveness of Nazism lay in its social nature: it was brought to power to prevent needed social changes in Germany, to preserve for the privileged a nearly impossible *status quo*—to put the clock back. To make German economy function without essential changes which would have destroyed privilege, Hitler had to resort to a gigantic programme of armaments as the readiest means of keeping Germany's over-cartelized industry operating profitably and the workers employed. When that stratagem exhausted its possibilities—and it did around 1939—he had to go out and conquer sources of cheap raw materials and markets by force. In a word, aggression was inevitably an essential part of Nazism.

This is not the case with Russia. The Soviets are definitely moving in the direction of history, albeit at a hectic, brutally forced pace and even though their version of the future is crudely distorted. They suffer from no internal economic pressures making for aggression. There is no shortage of markets and almost none of raw materials to make economy explosive. There are no munition kings who benefit from an arms programme. Rearmament is not necessary for full employment of the people. In fact, where rearmament was beneficial and even necessary to the Nazi economy, it is harmful to the Soviet economy. Whereas a generation of peace would have been disastrous to Nazi Germany, and certainly would have brought revolution, a generation of peace would make Russia an immeasurably stronger nation.

The peace-disturbing features of Russian policy are not due to the technical impossibility of her society operating on a peaceful basis. They are purely psychological and can therefore be corrected by 'education'. They are (a) Russia's neurotic fear of assault, based on her past treatment by the outside world, prompting her to grab first before her 'aggressors' can; and (b) her firm, dogmatic conviction that only Communism—with revolution and the establishment of Moscow-directed dictatorship of the proletariat—can bring about the necessary readjust-

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ment of our institutions to the Machine Age and save a world in crisis from itself.

Without abandoning current measures for containing Communism, the West can possibly change both conceptions; the first by seeking more energetically than we have what Walter Lippmann calls a 'general global settlement' with Russia; and the second by setting our own house in order and proving by democratic reforms that the Soviet dogma is wrong. Of this second—and far more important—course of action much more shall be said later.

CHAPTER IV

THE STAR-SPANGLED BONANZA

'You cannot make an omelette without breaking eggs.'

—JOSEPH STALIN

'Thanks to supplies of the American powdered product, Europeans have had half a billion egg dishes without laying hands on a shell.'

—*Stars & Stripes*

'America is everywhere. For an isolationist nation it is remarkable how she gets about.'

—EDWARD CRANKSHAW

IN THE last days of the war I stood on the levee of the Elbe looking across at the New Russia on the other bank not a hundred yards distant and mused on the mutations of time. Not since the medieval end of the *Völkerwanderung* had an outsider pitched his tents so deep in Europe—and I confess to having felt an involuntary resentment at the intrusion. I could not imagine what the upshot would be, but in these days 'temporary' occupation like this was bound to have permanent consequences; even if the Russians withdrew, they would certainly leave behind them like the receding floodwaters of a great river a new fertility for good or evil. Europe would never be the same again.

Then a stranger thought struck me: namely, that it was *I* who stood on the German Elbe—not a neutral visitor from Mars, but a tax-paying citizen of the U.S.A., without passport or visa, 5,000 miles from home. With me on the levee were fifty more Americans, behind us 10,000 more, and linked to us across half the width of Europe a hundred divisions more. It was going to be a long time before Europe got over this, too.

A glance at a map of the world even in those early days led to a startling conclusion; in the past four years it has become more startling still: the nation that has expanded most since the outbreak of World War II has not been Russia, but America. The most distant of Russia's new areas of dominance are 600 miles from her borders. The farthest of America's are 7,000 miles.

Among the new areas of American dominance are the strongest Asiatic power, Japan, and the source of power of the poten-

tially strongest European nation, Germany. Each lately showed that it could by itself dominate a continental area. At present both are in process of reconstruction under predominantly American direction, and it is inconceivable that their effective political behaviour will not be decisively influenced by America for a long time to come.

Since 1942, America has displaced Britain as ruler of the seas, including even that most British of all waters, the eastern Mediterranean. America is said to have a lien on some 400 world-wide naval and air bases. This means that any empire linked to its motherland by water exists on American sufferance, as it did in the past on British sufferance—a fact which need never be expressed to have a profound influence on its policies.

Russian influence over other governments is blatantly visible. American influence is like an iceberg: only the smaller part can readily be seen by the naked eye. American economic penetration of the world has been tremendous. To mention but one area, America now has concessions on nearly half the wealth of that vital land-bridge of three continents, the Middle East.

Pacts to standardize arms tie virtually the whole of North and South America to the U.S. The same arrangement is being made with Western Europe. It is a highly important arrangement, for it means that it is nearly impossible for attached nations either to enter or to keep out of war, which is the chief and final arbitration of power politics, without the consent of the principal supplying nation.

By grants and loans, the economic veins of a large part of the world have been connected to America's industrial and agricultural heart. Many of them depend on America not merely for a needed infusion of aid, but for their very survival. A cessation or even a radical reduction in assistance from America could stop factories, cause riots and upheaval, and even break governments.

This is a frightening accretion of power in the hands of any single nation and brings with it a frightening responsibility. I am sure that most Americans—myself among them—would rather be without it. But to a large extent it has been inevitable. America was a 'natural' from the very beginning.

America inherited all the benefits of Europe's progress up to the time of the entrance of the new world into history and none of Europe's obstacles to progress from then on. Skilled Europeans arrived on a continent without a past; there were no national traditions, no rigid class framework to tie them to the past and inhibit their energy.

Accidents preserved its unity. The imperial British unified its articulate part, the eastern seaboard, under one language and one system of justice. At a convenient moment France, who owned the whole rich central plain, got into Napoleonic difficulties and sold it all to the eastern seaboard states for a song. After that the momentum to trans-continental unity was irresistible.

Within this framework of unity two features made American greatness almost inevitable. The first was natural wealth, the richest mineral deposits and after the Ukraine the largest continuous fertile tract of land in the world.

The second was the people. America continuously siphoned off the best people from Europe, the best continent. In the beginning men and women had to be daring, tough and enterprising to make the voyage. In the nineteenth century, every unsuccessful European revolution sent the revolutionaries—people unsoftened by wealth and with drive and élan by virtue of their politics—in droves to America (where they soon, in wealth, became good Republicans). It is to some extent because America ladled off all Germany's democrats after 1848 that Germany is in its present social mess. The grandson of one of these German refugees of '48 became Republican presidential candidate in 1940—Wendell Willkie.

The quality of the people is of first importance. South America, too, is a wealthy continent. It had a head-start, being colonized before North America. But the colonists were royal adventurers from feudal Spain and Portugal, out for quick riches and not too much work. They were no match for the emancipated shopkeepers and farmers from the bourgeois countries; and South America to-day has only begun to overcome its lethargy.

It is a tribute to the influence of environment that America

bred a new kind of people, visibly distinct from all others. Europeans say they can tell an American at a glance anywhere in the world, whether his nose be long or short, his skin dark or pale. Among the characteristics of this new breed were an intense love of freedom and an unfathomable belief in the self-sufficiency of the individual and the worth of his lone enterprise. Wide open frontiers, infinite opportunities, the fact that hard work and shrewd dealing paid in proportion (not often the case in a Europe ridden with barriers of class and tradition) lent a conspicuous strain of hope and optimism which demanded happy endings to movies. The long conquest of the lawless frontiers bred a people who preferred the climax before the ending to consist of a hearty fist-fight or a gun-fray. In an environment in which poor boys could rise to be millionaires and in which the vast gambles of acquisition could reduce millionaires to paupers overnight, class lines were too often buffeted and broken to have a thorny European growth. Even now you cannot tell whether the florid man with a twang and a bewildered look you meet on the street is a dirt farmer in town to negotiate a third mortgage on his meagre property or a Texas oil tycoon worth ten million dollars. But if you could, it would make a whale of a lot of difference, for success is still the dominant national value and it is measurable for most people in dollars and cents.

Americans are a people of action rather than thought. Their scientists have been practical rather than theoretical. They were not faced with the European necessity of finding a hierarchy of means to an end. Their wealth lay at the back doorstep and they had only to invent a direct means to the end of digging it up. In the list of the ten leading modern nations of the world, America is at the bottom for the number of books read *per capita*.

An integral part of American psychology is isolationism. Alone between two big oceans, America has not needed to bother about the outside world as have Europe, Asia and Africa—crammed together and incessantly messing in one another's affairs. Protected, without quite appreciating it, by the British Navy, America turned inward upon herself for what Professor Beard has called the Great Game of Acquisition. Not a few

American Capitalists undertook not a few little imperial adventures abroad with the occasional aid of the Navy, but these episodes left the bulk of the American people cold. Very few foreign events had any effect on the nation. America's biggest war remains that which she fought with herself. The Civil War of 1860-4 cost more American lives than both world wars of our time together.

That war was a turning point in American history. It broke southern Feudalism and 'free trade' principles, put northern Capitalism firmly in the national saddle and built high tariff walls around the north's growing industry. Behind that protection, there ensued a breathtaking industrial expansion—an industrial revolution with a difference. By European standards it was a high-wage industrialization, for the industrialists had to compete for the worker against the attractions of the expanding frontier. The wage-pressure on profits and capital accumulation forced a rationalization of industry—the perfection of the moving-line—which no other nation has yet approached. The vast unified national market added its impetus to standardization of produce. The accumulation of capital was helped by the fact that government was incredibly cheap with no great armies or navies to maintain. Up to 1913, there was no national debt to speak of, and America was the only Western country without federal income or inheritance taxes.

In the fever of getting rich, the country passed an important date without noticing it. In 1912, New Mexico was admitted to the Union. America had established her frontiers. The problems of a commercial economy could no longer be exported to the wild green beyond. Like the nations of Europe, America was now locked up with her problems.

World War I postponed the blow that this event made inevitable—though it came rather near at one time. In 1917, the American Ambassador in London, Walter Hines Page, wrote, as I observed earlier, 'Perhaps our going to war is the only way in which our present prominent trade position can be maintained and a panic averted.' However, credits granted to the Allies allowing them to place heavy war orders with American industry sustained and increased demand. After the war,

THE STAR-SPANGLED BONANZA

America continued its unprecedented extension of credit abroad and this was largely the basis for the great boom of the 'twenties. In the few years after 1914 this process transformed America from being the world's biggest debtor country to being the world's first creditor country. It was not discovered until 1929 that the whole top-heavy over-capitalized structure of American industry was built on a basis of an effective consumer demand too meagre to sustain it, and the structure came tumbling down.

The depression that began in 1929 has left a deep, sensitive scar on American mentality. Even now, long after the event, the full consequences of the blow are not clear; they are still working themselves out. Those sharp, clear qualities of the American people have undergone a degree of moderation. A people who thought they had discovered the millennial answers (even so critical a commentator as Lincoln Steffens ended his autobiography in 1929 with this optimistic view) looked confounded at the spectacle of poverty amid too much wealth, crops ploughed under while millions were hungry, strong hands hanging idle and factory furnaces cold while the things they could create were desperately needed.

A people supremely confident in its strength felt an incomprehensible debility whose only apparent symptom was bulging muscles. A people who loved a good fight felt the uncanny frustration of seeing no visible enemy; the foe that battered the blinded Titan and brought him to his knees seemed to be made of thin air.

The ensuing Roosevelt era brought many changes in American life. Above all it started a shift in American values. Americans have become a markedly more thoughtful and critical-minded people. Books by English social theorists came to enjoy much wider popularity in America than in England. For nearly two years, Professor Toynbee's books on the decline of civilizations, which never caused a mass stir in Britain, remained on America's list of best sellers. America also lost some of its cocksureness: in 1948 Professor Toynbee was shoved down the list of best sellers by a volume called *How to Stop Worrying!*

Success has lost some of its glamour. It was recognized that it could come from dishonesty and parasitism as easily as from

hard work and intelligence. At the same time there was a new sympathy for the unsuccessful—the common or ‘forgotten’ man. For the first time New Deal legislation encouraged his organization in strong labour unions. As a natural consequence, America lost a good deal of its faith in uninhibited and unaided individual enterprise. In the new role of arbitrator and regulator, demanded by the people, American government has risen in few years from being the cheapest to being the most expensive government in the world.

The upholders of these new values are a new school of liberals, born of the Roosevelt era. In a short time they developed amazingly deep roots in the consciousness of the American people and, against the weight of most of the Big Money in America and the overwhelming majority of the Press, have carried the electorate five successive times in presidential elections. There are more grooves to power, however, than the ballot box, and the struggle for their control between the men of wealth who have ruled America through most of the period since the Civil War and the liberals who interrupted their political reign in 1932, has become the second most important fact in American life. I shall have more to say about it shortly.

Meanwhile, the first most important fact in America, which gives point to the struggle, is that the causes of the 1929 depression were never really removed. In its most prosaic form, the cause of the depression was that the economic system distributed too little purchasing power to the people to sustain industrial output. The economy did not recover by its own natural workings. Nor was it repaired by President Roosevelt’s measures—which consisted mainly of distributing purchasing power by paying people to do anything from raking leaves to building huge and permanent public works; in other words, anything that would not put goods on the market and cause a new glut. Unemployment remained high and production low throughout the ‘thirties. At the end of the ‘thirties America dipped into deeper depression and was rescued only by the war and its demands on American industry for rearmament. The problem of the 1929 depression remains in 1949 America’s first problem. It is not too

much to say that the fate of the whole planet may rest on how America eventually solves it.

When the Japanese bombed Pearl Harbour in 1941, there was a sudden shock of fear in America. But the ensuing years brought a spiritual release. At last the enemy could be *seen*. With that important condition fulfilled, America revealed what a tower of strength she is. Prosaic problems of economics were forgotten. Insecurity became a dimly remembered nightmare. A new era of jobs for all at high pay opened, and every factory furnace burned round the clock. Four years later, America was a new, invigorated nation. Seven years later, America went in a big way for a book entitled *How to Stop Worrying*.

* * * * *

The issues in America are clear, but the sides are less so. They do not follow the clear-cut lines of political party. God and the Devil are represented in both big American parties. The northern wing of the Democrats is more consistently liberal, but it was the Republican, Wendell Willkie, who invented the One World concept. Though in the nature of things Big Business does not take happily to Christian change, it is possible to find staunch liberals among the millionaires, reactionaries among Labour. Frequently it is hard to name personalities on either side, for the struggle goes on inside individuals. President Truman sometimes gives the impression of being its most eminent battleground. The fact is, American values, shaken in 1929, are still fluid. America can still be swung either way.

At the root of the conflict is the unresolved American economic crisis. One side would resolve it mainly by the domestic process of sustaining the purchasing power of the people by controls to keep prices down, by limitations on profits, by a code of Fair Employment, by the extension of civil liberties, by programmes of social welfare. This is the tradition of Roosevelt. Its extension to foreign policy favours honest, constructive aid to distressed countries to enable them to recover and to become competitive trade partners again. It looks on other nations as its equals and their domestic policies as their own concern. It

has a genuine desire to contain any aggressive forces and to enforce peace, but mainly by remedy at the source: making democracy strong and so unsusceptible to subversion.

The domestic policy of the other side is wedded to privilege and is characterized by a narrow national egotism. It is inevitably opposed to controls on prices and profits and is hostile to organization of labour. It would prevent an American depression by exporting it to other countries; use American wealth and the international instruments created to expand world trade simply as a means of expanding American trade at the cost of others. It is as missionary as Communism and feels that any nation which hasn't adopted the American Way of Life ought to have some sense knocked into its head. While it genuinely fears Communism, its main interest in that phenomenon is for its value as a bogey to intimidate critics at home and as an excuse for keeping arms production high enough to avoid economic crisis. Quite bluntly, it is, whether consciously or not, a force making for war.

It is difficult at any given time to say which of these sides is in the ascendant. For a long way down the road of events the two can travel towards their divergent goals in the same carriage—say, a foreign-aid programme, or an arms programme to contain Communism. I can only outline tendencies and danger-points left by the war.

The war has left the background for our whole picture—the tendency to economic crisis—aggravated. With the peace-time shackles removed, the economy underwent almost a new industrial revolution. America became the arsenal of democracy. She supplied herself with a mechanized marvel of an army. In addition, she gave out £10,000 million worth of Lend-Lease hardware to the Allies. This required an immense expansion of capital machinery.

Unheard of quantities of wealth were poured into the new capitalization. Here is an index: total American government expenditure from the founding of the federal Republic in 1789 to the end of the Hoover administration in 1932—a period of 143 years—was \$120,000 million. During the late war, alone in the years 1942 through 1944, the government spent \$306,000

million. Most of it went, by one channel or another, into the expansion of America's industrial potential.

As Barbara Ward has said, America built a whole new economy and piled it on top of the one she already possessed. Between 1940 and 1944, American national income doubled from \$90,000 million to \$180,000 million. In 1948, the national income rose to \$225,000 million—approaching three times the pre-war figure.

Productivity—too great for the market in 1929—has soared. What has happened to the other quantity in the equation: purchasing power?

It is sometimes embarrassing to have to admit that while the rest of the world suffered, America benefited from the war. Our justification is adequate: we did not plan the happy location of our country 5,000 miles from Nazi Germany. Men unemployed for decades found jobs readily. The competition of industry for labour raised wages. Farming emerged from its permanent depression with government purchases pressing prices up. Farm incomes rose from \$6,000 million in 1940 to \$15,000 million in 1943.

Bank deposits—a measure of surplus purchasing power—rose from \$41,000 million in 1938 to \$83,000 million in 1944. This is in addition to the increased amount of money people were able to invest in government war bonds.

The figures are favourable. But there are many reasons for believing that the purchasing power is not, over a long period, adequate to productivity. An over-large amount of the expanded national income went not to the purchasing masses but to the investing owners of industry. It is reckoned that around two-thirds the cost of building the new industry was paid by the government. On that basis, capital made tremendous profits, rising from \$8,000 million (after taxation) in the already highly profitable year, 1941, to an average of around \$10,000 million a year in the war, and to more than \$20,000 million in 1948!

The stored-up purchasing power I noted above was distributed as follows: 60 per cent of all those new bank savings I referred to were held by 10 per cent of the families of America—inevitably the investing rather than the buying classes. Two-

thirds of all the war bonds were held by big corporations, banks, and life insurance companies.

That proportion of stored-up purchasing power held by the consuming public has, moreover, dwindled rapidly since the war, while prices and profits have risen dizzily for most of the period. According to the C.I.O., six million American families had cashed in all their war bonds by 1947. The share of the investing public in the nation's savings rose from 46 to 77 per cent in the two years after the war.

Thus, it appears that while productivity has risen sharply, the solution to the problem of distributing enough purchasing power to maintain the rise has not been found. No serious American economist doubts that the national economy would be in some degree of depression to-day but for (a) grants to foreign countries and (b) the rearmament programme, both of them big and artificial distributors of money without throwing commensurate production on to the home market.

Which of the two solutions of the American crisis noted at the opening of this section is the effective American policy—that of the liberals or that of the neo-imperialists?

It is hard to say with certainty. The post-war period has been a ding-dong battle, with surprising upsets just when a trend in favour of one or other seemed to be about to crystallize.

Roosevelt and the liberals dominated active policy during the war. But the reactionary opposition could only be carried along by concessions that strengthened its position for the post-war period. The problem was stated clearly by the report of the Temporary National Economic Committee before the war, "Speaking bluntly, the Government and the public are "over the barrel" when it comes to dealing with business in time of war or other crisis. Business refuses to work except on terms which it dictates. It controls the natural resources, the liquid assets, the strategic positions in the country's economic structure and its technical equipment and knowledge of processes. The experience of the [first] world war, now apparently being repeated, indicates that business will use this control only if it is "paid properly". . . . In fact, this is blackmail. . . ."

With this whip-hand, Big Business stored up tremendous

power during the war. Big corporations received the lion's share of government funds to build up production. A government report says, 'Federally financed expansion served chiefly monopoly plants. More than half the new plants cost more than 25 million dollars each.' Small plants, costing under a million dollars each, received but one-forty-eighth of the federal funds.

Already before the war, ownership of American industry was grossly overconcentrated in few hands. In the war, the extension of industry, favouring mostly the big concerns, increased this concentration. The corporations saved immense profits, keeping them in highly liquid form for use after the war. By the end of hostilities, the Federal Trade Commission has reported, the sixty-two largest manufacturing corporations in America held in readily usable form enough liquid capital 'to purchase the assets of nearly 90 per cent of the total number of all other manufacturing corporations in the United States'!

Assuming the best will in the world among the relatively small number of rulers of American industry, that amount of power in the hands of any limited group, not responsible to the democratic will of the public, is a perilous thing. In protest, the Small Business Committee of the House of Representatives said in its report in 1946, 'We do not have to wait years (when it may be too late to take corrective steps) for a practical demonstration of the effects of cartellization on our economic and political life. The experience in Europe, which will be repeated here if monopoly is not adequately controlled, is spread on the record for all to see. The story of the supergovernment of I. G. Farben is a good example of what can happen here. Also private supergovernment in industry leads almost inevitably to political supergovernment.' The naughty word which the report spares itself is—Fascism.

American Big Business is not Fascist, but on its fringes there are tendencies that are disquieting. In 1948, the Alsop brothers told of anti-negro, Ku-Klux-Klan politics being fostered in Georgia—and of the liberal administration of Governor Ellis Arnall being fought—by payments from oil interests anxious to get tidelands oil contracts from the Georgia State Government. There are instances of Big Business fostering racial move-

ments elsewhere in the south to keep labour divided (between black and white) and unable to press for higher wages.

With a slight strain of the imagination one could conjure up the prospect of an imminent crisis inducing measures like this on a national scale, as happened in Germany.

Among the war's consequences was the creation of a certain mass potential for such action. The demand for labour was such that in the south negroes received good wages and good treatment. They became accustomed to them and were reluctant to revert to their old status. On returning to my home in Louisiana in 1945, I could not help noticing their extreme sensitivity; they were given to acts the white men could well call 'meanness', and there was much talk among whites of a 'reckoning with the bastards when we finish with the Japs'. Many negroes moved north during the war and the race question became acute in places there, particularly in Detroit. The real cause of the riots that occurred there was the housing shortage, which only illustrates the ease with which practical economic problems can slide into violent and 'racial' channels. At the fronts in Europe racial animosity grew among white soldiers irritated at the equal treatment of negroes by the local inhabitants, and there, too, I heard much talk of a 'reckoning'.

There has been no post-war 'reckoning'—which is an adequate indication that Reaction is not in the American saddle. Negro rights have in fact steadily increased since the war, largely due to the dogged fight of the liberals of all parties. But the underlying potential still exists and could in a time of stress be utilized as an outlet for popular discontent and incipient radicalism.

Another psychological danger has already been hinted at: ten years of insecurity ended with the outbreak of war. With a clear goal—to beat the visible enemy—with abundant jobs and complete security, Americans enjoyed their spiritual release. Now, with a return to fear of depression and insecurity, there is a possibility that American youths may forget their 'beefs'—it was after all the best-paid, fed and cared-for army in history—and look back on the war years as the good old days and on army life as the preferred design for living. I have run into this

attitude often since the war. I recall a meeting with a young American diplomatic attaché whom I had known as an officer on the front; he had beefed a good deal about army life in the war, but two years of civilian life, its uncertainties, the constant necessity to make moral judgments and compromises, had changed his mind. 'I'm giving up all this dishonesty and hypocrisy,' he told me. 'I've got a commission and I am going back and be clean again.' In the army there are no moral decisions to be made. One's duty is to obey orders and one does it and that is that. This, too, is an attitude that could be readily exploited in a time of stress. For all its necessity in war, army life remains the perfect totalitarian system.

America has never yet been in danger of Fascism, but a rudimentary basis certainly exists, and the trend of politics immediately after the war gave grounds for some concern. The excess profits tax was repealed—though business had done uncommonly well despite it. In 1946, price controls were removed. Under the impetus of these measures, prices rocketed upwards and with them profits. As for the consuming public, the President's Council of Economic Advisers reported that 'a survey comparing 1946 and 1947 showed that 30 per cent of all families had no appreciable increase in dollar incomes and almost 20 per cent suffered a reduction, during a period when consumer prices increased nearly 15 per cent.' The distortion of wealth distribution—the source of crisis—is evident. Fifty per cent of American families had suffered a drop in their real income, while that of the investing public soared.

In 1946, a Republican Congress came to power after fourteen years of Democratic majorities. There followed a sharper shift to the right. The Taft-Hartley Act was passed with the sum total effect of putting Labour at a disadvantage in bargaining for its share of the national product, and of further distorting income distribution. Big Business entered the government in force. Of the 125 most important government appointments made by President Truman in the first two post-war years, 49 were bankers, financiers and industrialists, 31 were military men and 17 lawyers, mostly with Big Business connections. The effective locus of government seemed to shift from Washington

to some place equidistant between Wall Street and West Point.

Two of the most frightening manifestations of the new trend were the revived activities of the House of Representatives Committee on Un-American Activities, and the commencement of a 'loyalty purge' of the Civil Service. Both served, in theory, useful functions. In practice in many cases they constituted a serious assault on America's civil liberties. In some instances the loyalty purges deprived men of their jobs on the thinnest evidence, without presenting the victim with the evidence against him or granting him a chance to defend himself. In one known case, a man was dismissed solely for having been seen entering an apartment house in one of whose many apartments it was known that a Communist lived. The Un-American Committee came to deserve that unofficial name. It is a far more dangerous instrument than the loyalty purge boards, for its domain covers the whole of American life—education, the Press, films, in fact just about everything. It has no powers to convict the people it investigates, but it can ruin, and has ruined, careers by a well-timed smear. The mere threat of 'trial by headline' before the Committee can be, and was rapidly becoming, an effective repression of criticism and free expression throughout whole professions.

There was no need to follow public opinion polls to feel certain that liberalism in America was entering a hard, cold winter. The Russian case began to seem close to the mark: Big Business had after sixteen years come into its own. Legislation had done nothing to prevent and everything to hasten crisis and the stage was set to silence protest when crisis came. Mr. Dewey and his solid phalanx of Big Business advisers seemed certain to come into control of the country in the autumnal presidential elections of 1948. The liberals were divided, confused and intimidated. The Democrats had a hopeless candidate in President Truman. ('I wonder what Truman would say, if he were alive to-day?' was the seasonal quip). The party had lost part of its left-wing to Henry Wallace. Its larger right-wing of southern Democrats split away at the national convention of the Democratic party in Philadelphia. In a nation whose people like more than others

to be on the winning side, the public opinion polls delivered the last blow by unanimously foretelling Mr. Truman's utter defeat.

When the votes were counted, the Big Business press—licked for the fifth presidential election running—was at awkward pains to find harmless grounds for the stunning result. It was, it was said, due to Mr. Dewey's unprepossessing personality. However, Mr. Truman, himself, is no glamour type. It was, it was also said, because Republican voters were so confident of victory that they stayed away from the polls. But probably as many Democrats, if not more, were so sure of defeat that they did not take the trouble to vote. It was, again, because America simply can't resist voting for an underdog and a fightin' man. But the American electorate has rejected fighters and underdogs before in favour of dead certs—a whole string of them in the 'twenties. The real grounds for the outcome, it seems to me, are undeniable in face of the large number of liberal state candidates the electorate chose along with President Truman: Hubert Humphrey of Minnesota, Estes Kefauver of Tennessee, Paul Douglas of Illinois, Chester Bowles of Connecticut, Helen Douglas of California. The ideas of these people all fit a formula, and it was the distinctive formula of Mr. Truman's campaign: Roosevelt liberalism, uncompromised for the first time by extreme left or right.

It was the President's very misfortunes that actually made him and his party. One courageous act changed the electoral picture: at the summer convention of the Democratic party, the liberal wing led by Mayor Humphrey of Minneapolis took over and forced into the platform a firm, uncompromising plank of civil rights for negroes. I was present in the hall and have seldom felt such exhilaration in fifteen years of political reporting. The southern Democrats rebelled and two of their state delegations walked out. For the first time, the Democratic party could enter a campaign with a clear-cut platform and no need to blur its principles to keep the southerners happy. (As a southern Democrat, I can say this without regional prejudice.) Moreover, there was no financial pressure on the party to do otherwise than go the whole-hog for its new, clear-cut policy: Big Money had deserted Truman long since for the certain Republicans and the

President's only big source of campaign funds was the labour unions. President Truman's campaign therefore was to the 'left of Roosevelt' (to the left of Truman, too, a wit remarked), and that, it turned out, was what the people wanted.

President Truman's programme of domestic legislation announced in his 'State of the Union' address to the new Congress on 5 January 1949, was a model liberal statement, a blue-print for breaking the distortion of American income distribution. He recommended a strengthening of anti-trust laws to combat the concentration of industrial ownership; new taxes on corporations and higher taxes on upper and middle income-groups; and the authority to control rents and prices. To shift incomes to the lower-paid strata, he recommended the repeal of the anti-labour Taft-Hartley Act; a civil rights programme (which, among other things, would allow negro workmen to organize and win a fairer share of income); low-rent housing projects; an expanded social security system, including a social medical service; and a programme of power, irrigation, and soil conservation works to be financed by the government. Perhaps the clearest index of how far American values have changed was his threat to open state-owned steel mills if the heavy industries did not expand their production fast enough to take care of the needs of both domestic and foreign policy—an unheard-of intervention into the American religion of private enterprise.

As yet it is hard to predict the fate of this policy. Most of the recommended legislation has been presented in bills to Congress, but the Big Business lobbies are hard at work and a combination of Republican and southern Democratic legislators threatens to water down the President's programme into a much less effective instrument for combating the potential crisis.

Meanwhile the harbingers of a changing economic situation have already appeared. In February 1949 there was a sizable break in the market for commodities and shares, and isolated spots of unemployment broke out in parts of the country as businesses reduced costs.

There is probably no reason to be gloomy at this first short break; lower prices may simply bring commodities into the buying range of lower-income groups and start a new stabilization.

However, it is hard to find an American economist who, in the longer run, is optimistic. Roger Babson, the economist who accurately predicted the 1929 crash, said in February 1949 that he expected a new depression to hit around 1953, primarily because 'the last one was never cured. . . . All we ever did in the 'thirties was to put on a few plasters to stop the pain.' The nearest thing to optimism has been a highly conditional statement by Leon Keyserling, vice-chairman of the President's Council of Economic Advisers, 'Although the outlook for 1949 is still bright, there are elements of increasing danger, and the bright prospects could change to gloom within a year.'

America clearly has little time left to make up its mind who shall run it, which of two ways its twenty-years' crisis will be resolved—and, in view of its new position of predominant world power, what is going to be the fate of the West.

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The British winter crisis was a sharp dividing line also between distinct phases of American foreign policy. As soon as the war ended, America returned headlong to a condition resembling 'normalcy' in foreign affairs. Popular interest returned to domestic matters. GI's held parades of protest in Germany against being kept abroad in uniform. With some damage to American occupation policy, Congress rapidly reduced the army to a shadow of itself. Germany was my beat at that time, and our occupation policy seemed built on quicksands. No officer remained in his job long enough to establish continuity and orders changed with officers. A week of radical denazification would alternate with a week of hiring the Nazis back lest efficiency of administration be impaired. Decartellization alternated with recartellization. A sound basis for confusion and demoralization was created and men who knew what they wanted were later to use it as a beginning for negating all America's original intentions in Germany and giving the Russians solid reasons for distrust.

The initiative was surrendered to Britain—the power to which it had generally belonged. It is noteworthy in looking over the

records of early UN meetings and sessions of the Council of Foreign Ministers that the Western case was always put by Mr. Bevin, Mr. Byrnes generally only seconding him. It is equally noteworthy that throughout the first year and a half after the war, Russian propaganda made virtually no attacks on America but concentrated all its animosity on Britain.

This was to be expected. Russia's early moves affected traditional British interests. Her actions in Persia, towards Turkey, and the tightening of Soviet control in the Balkans, were all part of the famous 'Eastern Question' which Britain and Russia have been haggling and fighting about for generations. Sometimes America played a middle role. When Churchill proposed Anglo-American unity at Fulton, President Truman assured the world this was Mr. Churchill's personal view and that he had nothing to do with its formulation.

While America joined Britain in sending notes of protest to Russia against her interventions in the domestic affairs of her satellites, America did not identify her general interests with those of Britain. There was even a recrudescence of the old animosity towards the British. Britain's war on the EAM movement in Greece in 1944 was roundly condemned in the American press. America looked askance at British claims for trusteeship over Italian colonies as a revival of old-fashioned British imperialism.

Before the ink on the Japanese surrender documents was dry, President Truman abruptly cut off Lend-Lease, striking a crippling blow above all at British economy. Britain, unable to buy her necessities, came cap in hand to Washington and asked for a loan. Congress granted it on terms which were nearly vindictive. Britain had to promise in spirit, if not in letter, to curtail Imperial preference. If carried out, the condition would have opened the Empire to irresistible American production, swamped British produce and ruined the island. The famous 'convertibility' clause of the loan agreement, to which I shall refer again, did indeed bring Britain to her knees and eventually made her a dependant of America's.

America's stock in Britain was not high. The Conservative member of Parliament, Robert Boothby, said of the loan agree-

ment, 'Comparable terms have never hitherto been imposed on a country that has not been defeated in war. . . . This is our economic Munich.' Nearly a hundred members of Parliament, supported by Lord Beaverbrook's *Daily Express*, voted against accepting the loan.

Despite the many signs Britain gave of being no longer able to play her old role, America operated on the assumption that the world had resumed its accustomed shape, with Britain acting as an independent buffer against a strong power in Europe and America able to relax cosily behind a protection that had been so long taken for granted. Came the winter crisis.

We can now carry our narrative beyond that event. Immediately after it Britain began dropping strong hints to America that she could no longer serve her function. She told America she could not much longer pay for the dollar food imports for her occupation zone in Germany. She openly invited America to join her in occupying Palestine. When hints and requests were of no avail, Britain put it bluntly: she was going to move out of Greece and cease supporting Turkey, for she could no longer foot the two bills.

For the first time the meaning of a vacuum in power politics must have become clear to American policy makers. Greece would be a strategic part of the British vacuum if the British withdrew. Forces subservient to Russia would inevitably have filled it. The government of Greece was and is so incompetent, the people so harrassed, that there is no doubt in my mind that the Communist rebels with some foreign aid could have taken over the country in a short while. With no more British support, and with a new Russian satellite as her neighbour at the Dardanelles, Turkey might well have changed her mind about refusing those Russian requests for joint defence bases on the Straits. Turkey is not a democracy and has no special ties with the West. She would probably have fallen within the Russian sphere of interest. That would have upset the precarious balance of the Near East at a time of trouble over the Palestine issue, and America's oil concessions there would have been in jeopardy.

So, America broke her dream of normalcy and re-entered world politics like a bull in a china shop. On 12 March 1947,

President Truman asked Congress to appropriate 400 million dollars worth of aid to Greece and to Turkey in order to plug the imminent gap. Expanding the request into a principle—or a ‘doctrine’—he said it must be American policy from then on ‘to support free peoples who are resisting attempted subjugation by armed minorities or outside pressure. If we falter’, he said, ‘we may endanger the peace of the world and we shall surely endanger the welfare of our own nation.’

The appeal was to the emotions, to stir an economy-minded Congress and a people which had returned to its own *moutons*. Although it was unfortunately necessary, it was bad foreign policy. It stirred up suspicions and animosities from which the Russians have not recovered. I was in Moscow at the Foreign Ministers’ Conference on Germany at the time, and the change in our Soviet hosts’ attitude from one of some amicability to a stubborn resistance on every detailed point of discussion was perceptible. In Russian eyes, the meaning of the new doctrine was clear. America—which President Truman, himself, had said was heading for depression—was going to avoid a crisis by stirring up warlike anti-Communist emotions in the West European vacuum: a rearmament programme, they concluded, would follow.

The doctrine was also bad economics. America is rich but not rich enough to dole out everlasting charity to all impoverished countries able to invoke a plausible Communist menace. However, the appeal succeeded and the eastern Mediterranean gap was plugged.

Having thus won time to think it over, the new Secretary of State, Mr. George Marshall, on 5 June 1947, in a speech at Harvard produced another and this time viable means of filling the whole vacuum. His ‘plan’ in its original conception was an inspiration. It recognized a host of realities neglected by everyone until then. First, Europe was not suffering from a temporary post-war maladjustment; it was suffering from a long-term crisis. If the crisis was to be resolved, it would require long-term, planned rejuvenation of European economy on an entirely new basis. Second, the most important change that had to be made was to weaken that bane of Europe, the nation-state, too small

and out-dated for purposes of social co-operation. At least in regard to trade the European nations would have to batter holes in their frontiers and integrate their economies to the extent of supplying one another's deficits. America would then pay for the total integrated deficit. Third, it seemed to require long-term planned economy of a thoroughly uncapitalistic kind. Fourth, it was not to prejudice the chances of any political party or nation. Lest there should be any doubt, Mr. Marshall made it clear a few days later that his offer was to *all* Europe, including Russia and her satellites.

The British Foreign Secretary, Mr. Bevin, flew to Paris and with the French Foreign Minister, M. Bidault, called in Russia. Mr. Molotov arrived in Paris with nearly one hundred 'experts'. It looked like business, a quick end to the Cold War, a solution to the vacuum problem satisfactory to all.

The Paris talks went on in secret for two days. Then came the biggest disappointment of the post-war period. The Tass agency broke the silence with a long commentary on the Marshall Plan, indicating Russian hostility to it. Next day, Mr. Molotov said it out loud. The Soviet answer to the Marshall offer was—No.

The Russians' inherent inability to talk straight made it hard to see exactly what their objection was. Mr. Molotov said a good deal about large nations trying to impose their will on small nations. He indicated his preference for non-integration of economies, and for candidates for aid presenting America with a 'shopping list' of their individual deficits. He wanted Germany left out of the Plan. He left Paris in a huff and did not allow the Russian satellite nations to accept invitations to an ensuing conference to lay concrete plans for accepting the Marshall offer. Three months later, Russia organized the *Cominform* and frankly declared war on the Marshall Plan.

In the whole post-war period Russia has taken no step more dangerous to her own anxious security. Reading the abracadabra of the Soviet press thereafter, the West, particularly America, could come to no other conclusion than that Russia was opposed to the reconstruction of Europe and desired a state of disruption in order to win Europe for Communism. I believe it can be

proved that this is less than half the truth. But Russia's ensuing actions left Western Europe—which needed the Marshall Plan for its survival—no recourse but to combat Communism and gird itself against the growing Russian menace. From this point the Cold War grew serious. Let us here leave the narrative in the air and take a closer look at the elements of the foreign policy of the nation that now dominates the picture.

One of the three or four most important changes brought about by World War II was a radical and unhealthy distortion of the basis of human livelihood. The world sustains its present swollen population principally by means of the mechanization of production begun two centuries ago. The world is now out on a limb of industrialization. If the good Lord in His anger should remove from the earth all the mechanical implements created since the beginning of the British Industrial Revolution, most of the people in the world would starve to death within a short while.

During the war, while the capital assets of the rest of the world decayed or were destroyed, those of the U.S. were tremendously increased. At the end of the war a frightening thing had happened: one nation had acquired almost a monopoly of that all-important factor for sustaining life. *Three-quarters of the world's invested capital and two-thirds of the world's industry were concentrated inside the United States.*¹ The other third of industry was shared over the other 95 per cent of the earth's inhabited surface.

It is doubtful if at any point in Britain's famous career as the World's Workshop industrialization was ever distorted to this extent in her favour. Even if it had been it would not have mattered so much. Britain was an ideal senior trade partner for the non-industrial world in her day. Crudely expressed, the principle of international trade is that a foreign country can buy from your country only so much as your country buys from it. Britain had to buy a great deal from abroad. She had little agriculture and had to buy food from overseas, she had few raw materials

¹ Barbara Ward: *The West at Bay* (Allen & Unwin, 1948)

and had to buy them abroad. Thus, foreign countries got British currency wherewith to buy, in turn, British manufactured goods.

This is not the case with America, who has now displaced Britain. Not only does America make all her own industrial goods; she has within her borders most of her raw materials and practically all her food. Other countries can sell little to America and therefore have a hard time getting American currency with which to buy American goods. Moreover, until 1931 Britain was a free-trade country, easy to sell to. America remains a high-tariff country, hard to sell to. This is the 'dollar crisis' from which the world is suffering. The world cannot buy from the country that has almost a monopoly on industry, its basis of livelihood.

But we are less interested here in the economic aspect of this distortion than in its power aspect. For economic power is the hard bony structure of political reality over which the flesh of diplomacy has grown and from which it derives its essential contours.

America truly possesses the whip-hand over the world. It is as easy as rolling off a log for America to become an imperialist country. With this preponderance of power, and most of the rest of the world in a crisis of scarcity, there need be no crude conquests; they can be carried out gently, invisibly, by the almost surreptitious means of wealth, by investments that bring silent control and by aid-grants accompanied by polite hints regarding the direction of the receiving nation's policy.

When Russia extends her security zone abroad, it almost inevitably requires an overthrow of the *status quo*, for the *status quo* of the world is Capitalist; which means a lot of noise and ugly scenes. If America extends her zone of influence abroad, for the same reason—that the rest of the world is Capitalist—it involves only supporting the *status quo*: no scenes, no noise.

It can be done under the aegis of fair-sounding arrangements like 'equality of trade'. For almost any foreign country, equality of trade with America means about the same thing as equality of fighting between me (145 pounds soaking wet) and Joe Louis; he will not wear brass knucks provided I do not, so we have an equal chance of winning. On the same principle, in 1946 America signed an agreement with China whereby China would be per-

mitted, say, to build automobile factories in Detroit with the same freedom with which America would be allowed to build them in Shanghai. There have been no reports of Chinese factories growing up in Detroit; perhaps due to the famous impassivity of the Oriental mind; perhaps because China has no capital resources.

Plain, unaggressive 'good business principles' can break the independence even of advanced nations. The 'convertibility' clause in the American loan to Britain in 1946 broke Britain. The clause required Britain to pay her trade partners in dollars from the loan fund if they preferred payment in dollars to payment in pounds. When the clause became effective in 1947 and Britain began converting pounds into dollars for all comers, her trade partners began taking her limited fund of American currency at the rate of 300 million dollars a week. The American loan, planned to last four years and put Britain on her feet, was gone in one year and a half. With no funds to pay for her food and raw material imports, Britain faced the early prospect of starvation and mass unemployment. She became dependent on American aid for her barest survival. In such a situation it is difficult to speak of a nation having independence.

With the unresolved economic problem at home, there is a strong incentive for the owners of American economy to use this tremendous power for imperial ends. The Roosevelt era resisted these tendencies courageously. The imperial attitude towards Latin America—the attitude that used to send the marines to the Caribbean to set simple folk straight on what kind of government was good for them—was replaced with the 'Good Neighbour' policy. Bretton Woods constituted the basis for an all-round revival of world trade, not America's alone. The sugar-coating of reciprocal trade treaties, negotiated by the President on his own, induced American industry to swallow the pill of somewhat lower tariffs against foreign goods. Lend-Lease was a handsome effort to equalize to some degree the sacrifices of the Allies in the war. UNRRA was perhaps the most perfect expression of the new attitude. America paid nearly three-quarters of the bill for UNRRA, and of it President Roosevelt said, 'The sufferings of the little men and women who

have been ground under the axis heel can be relieved only if we utilize the production of *all* the world to balance the want of *all* the world. In UNRRA we have devised [such] a mechanism.'

That is the proper spirit, perfectly expressed. It is a highly important key to the Cold War that with UNRRA—*i.e.* aid with no strings tied, internationally administered—American observers were for the first time allowed free run inside Soviet Russia. One cannot resist the thought that if this spirit had continued, the walls around Russia might in time have been lowered. But UNRRA was killed—by America—before its work was done. To-day it is nearly impossible even to get a restricted *Intourist* visa to enter Russia.

In assessing American foreign politics since the war we cannot be as complacent as we were in dealing with domestic politics. Over the makers of domestic politics—Congress—the people have direct control and can thus challenge the potential super-government of Big Business. In foreign affairs, however, control is an important degree removed from the public. Most foreign policy-makers are not elected but are appointed by the President of whom *Time* rightly said, 'Harry Truman has never pretended to a great grasp of foreign affairs. Unlike his predecessors, he depended heavily on his advisers.'

The President's appointments have until recently drawn heavily on a single minority interest group in American society. The state of affairs in 1947 was described in *Fortune*, which hailed 'the re-emergence of the investment banker in a leading position in U.S. government. . . . Indeed, if we omit the towering figure of General Marshall, it is not too much to say that Wall Street has produced the three key men in American foreign policy. They are James V. Forrestal, former president of Dillon, Read & Co., and now Secretary of National Defence; W. Averell Harriman, formerly of Brown Bros., Harriman & Co., and now Secretary of Commerce; and Robert A. Lovett, formerly of the same firm, Undersecretary of State.'

Appointments to lesser, but still influential positions affecting American foreign policy, especially in the administration of the Marshall Plan, have reflected the same preponderance of

men who carry business values into foreign affairs. Mr. Paul Hoffmann of the Studebaker concern dominates the Plan. General William H. Draper, vice-president of Dillon, Read & Co., has been perhaps the strongest agent shaping German economic policies. Most leading ambassadorial posts are filled from that narrow source and from the Army.

Some of these men are indubitably liberal-minded, but in most of them the values of a life-time—of profit-making business—must dominate their judgments and actions.

Lately, there have been some key changes in policy-making positions in the government. Mr. Marshall yielded up the state department to Mr. Dean Acheson. More important, Mr. Forrestal left the job of Secretary of Defence to return to his business. But the works of his term live after him: during his tenure of office an ominous thing happened to the mechanics of American foreign policy.

At the end of 1947, American foreign policy—hitherto subject to a host of uncoordinated pressures—came pretty tightly under the control of a body called the National Security Council. It consists of the cabinet secretaries of the armed forces, the Secretary of State, the chairman of the National Security Resources Board and others chosen by the President. It began life modestly, stock-piling strategic raw materials and surveying the nation's resources for war. It has gradually grown into the supreme power shaping American policies. It was significant that General Clay, the American commander in Germany, on returning home in the summer of 1948, should make his report not to the Cabinet but to this Council.

For my own misgivings about this organ I substitute the comment of Mr. Sumner Welles, President Roosevelt's former Undersecretary of State. 'No emergency can justify the control of this country's foreign policy by a council which reaches its decisions from a military standpoint . . . The old isolationism has at last learned that we cannot withdraw from the world. The new isolationism holds that international co-operation is a fantasy and that the U.S. must run the world single-handed. No stauncher advocates of that doctrine will be found than in the armed services.'

With this background for American policy in mind, let us now fill in some sizable gaps left in our picture of the Cold War. A single incident will illustrate many things. America's first important post-war friction with Russia was over Persia. All three great Allies had occupied the country on the Soviets' southern frontier in order to assure wartime supplies to Russia in face of the dubious attitude of the Persian government. After the war, it was agreed that all three should move out simultaneously. But the Russians stayed on beyond the promised date. They used the time to foment a rebellion against the central Persian government in the Soviet-occupied areas of northern Persia and to set up an 'autonomous' regional government amicable to Russia. With this pressure they induced the Persian central government to grant them oil exploitation rights in northern Persia. The aims of the Russians were to win security against a country which had flirted with the Nazis during the war and to win oil resources to supplement those of the Soviets' badly damaged Caucasian fields. But their means to these ends were ugly.

The Western powers rightly condemned Russia's behaviour in the Security Council, and the pressure of opinion eventually forced the Russians to withdraw from Persia. Then, the Persian central government sent troops north and broke up the autonomous Azerbaijan government, restoring central control, and the Persian parliament denounced the oil agreement with Russia.

What is not widely known about the sequel is that as Russia moved out—America moved in. Not with troops and noisy revolution, but silently with dollars in support of the *status quo*. The Persian government received American funds and a set of American—including military—advisers. Persia is in effect to-day an American satellite. If America does not already have military bases in Persia, she can have them any time she wishes.

There is no use in discussing rights and wrongs in the Persian issue. But it is germane to consider the effect of the incident on Russian mentality. America had accomplished exactly the nefarious end Russia sought, and there was no way to make

a case of it before the Security Council as there had been when Russia had sought to dominate Persia. Russia was patently at an extreme disadvantage. Moreover, this 'defence' base that America had for the taking was 6,000 miles from her shores, but on Russia's most sensitive border. Russia could legitimately adopt the question the West put to her: Where does security end short of domination of the whole earth?

American internal policy meanwhile seemed to pattern itself on the Russian dogma. The Soviets cannot have missed the trend noted by the National Association of Manufacturers' *News*: 'Most of the diehard New Dealers are gone from the top-spots of the government. As a result many government officials now are eager to obtain views—and frequently the active assistance—of industrialists.' President Truman himself talked of the danger of a coming bust. America was having difficulties with its key economic problem, and those men most likely to be in favour of an imperial solution were taking the helm. UNRRA, the One-World system of using American wealth for the world's welfare, was allowed to die despite Fiorello LaGuardia's cogent appeal to the UN: 'It is reminiscent of the old days of politics here in my town, when the poor in the district were given a basket of food at Christmas and during the winter a bag of coal or two. Along came election time and they were reminded of the generosity of the political boss and taken in hordes to vote the ticket. I killed that system in my town. I hope none of us will be a party to establishing such a system in international politics.' Unfortunately there seemed to be a good many powerful people willing to be a party to such a system in international politics.

At the Paris peace conference in 1946, conscious of these facts, Russia fought tooth and nail to close her satellite nations to the 'Persian method'. When the West finally agreed to her main conditions, there came that relaxation of tension of which I have spoken, only to be shattered by the collapse of Britain and America's drive to fill the vacuum with the Truman Doctrine.

When Mr. Marshall's enlightened offer was made, the Russians can be forgiven for approaching it testily. One suspicious

question hovered over it from the outset. If its aim was not to foster American imperialism but to benefit the world, why was the pattern of the administration of UNRRA not followed; why was the offer not made through the UN? Quite clearly, the Russians must have surmised, the aim is to keep its administration in American hands for American ends.

When Mr. Molotov arrived in Paris, Mr. Bevin and M. Bidault, it is important to add, had already laid out a plan of operation. It involved, as we have observed, an integration of national economies. But integration in a single plan means that each nation must produce what it produces best. To Mr. Molotov this looked like asking the Eastern countries to jettison their various national 'plans' to industrialize, and to become instead the agricultural granary of the West; that would be the ideal integration. Tied to an industrial nation, an agricultural nation always becomes the weak dependent sister. This is indubitably what Mr. Molotov meant by his charge that big nations were trying to impose their wills on small nations.

Mr. Bevin and M. Bidault denied this. Logically, Mr. Molotov should have continued discussions and allowed his satellites to accept the invitations to come to the ensuing conference on the plan and to fight their case. But it is probable that he realized that Communism was not yet firmly established in these countries. Moreover, they needed American capital badly. Had they participated in the conference and grown used to the expectation of American help, they might have become unruly satellites indeed. If later American strings on the offer did show up, Russia might have had trouble persuading them to break off talks.

Mr. Molotov's misgivings were not entirely unreasonable. He should have stayed on in Paris and expressed them frankly and with some ordinary humility. He might have won some sympathy in the West and the Plan might have been arranged to make allowances for his viewpoint. But his actions—breaking off talks in a pet, giving no explanation save an acid, jargon-ridden attack on America that made little sense, leaping to the fantastic conclusion that the Plan was a pattern for aggressive war against Russia and ordering Communists everywhere to

sabotage the Plan to the point of subverting their governments—could only be received by the West as deliberate hostility.

The Western world organized itself in self-defence against this hostility. The liberal-minded Mr. Marshall became convinced that a generous attitude towards Russia did not pay. In general Russia's action discredited the liberal wings and brought the 'get tough' wings into the ascendant in Western policy councils.

The incident of Mr. Molotov's refusal has blurred the motivation behind American foreign policy. For our present tough policy serves both sides in their contest for America's soul. The liberal-minded American people developed a genuine fear of Russian imperialism in the face of Molotov's reaction. Recalling what appeasement of a dictatorship brought after 1938, they have come to support the policy of containing Russia and equipping both America and free Europe to meet any threat of aggression. The same policy, however, is made to order for the neo-imperialists. It supports the arms programme which supports the boom. 'Containment' to them is an excellent excuse for extending American control everywhere by establishing military bases, financing and thereby dominating threatened governments and tying down other nations' power by standardized arms agreements.

Which of the two is the effective American policy—honest collective security for defence, or the extension of American control over other nations? As in the case of American domestic policy, we do not know. Far too many of the oligarchy have seeped into American policy councils. The only thing that can be said for certain is that America can still be swung either way. It would seem Russia's turn to do a little 'educating' of the West—to prove she is not aggressive and give the American people grounds for breaking its partnership with the American oligarchy. Until Russia drastically alters, for example, her current behaviour in Berlin, it will be very hard for a liberal to recommend that America take a much different line towards Russia from that now being pursued.

We turn now to the field of operation of the new Big Two. First the individual nations of Western, then those of Eastern Europe.

CHAPTER V

THE GERMAN PHENIX

'It would truly appear that Germany has divided the Allies into four zones. Instead of the Big Four being strong enough to decide the fate of Germany, it is the Germans who in the long run will decide the fate of the Allies.'

—SENATOR GEORGE G. SADOWSKI
of Michigan

NEXT TO the two giants who now hold world initiative, Germany is the most important country in the world. The German vacuum by itself would have caused serious dissension between the powers. When it merged with the Western European vacuum, good relations for a long time became well nigh impossible.

Germany dominates the central plain of Europe. If she were allied with a great power either of East or West, that alliance could geographically dominate most of Europe. Germany possesses the strongest individual industrial potential in Europe. At one point before the recent war it was not America but Germany who led the world in steel production. If Germany's industrial potential were allied with that of any other great power, the unit could dominate all European economy.

Germany is, after America, the most populated nation in the Western world. In addition to its quantity, the quality of her people is exceptional. They are the most skilled, industrious and ingenious people in Europe. Their ingenuity, combined with a curious imperfection in their social development, makes them the most efficient and willing soldiers of any country on earth. Twice they have very nearly conquered Europe almost single-handed. Let us admit that allied with any great power they would have won either world war.

What is important to this analysis is that allied with another great power they could probably win any future war. Germany is, by virtue of her location, her economic power and the quantity and quality of her people, the balancing factor which would enable any other power that acquired her support to dominate not only Europe but the whole Northern Hemisphere. That

is the role of the German question in the Cold War, the basic fact underlying the Berlin crisis which has done more than anything else to aggravate the Cold War and start an armaments race between the powers.

What is wrong with Germany that she has been the source of so much trouble? The answer is that Germany is suffering from a bad case of delayed development. Germany to-day is like a strong, handsome young man, superb at sports and with a quick mind—but guided by the values of a brash, self-centred, barbaric five-year-old.

Germany never achieved national unity until 1871. Until the time of Napoleon the country was made up of 360 different states and principalities.

The most tremendous retarding factor in her history was the Thirty Years' War which ended in 1648. In it, Germany was ravaged. Three-quarters of the people were killed. Cannibalism was not uncommon. Monogamy was abrogated in some places to restore population. In the two centuries from 1600 to 1800, the population of England rose 285 per cent, that of France 225 per cent. That of Germany rose only 10 per cent.

One of the worst consequences of the war was that, for Germany, it was indecisive; neither side won a clear victory. The result was general religious intolerance which hardened into intolerance of any new ideas. German liberals never really succeeded in breaching the formulas of feudalism. In a country overloaded with monuments, few commemorate liberal or democratic politicians or writers. When modern businessmen finally forced their way into the social framework, they did so only by becoming feudalists themselves. It was common for industrial magnates to build their homes—like the Krupp home—in the middle of their factory grounds, like a castle amid its medieval domains. They looked on their workers paternally and did not too badly by them—but never allowed them to do anything for themselves. Germany became under Bismarck the first modern nation to establish a system of social security: it was handed down from above, not won as in other nations from below. Germany's gravest weakness is that her people have never achieved a creative social act. There has never been a revolution in Germany. Every effort to

make one was shattered and the revolutionaries fled. After the unsuccessful revolution of 1848, 770,000 of them fled abroad—2 per cent of the total population, a blood-letting of democrats from which Germany never recovered.

The state which finally unified all the parts of Germany into a whole and bestowed on it her tradition was ill-fitted for the task. Prussia suffered from what would now be called over-compensation. Prussia was a poor, undistinguished backwater of a state and Berlin a backwoods village when Britain and France were great nations and London and Paris scintillating cities. Its soil was sand or marsh. In the land-hunger of the Middle Ages some Prussian knights won some Slav lands, called them East Prussia and eventually joined them to Prussia itself.

Then King Frederick William decided to make Prussia great. He invested the ridiculous proportion of four-fifths of all state revenues in building an army. The dwarf state maintained in times of blandest peace an army of a quarter million—a massive thing in relation to the times. Prussia became, as Mirabeau said, 'not a state possessing an army but an army possessing a state.' A textile industry was created by the state, not for purposes of trade but to provide uniforms for the army. Compulsory education was introduced earlier than in most countries in order to create a supply of literate non-commissioned officers. The first modern state bureaucracy in Europe was created purely to organize civilian economy for the army. In time, the dwarf state had absorbed two-thirds the area of Germany. As Treitschke said, Germany, when unified, was truly 'an extended Prussia. . . . Unquestionably it is the Prussian army which . . . was developed into a nation in arms, extending over the whole Reich.'

When the Industrial Revolution started in Europe, Germany discovered in her rocks and marshes a wealth of potash and coal that had hitherto been unutilized. Unification of the nation created a broad domestic market, and industry, though starting late, went ahead rapidly. By 1904 Germany was producing more steel than Britain, the great initiator of the Industrial Revolution. Having outgrown home market and resources, she followed the European example of expansion abroad. But she was too late in

the game; only the dregs were left. In the Prussian tradition Germany thereupon resorted to war.

In defeat after World War I it looked as if Germany might at long last have her revolution. The Social Democrats assumed power and the popular cry was to make a clean slate of the old régime. Had it happened, it would have been the happiest event of our time. The German people would at last have come into their own, taken their fate in their hands, washed out the unbroken, murky traditions of Prussia with a new tradition of popular creation. But, alas, the events in Russia dominated the minds of the victors and they were having none of it. When the Socialist government began removing high imperial German officials, the Allies sent word that they would negotiate through no other officials. Paragraph V of the Armistice required them to be re-instated.

The Socialists lost courage. They split into left and right, the left eventually joining Lenin's new International and the right, in fear of the Communists, inviting the Prussian generals to form *Freikorps* to beat down the Red rascals. The generals were thus restored to power. A historic opportunity was missed.

Defeat and a damaged and dormant economy turned out to be a blessing in disguise for the Reich. Foreign funds, mainly from America, poured in for investment. Between 1925 and 1930 Germany received nine dollars per head of foreign investments compared to Poland's two dollars per head. In a few years she possessed the most modern and efficient industry in Europe.

When the world depression hit Germany, old pressures became operative again. Adolf Hitler, the cleverest of a bevy of nationalist demagogues who played on German inferiority complexes, was hoisted to power by generals anxious for full-employment-for-generals, industrialists who wanted an arms programme and middle classes suffering from neurosis. The course of Hitler's progress is too well known to require repetition. The general aim was to make Europe, and possibly other continents, into a greater Germany, and lead human evolution down the path of the insects with a hereditary and racially distinguished slave class and a hereditary king and queen and warrior caste of Germans. If the peace since World War II has been unhappy

and difficult, we have at least the comfort of knowing it would have been a thousand times worse had Hitler and Germany won.

* * * * *

The story of the Allied occupation of Germany is a long, grating, complex tragedy of errors, relieved only very occasionally by any act of constructive intelligence.

The first error was made before the occupation began. It was the Allied decision, on President Roosevelt's insistence, to accept no terms from Germany save unconditional surrender. The President's aim was worthy: he wanted Germany to know she was licked in order to prevent any possibility of Hitler's old myth being reborn, the myth that in World War I the army had been 'stabbed in the back' by the home front and was never really defeated in arms.

I have always believed the importance of that myth was exaggerated. A demagogue will create his own myths as required and a people susceptible to them will believe them, whatever the truth. For example, I can imagine a reborn nationalist Germany being stirred to pride in its warring past and hope in a warring future by such a slogan as this: the German Army in World War II was never bested in arms; it was forced to retreat by brute superiority of numbers until there was no more room left to retreat in. But it never broke ranks, its will to resist was and remains intact. (It is a fact that to-day Germans never speak of the surrender—*Kapitulation*—but only of the 'breakdown'—*Zusammenbruch*—as marking the end of World War II.)

After spending the first two years of the recent war in Germany, I came out and wrote a book recommending that definite terms should be offered to the German people, and that Allied propaganda should insist day in and day out on a distinction being drawn between the German people on one hand and the Nazis and the generals on the other. There was little appreciation in the outside world of the vast disillusion that affected the German people when the adventure in Russia failed, or of their susceptibility to such propaganda. The idea was widely decried as naïve. The most pungent critic was Lord Vansittart, who led the school that insisted on all Germans being lumped and whipped together.

Now, mercifully, we have the authority of Goebbels as to who was right. How difficult—Goebbels wrote in his diary—the Allies would have made it for us if they had pursued the line of dividing the Nazis from the German people. ‘This fellow Vansittart is really worth his weight in gold to our propaganda. After the war a monument ought to be erected to him with the inscription, “To the Englishman who rendered the greatest service to the German cause during the war.”’

I hoped that by a different line we could have caused a rift in Germany, possibly shortened the war and created the basis for what Germany needs above all—a popular revolution. As it was, the slogan of unconditional surrender gave Goebbels’s morbid imagination free play. His ‘surrender terms’ included, among other horrors, sterilization of the German people by the Allies, and an occupation force composed solely of vengeful American Jews and Negroes. Fed daily on this diet, the German people were left no choice but to stand or fall with the Nazis. They fought therefore to the end with the valour of desperate people. And they remained conscious at the end that the Nazis had been rejected—by the Allies and not by the German people.

The second error was dividing Germany into four zones of occupation, rather than organizing joint occupation of Germany as a whole. Mr. Churchill alone opposed the quadrizonal plan with its inevitable tendency to divide the country into four non-co-operative airtight compartments.

A third error was excluding France from the Potsdam talks, and then inviting her in to occupy a part of Germany under the conditions to which she had not agreed. As a consequence, France felt no compulsion to obey the terms. France alone blocked the setting up of a central German administration for all Germany as agreed at Potsdam. Her opposition to any unification for necessary administrative purposes was such that she refused even to allow uniform German postage stamps in her zone. She began immediately on arrival the practice, later to cause so much trouble, of taking reparations not only of German capital machinery, but from current production. From this, enormous evils flowed.

A fourth error was granting Poland eastern Germany up to

the Oder and Neisse rivers. I personally witnessed the horrors of the mass expulsion of Germans from that area into the rump Reich. It meant that Germany lost about one-fifth of her former area, while ten to twelve million more Germans were poured into the area of the smaller Reich from Poland, Czechoslovakia and Hungary. The density of population in smaller Germany rose to 518 to the square mile compared to 198 in France and 160 in Poland.

A fifth error was partially implementing the plan to 'pastoralize' Germany according to the Morgenthau Plan. German heavy industry was to be drastically limited and the country forced to live on its light industries and export of raw materials. Now, before the war Germany paid her way in the world with heavy industrial goods. Over 60 per cent of all her exports were of that character. To buy necessities for a larger population in a land of smaller area and fewer resources would inevitably mean increasing her heavy industrial exports, not reducing them. The Morgenthau plan was destined to fail and in failing cause severe friction among the Allies.

These were the general errors made by all. In addition, each power went to work in its zone and committed individual errors. The worst case was the British zone. The British clearly overreached themselves by occupying the richest part of Germany, containing the vital Ruhr industrial district, for it was also the most populous zone (twenty-two million people, before the eastern refugees increased this figure, compared to twenty million in the Russian, seventeen million in the American and 6,400,000 in the French Zone). It was also the farthest from being self-sufficient, being mainly industrial and producing only about 40 per cent of its own food. Finally, it was the worst damaged zone, with nearly two-thirds of all its houses damaged or destroyed.

The British proceeded to aggravate their zonal problems. They did nothing to stem the flood of paper money. Bank accounts, which had grown fat during the war when there was little to buy, were not blocked. Millions of the middle and upper classes saw no need to work; they simply drew on their war-time paper fortunes in the banks.

This sent prices soaring and demoralized the workers. Their paper wages were nearly worthless. A packet of cigarettes came to be more valuable than a week's wages. They learned that a day spent on scavenging in the black market or trading their trousers and bedsteads to peasants for food paid better than a month's labour, with the result that they went to the factories and mines only when forced to by absolute penury. Then they were too hungry to work properly.

Moreover, the British took no political measures to raise morale. Political parties and trade unions remained under serious official restrictions until the immediate post-war wave of hope and enthusiasm for democracy abated among the people. When the British set up an advisory governmental council of Germans, they allowed only seven politicians on it; the rest of the twenty-eight councilmen were 'technicians'. Rather than delegate responsibilities to democratic Germans, the British maintained a swollen British staff of administrators. In 1946 it numbered 16,000 to the American zone's 5,000—a burden Britain simply could not carry.

Food administration was criminally bad. When the workers in demonstrations demanded that it be purged—many old Nazi *Reichsnährstand* officials remained in it—the British ignored the demand. Though committed to it by Mr. Bevin, they refused German Socialist petitions to socialize Ruhr industries. The British maintained largely the old Nazi gang in control of industry.

In these circumstances, morale and production remained low. Steel production was limited, by the application of the Morgenthau line, to 5.8 million tons (compared to over 18 million tons before the war), but actual production under the British never rose much beyond 2 million tons. It is a mitigating circumstance that the zone lacked manpower—4 million young Germans were still held abroad as prisoners of war—but the British failure to make the most of what manpower they had is nearly unforgivable.

The American zone was both more fortunate and better run. It contained less industry, but also had fewer mouths to feed, had suffered less damage and was able to produce more of its

own food. At a cost of 200 million dollars worth of the American taxpayers' money a year, its inhabitants got better rations. But, again, bank accounts were not blocked, prices soared and the people did little work.

Morale suffered from the quick dissolution of the American army, changing officers and changing orders, and a tendency to vacillate on matters of denazification and decartellization of industry. The Americans could never make up their minds whether they wanted Nazis plus efficiency or Democrats plus possibly a period of inefficiency in administration. Be-Kind-To-Germans weeks alternated with Don't-Forget-What-The-Bastards-Did-At-Malmédy weeks.

The instruments of formal democracy were made available to the Germans earlier in the American zone than in the others. Fairly good newspapers were founded and free elections held. But behind that formal structure, little changed. Military Government officers showed a distinct preference for appointing conservative, nationalist Germans to high administrative offices, and potential democrats soon learned that the New Era had not after all arrived and that they had better get in good with the *Bonze* who distributed ration-cards for the Americans.

A peculiar American quirk which caused infinite trouble was the desire to recreate Germany in America's federal image. The idea of splitting Germany into federal states, each with sovereign rights, was to prevent the rebirth of a centralist Germany. The idea was, to put it bluntly, fatuous. It took Hitler only ten minutes, writing a single decree, to centralize Germany in 1933; it would take any future German dictator, enjoying the same support in the regions of Germany, the same time and effort to do it again.

The main effect of the federalization of Germany, adopted also in the British zone largely to please the Americans, has been to give the whip-hand to the predominantly conservative peasant *Länder*. Policed by a local peasant force and not by a central German police, the peasants have refused to deliver their produce to the cities at the low official prices. They keep their goods for bargaining on the black market with rich scavengers or speculators from the city. As a result the workers of the

cities have intermittently faced starvation. In March 1947, to cite a single example, the quota of meat that peasant Bavaria was required to supply to the Ruhr was a meagre 2,387 tons, less than half of what it could have supplied without feeling it. But being subject to sympathetic state police the Bavarian peasants supplied only 330 tons, and the Ruhr starved.

In general, states' rights favour reactionary and agricultural interests—as experience in America shows. In the two zones of western Germany, where the Americans have applied the system with a vengeance, the progressive Socialists have a majority in the total popular vote. But their lead is cancelled out by the fact that the conservatives control a greater number of the governments of the *Länder* where real power resides. American insistence on tight federalism is a prime factor in conserving the *status quo* in a country where nothing is so desperately needed as change.

The French and Russians enjoyed a common advantage over the British and Americans: they had both suffered direct physical occupation and both went into Germany knowing precisely what they wanted. They proceeded to get it.

The French wanted (a) plenty of reparations, (b) annexation of the coal-rich Saar, and (c) a weak Germany. They poured Nazis back into the administration to make it efficient, and when they had exhausted their own supply, took any capable Nazis the other zones had thrown out. As a result they got their reparations. They eventually circled off the Saar behind a customs border and virtually annexed it without anybody's approval. They blocked every effort to centralize the administration of Germany. All these things were very satisfactory for France, but not very good for four-power co-operation. ^e

For the first year after the war the Russian zone was undoubtedly the best-run of all. They alone blocked bank accounts and made everybody work for his living. They knew what they meant by denazification and within a year 98 per cent of all school teachers had been removed and entirely new school books issued—a job not yet completed in the western zones. Whatever their motives, it will be to their everlasting credit that they made a change in the medieval social fabric of Germany. They

removed forever the economic basis of the feudal warrior-land-owners of Prussia who have provided the generals for seven centuries of German wars. The division of the feudal estates was uneconomic and created peasant holdings so small that they will one day give the Communists grounds for collectivization—which was doubtless the intention. But the Junker warlords have gone. In industry, unions were given nearly complete control and with their new responsibility won a new dignity and self-confidence. By 1946, general industrial production was running at more than 70 per cent of 1936—the highest figure of all the four zones of Germany.

It is fair to point out that the Russian zone was the best zone by nature. Its economy was well balanced, having enough agriculture to feed itself, being well stocked with light industries and with enough brown coal to keep most of them going without imports from other zones.

But this bright picture was soon marred. The Russian lust for reparations milked the zone very nearly dry. All railways except three main lines were converted into single-track routes, the Russians taking the other rails off to Russia. They removed whole plants to Russia and kidnapped German personnel. The process of enforced communization of politics alienated the people. In 1948 production had dropped from over 70 to under 55 per cent of pre-war. To-day the Russian zone is probably the worst off of all.

The German problem to-day, four years after this initial foundation of error was laid, has become the key problem of the world. A firm conviction has grown up on both banks of the Elbe that the other side has acted from malevolence throughout, with designs to capture Germany as a basis for wider dominance. In this conviction both sides have tacitly agreed to make the city of Berlin (on its own merits unimportant) the crux of the matter. There, each side in effect has told the other that its design must be shattered or there will be no recourse but to fight.

There is ample evidence that this conviction has no basis in

fact. All the evidence indicates that everyone involved in the tangled German problem acted from honest motives and in response to urgent, immediate, down-to-earth *domestic* needs, with no serious thought of dominating Germany. In three cases the domestic demands which prompted behaviour were linked to questions of national survival and could not be denied. The actions of the occupying powers fell into a mesh of conflict due to the initial errors outlined above, which I believe to have been honest misjudgments. With some human sympathy for the other parties' internal situations, the conflict of interests could have been resolved. Though it will be more difficult since the Cold War has intervened and transformed practical issues into ideological war, it is still possible. Let us relate the actions of the powers in Germany to their situations at home:

At the end of the war Britain at home was in the toils of the dollar crisis. She did not have enough dollars even to keep her own people in food and, such was her need, was about to send a delegation to America to beg a loan on impossible terms. In Germany, her populous zone could only be sustained by heavy food imports, the only source of which was America, which meant they had to be paid for in dollars. Britain obviously could not do it. She had to insist that means be found for Germany to pay her own way.

America at home was returning to something like normalcy. She had spent astronomic sums during the war and it was evident that the government had to start economizing. Lend-Lease had been abruptly cut off for this reason. In Germany, America was quite naturally irritated at having to pay what amounted to reparations to the nation she had defeated at such heavy cost. America moved to Britain's side in the dispute about to take place, not from any motive of 'ganging up' on Russia, but because the practical zonal interests of the two countries were identical: they were both deficit zones. They directed their complaint against Russia not through animosity but because the eastern zone happened to be a 'surplus' zone, which could help solve their problems.

Russia at home was suffering from the gravest destruction and consequent economic paralysis of any of the Allies. She

needed both machinery and consumer goods with an urgency the West has never quite appreciated. What was more reasonable than to take them from the country which had, without provocation, inflicted the destruction on her and which now happened still to have a nearly intact economy? Russia began milking German production in her zone for all it would bear.

America and Britain, from the motives stated, reminded Russia of her undertaking in the Potsdam agreement: Germany, the agreement said, was to be treated as an economic unit, which meant among other things that any surplus German production in any zone was not to be taken out of the country, but was to be pooled for the benefit of deficit zones.

Russia was able to answer in effect that she was perfectly agreed to the requirement of treating Germany as an economic unit. She had never wavered in her insistence that the clause be implemented. In the autumn of 1945 she even drew up lists of German nominees to the body that was to administer Germany as a unit. But it was not Russia who prevented its realization; it was France. Every effort of the Big Three in the Control Council to start a central unified administration was vetoed by France. So long as France prevented the setting up of the necessary machinery, and so long as France took reparations from production, it would be asking too much of Russia, who needed the goods far more, not to do so herself.

☼ (Since there is wide-spread doubt in the West about this, let it be emphasized that in the beginning the Russian attitude in Germany was co-operative. When the zonal boundaries were re-defined and Russia moved into areas held originally by the Americans, she maintained in office almost all the 'bourgeois' administrators who had been appointed by the Americans. She began immediately packing up machinery and plant for shipment to Russia. But this was legitimate as it was specifically called for in the Potsdam agreement; moreover, the departing Americans set a precedent by carrying with them several plants and a brigade of German managers and scientists. The only point of legitimate dispute between the Western Allies and Russia was not Russia's practice of taking machinery but of taking the *current output* of the machinery that remained. It is worth noting that

on all evidence available the Russians did not begin the practice of taking reparations from current production until the winter of 1945-6, after the French had begun it and after the French veto in the Control Council made it clear that the Potsdam arrangement was not going to be effective on this point. After that, unfortunately, Russia became desperately dependent on the flow of goods from Germany: due to the bad harvest, and to the state of her industry, 1946 was a hungry and comfortless year in the Soviet Union. 1947, the year after the drought, was worse and increased her dependence.)

Was France, then, the villain? Not exactly. France at home was suffering from the long-term trouble of being invaded and crushed too often from the north—three times since 1870. Anyone who has spent any time in France since the war knows that France will not survive a fourth invasion. France needs security from Germany desperately. At the end of the war France had drastic claims to put to Germany. She wanted to annex all Germany west of the Rhine, and she wanted the German war potential—the Ruhr district—removed from German sovereignty and put under international administration. If these claims sound extreme, remember that Russia got for herself and Poland a chunk of eastern Germany about this size. Russia got it because she was at the Potsdam conference to push her claims. France had not been invited, so she got nothing, except later a veto on the Allied Control Council in Germany. Not being bound by the Potsdam agreement which she never signed, she thereupon used her veto to keep Germany weak and divided, and to block every effort to administer Germany as a unit.

In the context none of these cases is unreasonable or illegitimate. If the motives of the powers could have remained on the practical level and solution held in suspension for roughly two years—say, until Russia was on her feet again, could do without reparations and was willing to scrap Potsdam and start a new arrangement—it is probable that agreement, at least among the Big Three, could have been reached.

But, of course, solution could not wait. Locked stagnant in the Chinese puzzle of contradictions, the British zone wasted away. At one point the average Ruhr urban dweller was receiving

740 calories a day compared to 2,600 needed for normal human activity. It was the level of Buchenwald concentration camp under the Nazis. People fainting from hunger became a normal part of the street scene. So high a personage as the German chief of the Economic Advisory Council in the British zone had to retire from that post due to weakness from hunger-œdema. There were strikes and food riots in both the British and American zones.

America and Britain became understandably bitter at the manner in which the Russians and the French used the whip-hand they possessed in Germany by the accident of occupying surplus zones. The latter two could simply sit on the contradictions of Potsdam and benefit, while the former two suffered from a situation patently unreasonable. Western bitterness came to be concentrated more and more on Russia, for hers was the one clear breach of the Potsdam agreement by a signatory to it; when all excuses are offered the fact remains that Russia was not treating German economy as a unit. As time passed and Russia grew more dependent on German production, it became clear that she was merely using French obstinacy as an excuse. Bitterness was increased by the fact that it was Russia who had benefited most at Potsdam. She and Poland had been given together one-fifth the area of former Germany.

The American Secretary of State, Mr. Byrnes, took the initiative and tried to break the log-jam of contradictions at its source—the French need for security. In April 1946, he offered all the occupying powers a twenty-year (later extended to a fifty-year) pact committing America to joint efforts to keep Germany disarmed and to mutual aid in the event of German aggression. From its reception it turned out he would have done better never to have made the offer—a unique one in the history of American diplomacy. Russia forthwith interpreted it as an attempt to substitute a paper pact for all the disarmament, denazification and demilitarization requirements of the Potsdam agreement. She ignored it.

Byrnes's repeated efforts to get the four powers to discuss a German peace treaty and break the Potsdam contradictions were obstructed by Russia. Molotov insisted that all foreign

ministers' talks should continue to concentrate on getting the satellite peace treaties out of the way. He was obviously in no hurry to make an arrangement that might entail stopping the flow of reparations from German production.

Byrnes made a last effort: he offered to fuse the economy of the American zone with any other zone that desired it. This would give the Big Three an opportunity to overcome the French veto and begin again. Britain, having nothing to lose, accepted. The Russians called this an effort to scuttle Potsdam—which of course it was—and they refused.

Western patience wore thin. It was patent from Russia's refusal to merge that she was simply using French obstructions as an excuse to continue taking reparations. Moreover, the Russians had lately taken a step that threw further doubt on the honesty of their position. In April 1946, in the Russian zone, the Communists and the Socialists were merged to form a 'Social Unity Party'. The move was obviously made under Soviet pressure and it was obviously less a merger than an absorption of the Socialists by the Communists. The West could not resist the suspicion that this was the beginning of the communization of politics in the Russian zone and the beginning of the end of the Potsdam insistence on democratic politics. With these events, the practical conflict began its slow transformation into a much-harder-to-resolve ideological conflict.

If I now state the Russian side of these developments, I shall have brought the story up to the watershed events of the post-war period which started the Cold War. In the year 1946, when Mr. Byrnes made his efforts to break the Potsdam deadlock, the situation inside Russia deteriorated swiftly, mainly due to the bad harvest. Russia came to depend on her supplies from Germany to stem a long-term deterioration which would bring great suffering to the Russian people. We tend to forget that the standard of living in Russia at this time was as low as in Germany, if not lower. In early 1947, I travelled from Moscow to Berlin and Frankfurt and can testify that my middle-class acquaintances in the German cities, though living on a niggardly level, were better fed and clothed than my middle-class secretary

had been in Russia. It was asking the impossible to demand that Russia abandon her fortunate position in Germany in order to accept Mr. Byrnes's proposal, stop the flow of reparations to Russia and perhaps cripple herself in order to raise the level of Germans who were responsible for Russia's predicament. Russia doubtless stalled on discussing a German peace treaty for the same reason.

As to the formation of the Communist-dominated Unity Party in her zone, the act was reprehensible and a blunder that hurt Russia more than it helped her. But it is understandable. It became clear to anyone in the western zones of Germany during the winter of 1945-6 that, behind a façade of democracy, old figures were returning to effective control. This was blatant in the British and French zones, incipient in the American zone. Communists were inherently feeble in the west, and Socialists were being discouraged. Russia sought to create a counter-force which would concentrate working-class strength against a reactionary revival. That revival is a serious factor, perhaps the most serious in the whole German tangle.

Probably for similar reasons, Mr. Molotov rejected Mr. Byrnes's fifty-year defence pact. No doubt Mr. Byrnes was sincere and did not intend it to replace the disarmament and demilitarization clauses of Potsdam. But vacillation on these policies was so evident in the American zone (so far next to nothing has been done about the demilitarization of German industry) that the Russians were justified in fearing that later Military Government officials might abandon the effort entirely on the assumption that the fifty-year pact was enough.

This was the situation at the end of the first phase of the post-war German question. Western suspicions were growing that Russia aimed to keep western Germany in turmoil as a future objective for Communist conversion. Following the Byrnes-Bevin merger of the British and American zones on 1 January 1947, Russian suspicions alleged that America, having broken Britain with the loan agreement, was now preparing to cash in and take over control of the vital Ruhr which she had wanted all along. But, at bottom, the main difficulty remained a practical one and was therefore still soluble. Russia needed reparations.

Although it could not be foreseen, the need was soon to lose its urgency. The Autumn of 1947 was to bring a bumper Russian harvest and a sudden upswing in industrial production. Solution was to become possible. Unfortunately our watershed events supervened to prevent it.

The two great post-war conferences on Germany suffered from being queered by events which had nothing directly to do with Germany. The first, the Potsdam Conference, ended within two days of the Hiroshima bomb. The Russians are convinced to this day that the bomb was meant to be as much a menacing gesture to them as a military blow at the Japanese. Russian behaviour under the Potsdam agreement was indubitably greatly influenced by the shadow of The Bomb. For example, they never once made clear the connection between their seizure of German produce and their dire need at home. Had they made out a human case for their confiscations, the West might have been more understanding and some kind of bargain might have been arranged. But the Russians feared that would be a confession of weakness, and a Bolshevik never confesses weakness—especially not after the atom bomb. So they responded to Western complaints with bullying and brandishing of raucous old clichés, which could only grate on the ear and cause animosity.

The second great conference on Germany—that of the Council of Foreign Ministers in Moscow on 10 May 1947—opened two days before the Truman Doctrine speech. It never had a chance.

The Moscow conference illustrated to perfection the Soviets' bad habit of mistiming their gestures and misjudging the temper of the West. Still in the glow of the settlement on the satellite peace treaties in New York two months before, they were determined to be charming, amiable hosts. Mr. Vyshinsky—the official welcomer—wrung the hand of Mr. John Foster Dulles before photographers as though he were a visiting delegate to the League of Proletarian Advocates, and not a Wall Street Fascist Beast.

The Soviets kept a promise and lifted the censorship on foreign

correspondents' reports from the opening of the conference. When I timidly asked if the lifting could not be moved ahead a day so that I could broadcast on May 9, they surprised me by assenting without a moment's hesitation, and Radio Moscow worked all night laying lines and rearranging their own short-wave schedules to fit my time in.

In the first days of the conference, Soviet press reports were thorough and free from their usual acid interpolations on Western motives. Mr. Molotov proved uncommonly conciliatory in the opening discussion on rules of procedure and yielded his own suggestions first to those of Mr. Marshall, then to those of Mr. Bevin.

The Russians undoubtedly assumed that all was well and that things would go according to prescription: they had learned the formula for procedure from the satellite negotiations and were prepared to follow it; but this time with more ease, for they knew the ropes—two years of haggling and pressure until deadlock was reached, then settlement on that basis. Stalin told Mr. Marshall in the course of the conference that 'these were only the first skirmishes and brushes of reconnaissance forces. . . . After people exhausted themselves in dispute, they then recognized the necessity of compromise. . . . That compromises were possible on all main questions. . . . It was necessary to have patience and not become pessimistic.' The Russians proved sublimely out of touch with the times and with the mood of their colleagues. Three angry and determined men had come out of the West and they were going to get agreement now, or take their own measures. The easy Soviet cordiality was as out of place and as mistimed as laughter at a funeral. The time was dead serious.

The Russians were going, above all, to push their claim to reparations from German production. I think it is deplorable that we did not bargain with them over this. It would have been much cheaper in the long run to make concessions, and if we had, many other points of disagreement might then have resolved themselves.

But Mr. Marshall was not in a yielding mood. A man does not mind paying, and heavily, if he has to. But he hates to think he

s being made a sucker. And Russian behaviour, after receiving big concessions from America at both Yalta and Potsdam, left that impression. Now, moreover, the Western bastion counted on by America had just collapsed, leaving an empty space under the nose of this clamant Russia. In these circumstances Mr. Marshall was going to be a hard man to bargain with. When he got out of his plane at the snow-blanketed Moscow military airport, he spoke into a newsreel microphone about his last conference with the Russians in 'remote Yalta', and his tone made it clear that the adjective meant not mere remoteness in space.

Mr. Bevin and M. Bidault were dyspeptic partners. Britain had just been crippled by the snow crisis. Now the mountains of snow were melting and flooding out the spring crops. That would involve still more dollars for food imports. Mr. Bevin was going to leave Moscow with the Russians agreeing to pool German surpluses with German deficits—or else. M. Bidault's government, already scraping the rocks in the dollar crisis, collapsed beneath him shortly after his arrival. He knew he had to return from Moscow with solid gains—he wanted mainly annexation of the Saar, to which Russia was opposed—or he would be retired to private life.

Right on top of the conference, two days after it opened, burst the bombshell of the Truman Doctrine. President Truman said 'nearly every nation must choose between' the two worlds; it sounded like an ultimatum to the rest of Europe to be with us or to be counted against us. That wiped the smiles off the Russians' faces. While America prepared to move into Greece, Russia proceeded to button up Hungary, arresting democratic leaders to the accompaniment of angry diplomatic protests from the West.

Like a teacher who stonily refuses to admit she has lost control over a classroom whirring with flying erasers and spit-balls, the four men sat down in a world in turmoil and tried to carry on as though it all had nothing to do with their conference. It was impossible.

I shall not go into the thorny details of the Moscow talks. The essential nature of the disagreements has already been explained. The talks only revealed it more plainly than ever

before. Everything snagged around the Russian demand for continued current reparations, which made economic unity impossible.

A new factor in the problem was that during the talks mutual suspicion mounted as never before. After that, the basis of disagreement shifted from the practical question of reparations and economic unity to mutual suspicions of aims to dominate all Germany for aggressive purposes. It became not a practical conflict but an ideological one.

From here on, events may be reduced to two essential facts: having failed at Moscow, the Western powers decided to jettison Potsdam, unify the zones of western Germany, bring them into the Marshall Plan and make them pay their way. Russia was determined to prevent the revival of the mighty Ruhr which she suspected was being converted within the Marshall Plan into an arsenal for a coming Western 'imperialist' assault on Russia. From being a separate problem, the German question became merged in the Cold War.

The Russians possessed one means of putting pressure on the West to drop its plans for the creation of a west German state. It was one which the Western powers had apparently overlooked: the three Western Powers still occupied three-quarters of the city of Berlin, an island of vulnerability a hundred miles deep in the Soviet occupation zone and completely surrounded by Russians. The Western Powers had only thin supply links with their sectors of Berlin, a one-track railway, a single highway and two narrow air corridors.

On 30 March 1948, the Russians began to turn the screw on the Western positions in Berlin, announcing new 'traffic regulations' to hamper Western communications with the city. By June 24 the land routes were pinched shut and the Western powers were left with only the air corridors to keep their sectors supplied.

Logically, the Western Powers should have yielded to the pressure and withdrawn. Berlin is strategically and economically unimportant to them and very costly to maintain. But the context of events must be borne in mind. America was at that time sponsoring a defensive 'Western Union' to put some stuffing

into the vacuum of Western Europe. If America led a withdrawal from Berlin, many candidates for the Union might have concluded that in a pinch America would not stick by her friends, but would leave them to the mercy of the Russians; wherefore it might be better not to anger Russia in the first place by joining a Western Union. The great Berlin airlift began, and the Western Powers held on doggedly to their Berlin positions by that thin thread.

For similar reasons the Russians could not back down. Having once again misjudged the temper of the West, thrown down a challenge and had it thrown back in their face, the Russians had to increase pressure for reasons of prestige. This led to ugly incidents and Soviet prestige in fact fell lower than ever before.

This is the present costive state of the German problem which in its original fluid state admitted of a practical solution.¹ If blame must be apportioned I would point first of all to the Russians. With a minimum of humility and frankness about their own difficulties they might have stopped the deterioration early. But this is to prejudice a case that is not yet complete. What has happened to the central factor in the German problem since the war—the German people?

* * * * *

For three years after World War II the incredible little Ruhr valley of Germany, an area about the size of New York City, which used to turn out 100 million tons of coal and 16 million tons of steel a year (more steel than all Britain, nearly as much coal and steel as all Soviet Russia), lay broken and paralysed, probably the ugliest physical ruin of the war after the city of Warsaw. Very suddenly, in the middle of 1948, the little giant stirred, then shook off its twisted girders and shattered walls and began to rise. By the end of 1948 west German industrial production, powered mainly by the Ruhr, had leapt from 40 to over 70 per cent of the 1936 level. Its exports rose so swiftly that in early 1949 western Germany was as near to balancing its foreign trade as France was.

¹ These words were in print before the lifting of the Berlin blockade.

The currency reform of June 1948 had done the trick. It put tonic into the anaemic system of Germany's economy and sopped up the inflated currency left by Hitler; it gave money a value, made workers willing to work for it, and peasants and shopkeepers ready at last to sell for it. City streets were lit up overnight. Shops blossomed with luxury goods. Butcher shops strung across their windows rows of poultry that no one had known existed. Restaurants began serving richer meals than London had seen since the war.

Marshall-aided Europe should have rejoiced at the revival of its mightiest industrial unit. In fact, there was as much apprehension as satisfaction. *What kind* of Germany was rising Phoenix-like from its ashes? What has four years of Allied government done to Germany—the strong youth with the values of a five-year old?

Allied occupation has created two Germanys. One is a make-believe Germany: it is Democratic, contains all the familiar political parties, elected governments and written constitutions ensuring Democracy. The brave new constitution of Land Hesse in the American zone contains the clause: 'The establishment of a dictatorship in whatsoever form is forbidden. Bills which offend this principle shall not be voted on, nor laws published. If published they shall not be obeyed.' If obeyed, one is tempted to add, the government of Land Hesse would feel very put out indeed.

Make-believe Germany is a land of Democratic newspapers and schoolteachers teaching children Democracy, explaining why Nazism was wrong down to its last technical mistake and oversight. It is a Germany of *Life* magazine photographs showing enterprising GI's teaching children baseball as a means of Democracy. (I have never quite established the connection; the Japs were probably the world's best non-American baseball players at a time when they practised twisting wire around the wrists of American PW's as a means of mild punishment.) On the charred walls of this Germany one still sees the white-wash slogan of the Nazis: 'Faith in Our Führer Adolf Hitler'. But an indignant, 're-educated' people has crossed out the last four words. This Germany is a land of sunlight and good clean

cleat-dust kicked up by tow-headed German kids sliding into home plate.

Then there is the other Germany on which sunlight does not fall. It is dark, clammy and murky like the misty marshes of feudal Mecklenburg, or a German music-hall in the sick, perverted 'twenties. It is distinguished from the first Germany mainly by the fact that it is the one in which 99 per cent of the German people live. In it, not one man in three can tell you, without thinking for a few minutes, the name of the premier of the government he elected. He knows it makes very little difference. Political power has always been secondary to economic power in Germany, government secondary to super-government. And the hard-faced men who have always owned German substance have weathered another upheaval, and are back in their seats of power, out of the limelight. The bulk of the people certainly believe in Democracy and Equality, but in the vein of *Animal Farm* they believe Germans are more equal than others. And whatever you may say about Hitler—everybody *knows* Hitler was basically wrong—you cannot deny that he was right about the Jews. And the Russians. And the British. In real Germany many children do not play baseball or any other games. The T.B. rate is 342 per thousand, eight times the rate of New York State. On the charred walls of real Germany the whitewash slogan stands 'Faith in . . .' followed by nothing. But everyone remembers what was there before, and you can say what you want to about Hitler, but. . . .

The most glaring failure of the peace anywhere in the world lies in the unhappy truth that in Germany, which needed change more than any other nation—popular revolution to purge its soul of the mists, and relieve itself of having forever to fish in the stagnant waters of its national inferiority complex for a self-respect it has never won by its own creative democratic initiative—nothing essential has been changed.

There was and is only one possible instrument of democratic change in Germany and that is the working class. The ruling class is warped beyond repair. The middle class is nearly so. Both solidly supported Hitler. The German working class, however, voted solidly against Hitler through the last free election

and remained the least dependable element of his popular basis. When Hitler felt his power adequately established, he wooed them by allowing them to elect their own 'Labour Trustees'. They proceeded to vote in overwhelming majority for non-Nazis; whereupon Hitler invalidated the elections and appointed the trustees.

Immediately after the end of the war the situation favoured a change. The opportunity was not as favourable as the one we spoiled in 1918, but with a little encouragement it could have developed. In a few places, notably Munich, there had been tentative uprisings against the Nazis. In the Ruhr and Bavaria, Nazi industrialists went into hiding and workers' committees took over factories and offered to co-operate with the arriving Allied armies. The mood throughout the middle classes generally was disgust with the Nazis and all the old clique, a readiness for change and an expectation that the Allies would insist on it. An important factor, Warburg points out, was the existence of sufficient stocks of both food and raw materials to allow the people time for the luxury of building politics, a luxury to disappear when depression set in and scavenging for bare necessities occupied all the waking hours of the people.¹

But the Allied attitude was still dominated by unconditional surrender. *All* German organizations had to go, without distinction. The workers' committees had to be disbanded like the Wehrmacht. The growth of political parties and unions was prohibited or inhibited during vital months. At the same time the Allied military rulers did a contradictory thing. With no other intention than the vague idea of 'getting things going', they took unto themselves German aides, secretaries and administrators who best knew how to get things going, and these came largely from the old clique who had got them going before. Thus, while the potential democratic instruments were in effect discouraged, the undemocratic elements were able to begin entrenching themselves during the one short crucial period when there was momentum for change. A maddening feature about this procedure was that it did *not* get things going. Germany

¹ James P. Warburg: *Germany—Bridge or Battleground* (Harcourt, Brace & Co., 1946)

sank deep into a mire of depression and low and inefficient production. There is overwhelming evidence that it was the nationalist aides appointed by Military Government who, in their restored positions of authority, actively sabotaged recovery.

If this was at first a consequence of honest confusion on the part of Military Government, it soon developed into a deliberate policy. All three western zones left to military men the most vital problem of our time, that of moulding the society of the world's most dangerous nation. France and Britain maintained a semblance of civil authority; the military men were ultimately responsible to their foreign offices. But in the American zone this was not so. General Clay, the former American zonal commander—I dwell on him, for within two years he became the dominant figure in all three zones—was responsible solely to the American War Department. All his reports went solely to the military agency, which passed on to the State Department only what it thought the civil authority ought to know. (It should be emphasized that this curious situation was not the fault of the War Department, which had repeatedly begged the civil agency to take over; it was solely the fault of the State Department which never equipped itself to assume this vital obligation.) As the bias of military men is to 'leave it to the commanding officer in the field', General Clay became virtually the one-man ruler in Germany.

General Clay was a capable, honest administrator. He was not, as his counterpart in Japan gives so many signs of being, personally ambitious. His aim was to 'get things going', to set the Germans to getting them going and to shed authority from his own shoulders as rapidly as possible. But as an engineer (at the outbreak of war he was a captain in the Engineers) his sociological limitations were monumental. For all practical purposes he left the crucial task of forming social policy to his zonal economic chief, General William H. Draper, whose training was that of an executive of Dillon, Read & Co. (Mr. Forrestal's firm seems to have bought the concession on American foreign policy for the first three post-war years!)

General Draper's policies were predetermined. American Big Business held investments in German Big Business, on the last

official count in 1943, amounting to over \$1,000 million, owning controlling interest in 316 German firms. General Draper's firm alone had \$105 million invested in such giants as the *Siemens-Halske* engineering works and the world's biggest cartel, *Vereinigte Stahlwerke*. It would be easier to imagine Stalin embracing the Pope and Catholicism than General Draper forsaking his German business colleagues of a lifetime's collaboration in favour of the German workers. Later General Draper was given the civilian job of Army Undersecretary in charge of economics in all occupied lands. He finally resigned in February 1949—but again, a man's works live after him.

If America's policy towards the German people in general was vague, her policy towards German Big Business was specific and flaw-proof. Its spirit was expressed in a memorandum sent by President Roosevelt to Secretary of State Cordell Hull: 'The history of the use of the I. G. Farben trust by the Nazis reads like a detective story. Defeat of the Nazi armies will have to be followed by eradication of these weapons of economic warfare.' The letter of the policy was contained in the famous basic order, called JCS 1067, sent down by the White House, flatly prohibiting production in German big industry. A subsidiary order, called General Order Number 2, required Military Government to dismantle and either destroy or send out of Germany as reparations to the Allies *all* the plants of the great *I. G. Farben* dye and munitions trust (the classic 'supergovernment' referred to in the chapter on America). There was no confusion in these orders; they were beyond dispute.¹

American Military Government did not try to find a subtle means of re-interpreting the orders; it simply ignored and disobeyed them. By mid-December 1945, though advance deliveries of reparations were scheduled to begin, dismantling had not even begun. Treasury Department officials were blocked in every effort to get them moving. Despite the order to prohibit production, the plants were put back into production and in one important plant a new power unit was built. Nazi managers, whom the Justice and Treasury Department officials succeeded in having removed from control and required to do menial

¹ Richard Sasuly: *I. G. Farben* (Boni & Gaer, 1947)

labour, were simply re-entered on the company register as 'janitors' and continued their control. So confident were the Germans that the orders to dismantle would not be carried out that, when the stock market was re-opened, I.G. shares rose sharply with many Germans buying them.

To this day the property of the old guard has been kept almost intact. In 1946 the four powers agreed on a figure of 1,600 big plants in the two western zones to be dismantled as war potential and shipped out as reparations. Few were actually dismantled or delivered. In 1947 the British and Americans on their own reduced the figure to 690 plants (only 1 per cent of west German industrial potential). Almost none of that was dismantled or delivered. Now dismantling and delivery has virtually stopped and the chances of its resumption are exceedingly slim.

After World War I, Germany paid around \$4,000 million worth of reparations to the Allies. Since World War II, the western zones have delivered, as reparations, industrial plant valued at not much over \$120 million—a sum Britain alone spent in two days of fighting the Germans during the war.

The vast German investments abroad are almost untouched. To date Switzerland has released less than 1 per cent of Germany's great financial holdings there. Most German assets in South America have not been touched.

The mutual loyalty of international Big Business, like Communism, seems to be above patriotism. The Krupp works, for example, were confiscated from the Krupp family by a verdict of the Nuremberg War Crimes Court and handed to the four Allied governments. At present the Krupp family is contesting the decision, with great promise of success. Their lawyer is an *American* lawyer who admits that he is paid in dollars for his services. Who is paying dollars to keep the control of German war potential in the hands of the German Krupp family?

The property ownership of the old guard is virtually guaranteed by a sympathetic administration. British and American appointments to the controlling boards of bizonal economy include Heinrich Kost, one of Hitler's war economy chiefs and former managing director of *Rhein-Preussen*; Henle of the *Kloeckner*

works and Robert Pfermenges, the big Frankfurt banker; Hermann Reusch, war-time general manager of Krupp's steel cartel. Individual industries are dominated—after brief spells under denazification clouds in some cases—by the men who ran them before: Wilhelm Zangen is back on the board of the giant *Mannesmann* pipe works; Rohland, an SS-man and a war-time director of Nazi arms production, is back on the board of *Vereinigte Stahlwerke*, as are its old war-time directors, Poensgen, Sohl and Schwede; Labisch, chief of Hitler's arms industry in occupied Holland, is head of the *Silberhütte* steelworks. The list is endless, its significance obvious.

The only attempt to deal with the roots of economic power in Germany has been a feeble Allied effort to 'decartellize', to break up big industrial units into smaller units. But the men the Allies put in charge of the job robbed the gesture of all semblance of sincerity from the outset. One Heinrich Dinkelbach—a former member of the board of the giant *Vereinigte Stahlwerke* combine—has been in charge of the job in the British zone. In the American zone the splitting up of *I. G. Farben* is being done by a board including Geheimrat Bücher, lately director general of the *AEI*, Germany's General Electric, and Herman Abs, director of Hitler's *Deutsche Bank*.

Herr Dinkelbach did divide several giants into smaller units in the British zone, but not in such fashion as to place any obstacle in the way of their re-amalgamating as soon as the world is looking the other way. A more noteworthy achievement of Dinkelbach's was to use his new eminence under the British to secure the release from arrest of 27 magnates held as high Nazis. In March 1948, General Clay stopped decartellization proceedings against three big combines (*Henschel*, maker of locomotives and Tiger tanks, and *VKF* and *Bosch*). The act was taken generally to mean—and General Clay's subsequent remarks in a press conference indicated he meant it to be—the death of the decartellization programme in the American zone. It probably would have been if an uncommonly loud public and congressional protest had not forced Military Government to review Clay's decision in 1949. However, even if some kind of decartellization is resumed, it remains, so long as the structure of German society

is untouched, an unnatural process like propelling water uphill for a few yards just to show it can be done. With effective power left in the hands of the economic baronage, the gesture towards splitting the trusts will certainly be abandoned at the first opportune moment.

How, meanwhile, have the Allies treated the workers—the only hope for democracy? The growth of unions and democratic parties was frustrated, we have seen, during crucial months. Since then, though the baronage of high Nazi finance was strengthened by direct appointment, General Clay continued to refuse to return to the unions the bulk of the property taken from them by the Nazis in 1933, leaving them financially feeble and dependent on current dues from a working class living literally from hand to mouth. The dominant organ of bizonal economy so far has been the Joint Export-Import Agency. It is a monopoly of Big Business, and Labour is excluded from it.

Labour's effort to make its will felt through weaker political channels has been sabotaged by the federal 'states' rights' system. None the less Labour has been able to make its voice heard; the trouble is that it cannot make its voice listened to. When the parliament of Land Hesse passed a law giving Labour a say in the management of industry, General Clay vetoed the law as 'un-American'!

In the British zone, Mr. Bevin had publicly and specifically committed British policy to socialization of mines and chemical and engineering industries. When a unanimous vote of all Social Democrats from all three western zones, in convention at Cologne in 1946, demanded fulfillment of the promise, it was ignored. When, in 1948, the German government of the Ruhr area passed a socialization law by parliamentary majority, the British promptly vetoed it.

In their zone the French have never made any bones about the issue; they have been frankly anti-labour from the outset and rigged the instruments of power in favour of Big Business at every turn.

For all its constructive consequences the Western currency reform further reduced the position of Labour in all three zones. Simultaneously with the reform the Conservatives succeeded in

forcing a 'return to *laissez-faire*' economics. Taxes were reduced, benefiting mainly the wealthy. Price controls were removed from everything but food and prices shot up 35 per cent in a few months, hitting Labour. While ownership and management were induced to work harder by the carrot of currency reform held before their noses, currency reform was a stick to urge Labour on with harder beatings. The gigantic bizonal general strike of November 1948 was a warning that support of privilege cannot continue indefinitely without serious social repercussions. To date, the workers of western Germany have been solidly Social Democratic, and the Communist vote has fallen in successive political and trade union elections. But continued disillusion and desperation can alter that.

It was only in the Russian zone that real changes were made. The Junkers were removed by the land reform; Labour virtually dominates industry. But the bright consequences that should flow from this have been blocked by the Russian practice of merciless confiscation (one estimate says 65 per cent of its capital machinery has been taken away), and by the enforced communization of politics. Both Communists and Socialists in the Russian zone have become discredited with the German people as puppets of a very repressive foreign power.

The broad middle class remains to be accounted for. This stratum is without doubt the most important, and the one that gives the tone to any modern industrialized society. Its fate in post-war Germany has been the one feature uniform to all four zones: it is in a process of raw proletarianization.

The Russians blocked its savings accounts and virtually eliminated its economic basis. The Western zones' currency reform had the same effect: it is estimated that of thirty-two million small savings accounts the reform wiped out nineteen million. According to a survey published in *The Economist*, the lower middle class—people owning some form of property—has been reduced in three years from 38 per cent of the population to around 20 per cent, or by nearly half.

To its numbers must be added the ten million-odd refugees poured into the Reich by Big Three agreement from Poland, Czechoslovakia, and Hungary. They are becoming a serious

problem in Germany. In the British *Land* of Schleswig-Holstein they outnumber the natives. In the American *Land* of Bavaria they comprise 20 per cent of the total population. They are mainly of the middle class, skilled workers having been kept in their homelands. They have been the most brutally proletarianized of all, having brought nothing with them save the clothes they wear, and owning nothing in the *Land* they arrived in, not even money to pay rent.

According to textbook Marxism, this middle class should, in its misery, become radical and Communist. On the contrary, it has become radically nationalist, more pro-Nazi, anti-Semitic and xenophobe than ever. Along with the refugees, it has begun organizing German irredentist claims—including demands for the return of the French provinces of Alsace and Lorraine—and is becoming the nucleus for nationalist movements so nearly Nazi in philosophy that they seem to lack only a dynamic Führer to become indistinguishable.

Moreover, it calls the tune to which the democratic parties must dance or lose substantial following. In 1948 the *Manchester Guardian* reported a speech by Dr. Adenauer, leader of the Christian Democrat party in all three Western zones, in which he is quoted as saying 'that all three parties had agreed to rekindle nationalist feelings in the people, for they had to think of the day when a reformed nationalist party would reproach them for having been collaborators'.

The mood of the people as early as 1946 was recorded in an American zone public opinion poll. According to it one-third of the people believed Nazi treatment of Poles and Jews during the war (six million were murdered) was justified. A clear majority believed that the Nazi cause in the war was just, only badly managed. There is no doubt that these sentiments are stronger to-day. In his latest Military Government report in 1948, General Clay observed that nationalist groups including 'the infamous Black Front . . . are beginning to lift their heads.' The report noted that Dr. Otto Strasser, one of the early Nazi leaders, had applied for a visa to return to Germany and take over the leadership of his already thriving 'League for German Revival'. His application was turned down, but it is significant

that former Nazis think the time is ripe enough for them to come into the open.

The resurgence of nationalism has instilled some of its poison even into the Social Democratic party. A Socialist deputy told the Bonn Constituent Assembly a pathetic story about his son refusing to speak to him because he was a 'collaborator' with the enemy. The tone of Germany which this incident typifies has frequently induced the Socialists to 'out-nationalist' the other parties. Undoubtedly the overwhelming Socialist majority in the Berlin city elections of 1948 was due not to the Socialist party being more Socialist, but to its being more loudly nationalist than the other parties. A typical line was that in a speech of the Socialist mayor of Berlin in which he criticized the security-conscious attitude of France: 'Whoever wants to live in peace with Germany must recognize the whole of Germany'—a statement which could easily be interpreted as a threat of war.

Such is the Germany which rose from the ruins in the middle of 1948 and is still rising to-day. It is very, very hard to believe it is a Germany which will look on Marshall Aid as a means of co-operation with Europe and not as a means of German dominance over Europe. It has learned one thing and only one thing from the Nazi experience: it must not fight another war without an ally of the East or the West. When one recalls the words of Germany's last leader, Admiral Doenitz, appointed by Hitler before the Führer's suicide, a good many things become clear. In a speech written to be delivered to the officers' corps, he said, '. . . we must go along with the Western powers [in the] hope of retrieving our land from the Russians . . .' However, there is a wing of the German industrialists, and some of the officers, who believe the opposite possibility more promising: an alliance with Russia and agrarian Eastern Europe against the West. In any case the concept seems uniform that Germany play off East against West and ally itself with one against the other in the interests of German dominance in Europe. In the last desperate half-year of the war this was the propaganda line plugged by the Nazi press.

Doctor Paul Joseph Goebbels's twisted little body has been in communion with the worms these four years. But his twisted little soul goes marching on.

CHAPTER VI

FOUR ELEPHANTS IN A BOAT

'If this is a cold war, Austria is the thin end of the icicle.'

The Economist

CONSIDERING THE deplorable state of relations between the great powers and the fact that their tortuous border of world division cuts right across her belly, Austria at the present time is in a relatively happy situation. The four occupying powers live with one another on terms of disgruntled sufferance if not of co-operation, and the Allied Control authority functions less as a director than as an adviser to the Austrian government—Austria being in theory a 'liberated', not an enemy country.

In their struggle for Germany, the powers have lost interest in Austria. They would probably gladly withdraw, if only each side did not fear that the other might return and take control by one means or another. The cardinal fact about Austria is that she cannot possibly become an independent nation in any real sense. Before the *Anschluss* she lived on doles from the West and her Treasury was virtually a branch of Western banks. The Russians fear, with some reason, that the nature of Austrian economy will make this necessary again, and that in return for financial favours Austria will lease to her paymasters airfields and other advantages which would make the country an outpost of American power.

Russia's terms for agreeing to withdraw give rise to similar suspicions in the West. Under a vague war-time agreement Russia is entitled to take over all German-owned assets in Austria. Since Hitler absorbed Austria almost totally, all Austrian economy is in a sense just one big German asset. If the broad Russian definition of what is a German asset were accepted, an immense proportion of Austrian economy would be owned by Russia, and much of the rest would be geared to the Russian market, producing reparations for the Soviets. Austria's economic system would thus become an appendix of Russia's.

The powers have negotiated about Austria for the better part of four years and have narrowed down considerably the difference between their definitions of 'German assets'. Lately, a second obstacle to agreement has become more serious: Russia supports Yugoslavia's claims for \$150 million worth of reparations from Austria, and also the demand that Austria cede Yugoslavia her southern province of Carinthia—inhabited mainly by Slovenes—or at least grant it autonomy within Austria. The one demand the Western Allies reject, for it would gear too much of Austria's production to the Eastern bloc's market; the other, it is feared, would set up a 'fifth column' within Austria. With these instruments for economic pressure, and the possession of a fifth column within the country, it is not impossible that the Communist bloc could engineer a *coup d'état* in a liberated Austria. It would be all the easier since Austria is surrounded on three sides by Communist countries: Czechoslovakia to the north, Hungary to the east and Yugoslavia to the south.

Pinned down by a seemingly permanent diplomatic stalemate; crowded, as Austrian President Renner once aptly put it, by 'four elephants in a rowboat', Austria would appear to be in a very unhappy position indeed. As a matter of fact she is not. Oddly enough, the situation has its compensations and it is probable that Austria would be a poorer, unhappier nation without the Cold War and the mutual jealousies of the great powers.

Austria suffers from two grave disabilities, both traceable to her imperial past. First, Austria's greatness and the creation of her empire were responses to a challenge. The country, on account of its geographical position, had the historic mission of defending Europe from the Turks. In the centuries-long struggle she became great both in size and spirit. It was, as Professor Toynbee remarks, her *raison d'être*; without the hostility and pressure of the Turks there would certainly never have been an Austrian Empire.

When the Turkish pressure subsided and the Moslem Empire at Austria's doorstep in the Balkans disintegrated in the last century, the Austrian Empire logically began to break up and

the Austrians themselves lost much of their firmness of spirit. They became famous for an attractive but enervating kind of laziness known by the untranslatable word, *Schlamperei*. The spirit of civic co-operation declined and when Austria became a small republic after World War I, her society was embroiled in regional and class conflicts—Catholics versus Socialists, Peasants versus Townsmen. Between the wars the antagonisms flamed into a civil war in Vienna and brought about the establishment of a Clerico-Fascist dictatorship which ripened the demoralized country for the Nazi invasion and the *Anschluss* with Germany.

The main thing that has prevented precisely the same irreconcilable divisions and possibly civil conflict again has been the presence of the Russians in the country. Austrians of all classes have come to hate the Russians with a kind of warm, comfortable hatred that they would be less content without. If the Russians were not there as the living image of Communism, the native Communist party might have made great strides among the country's long discontented working class. As it is, the Austrian Communists were able to win only four seats in the parliament (compared to eighty-five for the Catholic 'People's Party' and seventy-six for the Socialists), and in trade union elections received only 10 per cent of the workers' votes. It is significant that the Communist vote was lower in the Russian-occupied zone of Austria than in the other three zones.

In a sense the Russians have replaced the Turks, and their presence has given a surprising cohesion to Austrian society. The two great political parties of the country—Catholics and Socialists—ordinarily detest one another and their policies are in no way compatible. But with the Russians in the land, they have entered into coalition and govern the country together—under the Socialist President Renner and the Catholic Premier Figl. Without the presence of the Russians it is certain that the Catholic party would never have agreed to the two big currency reforms which badly reduced the savings of its middle class followers, but which were necessary to mop up surplus currency and give money a value that would induce the workers to work for it. Likewise, if there were no Russian pressure, the Socialists would never have agreed to freeze wages and so eliminate an

inflationary factor. Together these two measures have been of the greatest moment in Austria's recent economic revival.

The second of Austria's disabilities is the nature of her economy. The capital, Vienna, which contains half of the country's population, was created as the capital of a great empire and an industrial centre producing for an imperial market of some fifty million consumers. When, after World War I, the empire disintegrated, it left Vienna a monstrous creature with biceps too large for its thin frame to support. Overpopulated Austria, which used to receive its food from a vast peasant empire, now had to buy it from the independent states into which the empire had splintered: Czechoslovakia, Hungary, Yugoslavia and Poland. Vienna could produce the industrial goods wherewith to pay, but it could not sell them in the old quantities to independent nations which now surrounded themselves with tariff barriers. Having to buy much and able to sell little, Austria between the wars fell into a state of permanent depression and unemployment.

The *Anschluss* with Germany aggravated the unbalanced state of Austrian economy. While agricultural production fell, Hitler expanded Austrian industry and made it more dependent on imported raw materials. New blast furnaces and steel mills were added, among them one of the best in Europe, the *Hermann Göring Werke* in Linz. Iron ore output was doubled and oil extraction raised from 33,000 to 1,400,000 tons a year.

Now, if there were no Cold War, Austrian industry could certainly not attract the capital wherewith to buy food and raw materials and undertake full production. But because of her concern over Russia's attempts to get a grip on Austrian economy, America has poured funds, raw materials and food into Austria. Sixty per cent of Austria's current food intake is an American gift, as is twenty per cent of the machinery in use in the American zone. Altogether, America has given the country not much less than a \$1,000 million since the war and is likely to continue paying Austria's keep—as long as the Cold War continues.

As a result of her new moral cohesion and of American aid, Austria in 1948 entered a period of moderate boom. By early

1948, pig-iron production was four times that of 1946, crude steel 90 per cent above that of 1946, and the value of exports on which Austria depends for livelihood had tripled. Total industrial production at the end of 1948 stood at 7 per cent above the figure for 1937, the year before the *Anschluss*.

Still, the basic strains of Austrian life are visible underneath its superficial prosperity. The Socialists have chafed within the coalition at the lackadaisical attitude of the Catholics towards the purge of Nazis and still make threats to break the alliance because of the continuing tendency of prices to rise freely while wages remain pegged. Even with American aid, Austria's unnatural economy runs a foreign debt of 250 million schillings a year.

It is strange but true that Austria is kept afloat and in relative civil peace and prosperity only by that feature of life whereof her citizens complain loudest: the continued disagreement of the powers over Austria. I know of only one fact regarding Austria that is stranger than that: the main preventive of revolution in Austria has been the presence of the Russians.

CHAPTER VII

THE FRENCH DEVOLUTION

'La France est un pays de fiscalité excessive heureusement tempérée par la fraude.'
—ANON.

IN THE beginning when the Good Lord was distributing the bounties of his creation, France slipped into the queue twice. France is a dreamland possessing in double measure all that the rest of the states of Europe lack. Now, with Germany shaved down in size, she is the biggest European nation after Russia, neither too big and unwieldy nor too small and pinched. To supplement her own economy she possesses the second largest empire in the world, half the size of Russia. But the motherland is adequate by itself. She has the rare advantage of good, solid, natural frontiers—except for that in the North whence all her invasions have come. She has inherited the traditions of two rich civilizations. When the Mediterranean was the centre of the world she was a Mediterranean country; when the source of civilization shifted to the Atlantic, she became an Atlantic power. She is the only country in Western Europe not suffering in some degree from over-population. Her people consist of an uncommonly thrifty peasantry and an uncommonly industrious working class. She has the most perfect climate in Europe and the most fertile soil west of the Ukraine. Her economy is the best balanced possible: she can produce all the food she needs, and with some modernization can satisfy most of her industrial needs. Two thousand years ago Julius Caesar marvelled at France's gifts and described her as a human organism with all the necessary limbs, well turned and none superfluous. His assessment holds good to-day.

The paradox is that with all these advantages which no other country in Europe enjoys, France's crisis is the profoundest and most threatening in all Europe. She is the nation in the Marshall Plan which will receive the greatest amount of 'unrequited exports' from the other nations for the simple reason that she

cannot pay for them. *Per capita* of population she will contribute least to the Plan of any of its members. Since the late war, France has periodically see-sawed on the verge of economic bankruptcy and political collapse.

To explain the paradox we must dig into history again. As everyone knows, France had a great and glorious revolution 160 years ago. As I indicated in the chapter on Germany, a revolution is something like Love; it is better to have had one, however painful, than not to have had one at all. But a sharp, violent break with the past is not an unmixed blessing. Nothing tends to make ensuing generations so rigidly conservative, as we can see from the 'Daughters of the American Revolution' in America or the purges of biologists and composers in Russia. The event becomes sacred and its creations having once been good tend to remain long afterwards the standard by which all else is judged. This may be why Thomas Jefferson suggested that a nation should have a revolution every twenty years: to keep traditions from growing encrusted.

The French Revolution was the act of the middle classes of the town and the peasants of the field. Having succeeded, they proceeded to establish political institutions and traditions to fit their requirements, leaving no room for inevitable newcomers.

Their political tradition is that of numerous and small political parties. As Gordon Wright says, the average French politician's idea of what is the right size for a political party is himself and enough voters to elect him to office.¹ The balloting system is that of strictly proportional representation² which gives each little party its little due of seats, unlike the Anglo-American system which exaggerates the strength of big parties and minimizes the strength of little parties. Thus, there is never a single party in France with a majority and strong enough to govern

¹ Gordon Wright: *The Reshaping of French Democracy* (Reynal & Hitchcock, 1948)

² This is not true of the upper house of the French parliament, whose members are chosen by a complex indirect system of voting. This, however, does not alter the point being made—namely that French politics are prejudiced in favour of the peasantry. It was calculated early in 1949 that due to the peculiar electoral procedure for the upper house, it took but 20,000 peasants to elect one Gaullist councillor, whereas it required over 100,000 working-class votes to elect a Socialist or Communist councillor.

by itself. Every French government must be a coalition of several parties, easily overthrown if but one of the coalition-partners withdraws and deprives it of a majority vote in the parliament. This makes for great instability. Between 1875 and 1890 the average life of a French cabinet was ten months. Between the two World Wars it was four months. Since World War II it has been three months.

The dominant French peasantry and middle class have played on this sensitive political instrument with native shrewdness. Unlike the working class, which tends to put all its voting eggs in the basket of one party, the peasantry distributes its vote among all the parties. There is no party not dependent on a margin of the peasant vote for its precarious support in the parliament. Léon Blum, France's first 'Red' premier between the wars, was elected from the rich peasant constituency of Narbonne and had to shape his policies accordingly. Even so nearly monolithic a party as the Communist maintains its first position in the parliament solely by a margin of peasant and middle-class votes. There is thus no party in France which dares antagonize the twin instigators of the Revolution.

Their influence in politics has had a retarding effect on France. For example, they refuse to pay taxes. Having defeated the brutal royal tax-collector in the Revolution, they see no reason why they should resurrect him in the Republics. There is no effective law obliging the middle-class shopkeepers to keep accounts; without accounts they cannot be taxed. If there were such a law, the middle-class bureaucracy would not enforce it.

The peasants are taxed on an assessment of their property carried out by Napoleon. It was a very generous assessment from the peasants' point of view even then. And to-day, of course, their land values have multiplied many times. Land in Normandy assessed as barren heath 150 years ago now yields a fat income from artichokes and other rich market-garden produce. Slopes in the Midi, assessed as rocky and barren then, are now rich vineyards. But still the peasants pay only what the ancient assessment requires them to pay. In one fruitful region this levy was recently estimated to amount to the equivalent of two American cents per head per year.

Although state expenditure has increased enormously in modern times, there has been no change. Unable to get its funds from these two large classes the state has had to resort to inflationary printing-press methods of finance, and also to indirect taxes on consumable goods. Both of these stratagems hit the unwelcome 'arrivistes' in France—the urban workers. As a consequence the workers are growing rebellious and the state is nearly bankrupt.

The revolution-makers—peasantry and petty bourgeoisie—likewise made no allowances for the industrial age and have been essentially hostile to it. They have denied industry their capital. To-day, the biggest French savings bank is still the woollen stocking stuffed under the mattress. By influencing legislation to perpetuate and strengthen their own position, they did their utmost to deprive industry of labour. To protect agriculture they have passed laws setting up tariffs even against their own colonial agricultural produce from just across the Mediterranean. These and the favourable tax laws already referred to have kept French farm prices high and the French farming population nearly stable for generations. France's agricultural population is 7 million in a nation of 40 million people. America's agricultural population amounts only to 1 million more in a total population of 145 million. Small independent French farms (the average size is around thirty acres) have made for inefficiency. Whereas one American farmer feeds more than twenty people, one French farmer feeds only five people.

Likewise, favourable legislation has prevented industry from raiding the middle class for its labour force. It has restricted the growth of low-price chain stores and bolstered the position of the independent shopkeeper. From the outbreak of the war in 1939 through the year 1946, the amount of consumer goods sold in France declined greatly—but the number of shopkeepers, *restaurateurs* and other distributors increased by 500,000. The result has been a very inefficient distributive system and a chronic shortage of labour for industry.

French industrialization has thus not kept up with the rest of the world. The amount of capital invested in French industry between the World Wars was only 27 per cent of that of Great

Britain—which we have already seen was grossly inadequate. France possesses a total of only 55,000 machine tools compared to Britain's two million. The average age of Britain's machine tools is seven years; the average age of French machine tools is twenty-five years. Horse-power of machinery *per capita* of the population was at the outbreak of World War II 35,500 per American and 20,000 per Englishman, but only 7,500 per Frenchman.

When a nation is prosperous and there is a big and increasing flow of wealth from its colonies, the retarding effects of a rigid social structure are luxuries it can afford. Despite inefficiency, there is always enough left over to keep the workers appeased and industry bumbling slowly uphill. One can be amused by the famous proverb, 'The Frenchman will die for his country, but he won't pay for it'; or by the witty maxim that explains the paradox of French conservative radicalism, 'A Frenchman wears his heart on the left and his wallet on the right'. But when the lean years come these things cease to be merely amusing and become devastating national weaknesses. Now the lean years are well advanced.

In their richly endowed Eden, the French have been 'softening' for generations. They have lost their alertness to the world around them and with it their competitive instinct. Mentally they have become truly isolationist. Why should they care about the outside world? France is sufficient. They have within their borders a little of England in Brittany, a little of Germany in Alsace, a little of Italy in the Riviera, a little of Switzerland in Savoy. Everywhere they have the best food in the world and the most sparkling company—Frenchmen. It has been said that if you sit long enough in the *Café de la Paix*, you will see every person in the world worth seeing pass by. The French have preferred sitting in the *Café de la Paix* and living agreeably on their capital, rather than investing it in keeping abreast with the world.

One of the deleterious consequences of this attitude has been the growing habit of losing wars too often to tougher and more alert neighbours. Five times in the last 150 years, France has

been invaded and badly messed up. Her resilience was for a long time astonishing. Montesquieu marvelled long ago that France could snap back into shape after the worst catastrophes. After the long, exhausting Napoleonic wars and a crushing defeat, France staggered the world by her recovery. Ten years after Bismarck invaded and prostrated the country in 1870, it was richer and stronger than before the debacle.

But it happened twice too often. After World War I, France did not snap back into shape. The war was ruinous to her wealth. It was fought over ten of her richest agricultural and industrial *départements*, and they were ravaged. Furthermore, France had long been pouring all her foreign investments into rich Russia. She had \$5000 million worth of francs tied up in Russia at a time when the franc had hair on its chest. The Bolshevik Revolution sent that investment up in smoke. It was for that reason that France so ardently intervened in Russia and tried to overthrow the Bolsheviks. She failed, and French currency has never recovered stability since.

The worst calamity of World War I was its drain on France's human substance. A million and a half of her limited supply of young, able-bodied males were killed. Four million more were wounded, a million of them maimed for life. Thirty years later her subways and buses still have numbered seats set apart under the sign, 'Places Réservées aux Mutilés de la Guerre.' The mutilated to whom the signs refer are still those of World War I, not World War II. Due mainly to World War I, France's proportion of the total population of Europe dropped from 16 per cent in 1800 to 8 per cent in 1930. The years did not replenish the stock. When World War II began, French recruiting stations discovered they had fewer able-bodied men to enlist than in 1913.

World War II was a worse blow though hostilities in France were very brief, consisting of one month of invasion and defeat by the Germans in 1940, and two months of counter-invasion by the Allies in 1944. In the shorter period twice as many buildings were destroyed as in the previous war. In addition, the Germans took away a good deal of the best plant and in only two years of occupation sucked out of France in occupation

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costs more than France had got in reparations from Germany in the ten years after World War I.

A greater blow came from her empire. The war fanned the embers of nationalism in her colonies to a flame. North Africa has rumbled periodically from discontent. Madagascar broke out in open revolt for independence. In the Near East, Syria and Lebanon did the same and won their independence. Rebellion on a larger scale in Indo-China, France's richest colony, has not yet been quelled. Indo-China alone before the war is said to have yielded France 200 million dollars a year, net income. Since the war the flow has been reversed. France has been spending something like 300 million dollars a year to fight the rebels in Indo-China. It was principally imperial disorders that forced France at one time to keep more men in the army than in all her domestic construction activity and to spend more on guns than on education and reconstruction together.

Finally, her flow of wealth from trade has dried up. Her productive machinery, we have seen, decayed from lack of investment in renewals and a large part of it was taken away by the Germans. The war nearly destroyed her other sources of income. Her rich tourist trade fell off, for there were no more rich tourists left in Europe, and Americans were a long time in coming after the war. Her luxury industries, like cosmetics, perfumes and fashions, were faced with stiff competition from countries that had built up their own. When CBS correspondent David Schoenbrun asked a French cabinet minister what was wrong with France, the cabinet minister pulled a large folder out of his desk drawer, opened it and exposed a single sheet of paper on which was pasted a cartoon clipped from *The New Yorker*. It showed an American housewife looking at a bottle of wine held by an American grocer and saying, 'Do the French make Burgundy, too?' That, said the cabinet minister, is what is wrong with France.

Mercifully, World War II did not kill many Frenchmen. But it did something which in the long run may be more costly: it started a perilous disintegration in the morale of the living. Two and a half million Frenchmen were taken off to Germany as prisoners of war or slave labourers. The family, the basic mole-

cule of the social organism, was broken up and demoralized for five very trying years. Those who remained at home learned patriotic tricks to deceive the Nazis; the peasants developed skill at withholding goods from the official market, the shopkeepers at distributing the goods over the black market. But it was difficult to give up those tricks after they ceased to be patriotic. In post-war France, as someone has said, all the gears of society move, but somehow they don't mesh. The Frenchman has lost all sense of belonging to a social organism demanding a certain degree of co-operation. It is every man for himself, as never before. There is little faith in government and little respect for it. In the general dispersion of interests, the two great classes of the French Revolution have become greater obstacles than ever to any suggestion of a diminution of their privileges, or to measures that would allow France to reach a solution. This is the basic fact of France's present situation.

In so far as France's crisis is an economic one it is easy to prescribe a remedy. France must simply recreate her capital equipment by ten years hard work and restore and improve her competitive position in the world. It will not be easy, for though France still holds her Asiatic empire precariously and at a heavy cost, sooner or later she will have to relinquish it. Her domestic productivity must be increased to make up for the loss of her colonial wealth.

To do this she will have to solve her chronic labour shortage. There are many possible solutions. First, her civil service is bloated. A reduction in it would probably improve its efficiency and at last make it possible to enforce laws; those released from the bureaucracy could form a labour reservoir. Secondly, she will have to give agriculture less protection and force it to mechanize, which would increase yield, lower prices and provide another reservoir of labour. Thirdly, she must give less protection to the shopkeepers and café-owners (Paris has more bar-men than public school-teachers).

To get the capital for the job she should reduce her military establishment (as long as France goes on spending up to 30 or 40 per cent of her total budget for the military, she will be a hindrance rather than a boon to Western defence). This would

help stabilize currency, restore faith in it, and induce the peasants to invest more of their savings in industry.

She is wonderfully well equipped for such an effort. Unlike Britain she does not need to waste her resources buying food from abroad. Unlike Italy she has good raw materials, more iron ore than any nation in Europe and substantial coal reserves. Her workers are capable and already in 1946 had raised production to the level of 1938.

All these things could be done if France's crisis were merely economic. Unfortunately it is not. France, with an economy Britain or Italy would give much to have, has been going to hell in a garden of Eden. She is suffering primarily from a *moral* crisis.

Peasants have refused to deliver their goods at reasonable prices, shopkeepers refused to distribute them at reasonable prices. Together they have maintained artificial food scarcities that have kept prices high. For example, the peasants for a long time preferred feeding their bread grain to cattle—a procedure called 'investment in four-footed *coffre-forts*'—because bread prices were controlled and low, while meat prices on the black market were high. Barns were stuffed with grain, but the French bread ration in 1947 fell to below that in starving, defeated Germany. For a while, fruitful France had to import grain from America though there was quite enough within France.

The government, unable to exact taxes, gave an additional spin to the spiral of inflation by printing-press methods of finance. The brunt of all this fell inevitably on the industrial workers, whom inflation always hits hardest and from whom the government drew most of its taxes simply because it is so easy to take a tithe from the weekly pay-packet. A high French treasury official told me that since the war the taxes on wages have gone up five times more than taxes on profits. Inflation has cut yawning gaps in the workers' real wages. In the autumn of 1948 it was reckoned that the average French workman's real wages were back to where they were in 1894.

Conditions are thus biased against precisely those people—the industrial labourers—France needs to encourage if she is to recover. Bearing most of the burdens and receiving least of the

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rewards, it is small wonder that they have turned left and made the Communists the nation's biggest party. In fear of that trend it is likewise understandable that the upper and middle classes of France have been turning to the right. Herein lies the centrifugal tendency of French politics.

Again, for want of effectual government and of civic discipline, France's foreign trade position has been weakening. Thanks to the workers and to the capital from Marshall Aid, production is doing fairly well in France. The Monnet five-year plan to modernize industry is keeping to schedule. But France does not derive benefit from it. Her exports have been steadily increasing, but exporters do not place their earnings at the disposal of the country to buy the machinery and raw materials she urgently needs. Controls are ineffectual, so they simply keep their earnings abroad, invested in more stable countries. In the year 1948 alone, France lost 350 million dollars in foreign exchange in this manner.

France does not need a revolution, but she certainly needs a moral rejuvenation. She was given one magnificent chance to transfuse fresh young blood into her leadership and a new spirit into her affairs. We turn now to another of the sadly missed opportunities of the post-war period.

* * * * *

For all its capacity for destruction war can also be creative. Many European countries experienced this. Caught in Switzerland during the war, I was able at one point to cross the frontier into occupied France and see it there.

During the first year of the German occupation France was an enervated, degraded country. Very, very few Frenchmen answered the appeals from London to resist the invader. More Frenchmen than care to admit it wished the Germans would hurry up and win, and feared Allied invasion and liberation as much as German occupation. A few, a hardy few, gathered in the city cellars and the eastern mountains and laid plans to resist.

But when the war became global, the Nazis lacked labour to

prosecute it. They began combing France for slave labour to be taken to Germany. The youth of France began moving to the cellars and the mountains with no higher motive than to hide. But as numbers grew and sacrifices had to be shared, the motive changed: they became dominated by the desire to resist, and to attack. Sabotage and active combat altered their motive again: from the mere waging of underground war with the aim of driving the conqueror out, there grew a desire to remake France. 'Get it out of your head that this is a war we are fighting,' the young commander in the *maquis* of Upper Savoy—a Catholic professor of biology—told me, 'we are fighting a *revolution*!'

Selfishness and indiscipline, which had been taking hold of France for years before the war, disappeared in the *maquis*. One winter day, the commander told me, he stole out of the town, where he maintained headquarters for the sake of communications with other parts of France, and went into the mountains to inspect the partisan troops. He found them lined up before him, shouldering broomsticks for dummy guns and barefoot in the snow.

'Our next request to London,' he told them sympathetically, 'will be for shoes.' A sergeant answered impatiently, 'The devil with shoes; tell them to send guns!' The ranks cheered.

The spirit of the *maquis* became infectious. Peasants practised leaving sides of beef hanging in opened barns at night. People with automobiles left garage doors open and keys in the cars. Both were gratified to find their possessions gone the morning after. Parish priests carried messages from unit to unit in their prayer-books. When I remarked two teen-age boys in boy scout uniforms mounting rifles in the ranks, a sergeant told me, 'Three were killed in the streets last month; if they are old enough to die, they are old enough to fight.'

Perhaps the greatest achievement of the *maquis* was the submerging of political differences. All the parties formed a *Conseil National de la Résistance* and adopted a common plan for the regeneration of France. When the great day of the underground fight for Paris came, Georges Bidault—leader of the Resistance—was able to exclaim happily, 'For once, Frenchmen are fighting on the same side of the barricades!'

All over eastern France the *maquis* liberated their area by their own struggle, long before the Allied armies arrived. In much of the rest of France their assistance to the invading Allies was decisive. France came out of the liberation with its honour washed clean, its morale revived, ready to start anew.

The spirit of political co-operation was stronger than ever before. The Catholics had signed a programme of radical social change strong enough to please the Communists. The Communists stumped the mining areas—for all plans depended on industrial recovery and industry depended first and foremost on coal—begging the miners to work harder and longer hours. The trade unions agreed to demand no wage increases that might upset recovery—a rare act of self-denial in a country where prices were already mounting. The unions also set up schools to train workers to take part in the management of industry.

Popular approval for change was widespread. When a referendum was held on whether France should keep her old constitution and merely amend it, or write a completely new constitution, the vote was 19 million to 800,000 in favour of a totally new constitution. Perhaps the most important feature of the situation, however, was that in the *maquis* a new corps of leadership had been born, an all-party leadership to replace France's old corrupted indifferent bureaucracy and effect the re-creation of France.

This splendid foundation disintegrated with dizzy speed. Less than a year after the liberation, when the aged Socialist, Léon Blum, returned from Nazi imprisonment, he was shocked by the state of France. 'I have not found what I expected,' he said. 'I expected to find a France that had been purged and re-tempered, and I find myself in a country which in many ways seems, how shall I put it?—corrupted.' André Stibio wrote, 'The liberation was rich with infinite possibilities. How many of these possibilities have been realized? The question is better left unanswered.'

What happened to ruin such hopeful prospects? Armed power and administration were in the hands of honest men who wanted a new France. Their agreed programme was clear, printed and on sale in pamphlet form at every news-stand. The

three parties behind it—the three great parties of the Resistance movement: the Catholic Popular Republicans, the Communists and the Socialists—routed all others at the first election. The people voted overwhelmingly for renaissance and expected it. What, then, happened?

François Mauriac may have been largely right when he observed: 'We have been poisoned, and we have still not got the poison out of our systems.' It may be that French morale was too far gone for the *maquis* to strike deep roots in its short existence. The healthy elements were possibly outnumbered and engulfed by the unhealthy. The *maquis* had no sooner won its victory and established an administration before it was 'joined' and diluted by riff-raff and Johnny-come-lately patriots. I felt their influence in an unpleasant personal experience. A few hours after Annecy, the capital of Upper Savoy, was liberated, I went into the town. As an obvious foreigner I was promptly picked up by some drunken, armed boys (who I later discovered had nothing to do with the *maquis*) and threatened with being shot on the spot. Eventually, however, they agreed that if they shot me and threw me into the neighbouring canal as threatened, they would not have the evidence of their patriotism, so they marched me through a howling mob to headquarters, where I was promptly released by the commander. A neutral Swiss businessman was actually shot and killed in a similar incident the day after.

Incidents like these, though I am inclined to believe they were not general, were exaggerated by the conservative Paris press and that was enough to begin the discrediting of the *maquis*. When General De Gaulle arrived in the country, he sent his agents to the provinces and they had no trouble in taking over from the *maquis*. The underground's 'Patriotic Militia', which policed France and arrested collaborators, was dissolved in a single decree by General De Gaulle, with only a weak protest.

Largely the old police force and administration were re-established. The efforts of the *maquis* to create a new officers' corps in the French army were frustrated in stages. At first, 5,000 underground officers—young men who would never have stood a chance of becoming high officers in the old army—were ad-

mitted to the army. A little later, 3,000 of those were placed on the reserve. Few of the remaining 2,000 were permitted to attain high rank or influence.

In politics, the bright new programme of the underground had to be shelved. The eternal excuse was that there was still a war on, and that radical changes would disturb its prosecution. Furthermore, more than two million Frenchmen were still locked up in Germany, and no changes should be made until they could return and express their opinion. The purge of collaborators was slow and full of loopholes. In the end her small neighbour, Belgium, brought three times as many collaborators to trial as France did.

In this atmosphere political suspicions, submerged during the war, began to grow again. The Communists began to believe that the abrupt liquidation of the *maquis* (through which alone they were able to share in the armed force of France) was aimed to eliminate their influence in French administration—and they were probably right. The ineffectual purge indicated to them that the discredited right wing of French politics was being saved by De Gaulle for later revival. The democratic parties' suspicions of the Communists likewise mounted, though this was due less to current Communist behaviour in France—which was fairly co-operative—than to the knowledge that the French Communists were directed from Moscow and the fear that the Kremlin's revolutionary line in Eastern Europe might at any moment be extended to Western Europe.

Political suspicions soon came to have an economic basis. The government did nothing to purge the black market, which sent prices soaring while the unions had agreed to keep wages frozen. In order to strengthen France's hand at the peace conferences, General De Gaulle created an army greater than French resources could sustain. This exercised a further inflationary effect. More important than all this, however, the government did nothing to take out of circulation the great quantities of paper money left by the Nazis. Where other exiled governments returned to their countries and mopped up the excess currency by drastic reform immediately on liberation, France delayed until it was too late: war profiteers had time to invest their paper

funds in new bars and houses of prostitution. When France did eventually carry out a currency reform it was ineffective, and only a fraction of the worthless money that remained was sopped up. The unions—80 per cent controlled by Communist officials—grew more and more restive and increasingly suspicious of the aims of the government. With money steadily losing value the peasants and the middle class soon seemed justified in using the black market.

The outcome of the first elections, in October 1945, nourished political animosity. The three great parties of the Resistance, the Catholics, the Socialists and the Communists won nearly equal seats in the Constituent Assembly, but the Communists were first by a narrow margin. According to tradition and constitutional practice, the Communists were entitled to name the premier and have first choice of the important cabinet posts. De Gaulle refused them both privileges. A first-class crisis broke out and De Gaulle threatened to resign his post of provisional president. It was resolved by the Communists backing down and accepting second place after the Catholic party leaders in the new coalition cabinet. The Communists' conviction was strengthened that the constitutional rules apply for everyone, except Communists.

The Assembly then got down to the business of writing France a new constitution. But in the prevalent atmosphere it became a cantankerous job. A possibility that the constitution might be written in accordance with France's real political needs was lost in what became really a struggle for power among parties lately co-operative but now grown deeply suspicious of one another's intentions.

The Communists suspected their Catholic partners of wanting to write a constitution that would make it easy for General De Gaulle to establish a right-wing dictatorship. (At that time De Gaulle was vaguely identified with the right-wing of the Catholic party.) The Catholic party suspected that the Communists in their new bad humour wanted to write a constitution that would enable Thorez to establish a left-wing dictatorship. The resulting draft constitution was a hodge-podge of checks rather than balances and placed a premium on instability of

governments. At the request of De Gaulle and the Catholic pulpits of the country, the makeshift document was rejected by the people in the referendum of 5 May 1946. The vote for the first time found Communists and Catholics on opposite sides—the Communists supporting, the Catholics opposing the draft constitution. Their ability to work together declined.

A new Constituent Assembly was elected and it hammered out another constitution no better than the previous one. By now the people were demoralized and sick of the haggling. In the referendum on the new constitution on 13 October 1946, the vote was nine million for accepting it, eight million against it and eight million abstentions. The constitution was formally accepted, but in fact two-thirds of the people were not in favour of it. Under this basic law, a bastard born of an uncertain father and an unwilling mother, France was inevitably destined to be governed badly.

On 10 November 1946, France's first parliament under the new constitution was elected, and the deterioration of politics was already obvious: the democratic centre began its steady disintegration. France began moving to extremes. The Socialist party lost three-quarter million votes and dropped from a position of parity with Communists and Catholics. Its decline has continued uninterruptedly since. In 1947, 50,000 of the hard core of Socialist membership failed to renew their party cards. By the end of 1948, two-thirds of the party's membership had gone. The great Socialist paper, *Le Populaire*, became nearly bankrupt and Socialist parties of other nations had to send funds to keep it alive. The reasons for this development were those noted above: falling incomes were sending the workers to the extreme left.

The other centre party, the Catholic party, began its decline later. When De Gaulle re-entered politics after a period of retirement, offering a stronger rallying point for anti-Communism, right-wingers—who had joined the Catholics because nothing better existed—deserted. Seventy of the Catholic Party's deputies in the Chamber went over to De Gaulle. In the municipal elections of 1947, the deterioration of the Catholics' position continued. In elections to the new upper

house of the French legislature in 1948, the party came near to extinction as most of its votes went to De Gaulle's 'Rally of the French People'.

Despite the growing division into extremes, the three parties of the Resistance continued to govern together in an increasingly dyspeptic coalition. That last semblance of co-operation was ended when the Russo-American Cold War intervened.

The period of the British winter crisis was also the period of France's domestic economic crisis. With her high production swallowed by the black market without benefit to the country, and her gigantic army eating up the meagre proceeds of foreign exchange, France could not pay for essential imports. In one year, to fill the gap, she expended half her gold reserves. Premier Ramadier warned the country it could not go on forever begging foreign loans to plug the gap. The time will come, he said, when 'each credit will be dictated by political realities. A little of our independence is departing from us with each loan we obtain.' He proceeded to appeal to America for another credit.

In May 1947, two months after President Truman made his 'Doctrine' speech, Ramadier suddenly dismissed the Communists from his cabinet. In view of Ramadier's statement it looked to the Communists like a put-up deal ordered by America.

This was the end of co-operation. After having suffered no serious strikes for three years France was immediately paralysed by them in the summer of 1947. In November 1947 a bigger, general strike was called by the Communists. In 1948 the strikes grew bigger still, with the coal mines totally paralysed and industry brought near to a standstill. Against the Communist menace the De Gaulle authoritarian movement grew on the right.

Early in 1949, following France's first really good post-war harvest, and with Marshall dollars at last showing effect, French economy gave signs of attaining stability. Prices momentarily stopped rising and some fell. A large government loan was fully subscribed by the people, indicating that hoarders were feeling a degree of confidence in their predominantly Catholic-Socialist government. But, as in Britain, the word to describe what

happened was not recovery so much as stabilization on a lower level. If the breathing spell granted by the Marshall years is not used to equalize social burdens and restore the morale of the people, it is likely that the end of the ERP will see France reverting to its unstable position as before. Meanwhile, in the wings of France's political stage, the extremes wait for the democratic collapse and strive to hasten it. Of the two extremes, the Communists are at present clearly fighting a defensive, losing battle. The main real threat to French democracy to-day lies on the right—with General De Gaulle.

* * * * *

Charles André Marie De Gaulle was born in the industrial city of Lille to a bourgeois Catholic family of petty noble derivation, on 22 November 1890. By the time he was twelve Charles decided to save France. Though he was extraordinarily ungainly (he was nicknamed by his classmates 'the big asparagus'), unprepossessing, unfriendly (the only way to get him to talk, another classmate said, was to 'pique his honour'), and destined to remain unknown outside narrow military circles for most of his life, he prepared for his mission as consciously as if the Chamber of Deputies had already made the appointment and the Senate ratified it. He adopted a regimen of study, specializing in history and philosophy; and the grander phases of politics remain his forte to-day. He never opened a book on economics or the social sciences, or gave them a thought, and later his rule of France showed it: he was to build a giant army and fight a war as though armies required neither finance, industry nor the payment of wages.

He chose the army as a likely profession and at the age of twenty-one entered the Military Academy of Saint Cyr. On graduation he became a second lieutenant in a division commanded by an obscure colonel named Phillippe Pétain. In World War I, Captain De Gaulle fought bravely, this time under General Pétain, was wounded three times and finally taken prisoner by the Germans. He attempted escape five times, but his conspicuous dinosauric proportions—oval in the middle and long at both ends—gave him away each time. In the prison

camps he made acquaintance with, among others, a young Russian officer named Tukachevsky, later to be a Soviet marshal, and a young French officer named Catroux, later to become the first French general to rally to De Gaulle's Free French Movement. After the war he went to Poland and fought under Weygand against the Russians.

Between the wars Colonel De Gaulle taught history at Saint Cyr, served as aide-de-camp to Marshal Pétain and applied his keen military mind to military theory. Two of his books, *The Edge of the Sword* (1932) and *The Army of the Future* (1934) made history. They accurately analyzed the evolution of warfare and described the manner in which World War II was later to be fought. They recommended that France abandon its Maginot-line mentality and create a professional, mechanized, highly mobile core of troops to be used in attack as the best defence. The encrusted old French officers caste—led by Marshal Pétain, to whom, curiously, De Gaulle's first book was dedicated—ignored them. The Germans, however, found his ideas brilliant and adopted them as the means of defeating France in 1940.

That debacle had the rewarding consequence for De Gaulle of opening the door of history to him. Five days after the German invasion began he was named France's youngest general. And twenty-three days after that he was called from the front into the cabinet as Under Secretary in the Ministry of Defence by Premier Paul Reynaud, who had long and unsuccessfully sponsored De Gaulle's military ideas in the Chamber. Ten days after that, De Gaulle's ministerial career ended when the Reynaud cabinet was replaced by that of Marshal Pétain and France surrendered to the Germans. De Gaulle flew to London and, on 18 June 1940, went to the BBC and called on the French troops to reject the armistice and to continue resistance. After that it became impossible for the world to hear the name of France without identifying it with the curious, heroic figure of Charles De Gaulle and the adopted symbol of his Free French Movement, the Cross of Lorraine.

Long before, in his military writings, De Gaulle had announced what kind of leader he would be. Among the chapter headings are 'The Leader', 'Character', 'Prestige'.

His books almost never refer to the people by their usual name, '*le peuple*'. Instead, they are referred to repeatedly as '*la foule*' (the mob) and '*le commun*' (the common mass). Here are some of his views on the people:

'At bottom mankind can no more do without direction than without food, drink or sleep.'

'Men . . . need organization, that is, orders and leaders.'

'All the credit that position and birth formerly enjoyed among the masses has now been transferred to those individuals who know how to impose their authority.'

His view of political parties—with all their faults the best means of democratic government yet found—'Everything that comes from political parties—hypocritical passions, competitive demagogy, political patronage—has had the effect of corrupting the army.'

Some axioms about the Leader who will one day straighten things out:

'Fame comes only to those who have dreamt of her'.

'The man of character is exalted by the confidence he inspires in lesser men. He feels himself bound by the humble justice they render him. His firmness increases accordingly, but also his benevolence, for he was born to protect.'

'Prestige cannot be without mystery.'

'The leader is distant, for authority cannot be without prestige, nor prestige without distance.'

'Confident in his own judgment and conscious of his strength, the leader makes no attempt to please.'

This last directive he followed to the letter in his relations with the Allies. Mr. Churchill—the host of De Gaulle and his movement in London—said, 'I have had many crosses to bear in this war, but surely the heaviest has been the Cross of Lorraine.' President Roosevelt was alienated by him at their first meeting and told his son, 'De Gaulle is out to achieve one-man government. I can't imagine a man I would distrust more.' The President's assessment was accurate, but America's policy towards France based on it—that of befriending almost everyone in French life except De Gaulle: Pétain, Darlan, General Giraud—could easily have been disastrous. It was clearly

De Gaulle's timely heroism that stirred sick France to begin reviving and resisting. His uncompromised person—a rare phenomenon in French political life—provided a rallying point for all parties. Indeed, it was probably his ornery stubbornness towards the Allies that saved France from strife between political parties such as broke out in several European countries upon liberation.

So long as De Gaulle remained a symbol he was excellent. But when he returned to France and was called on to do the practical job of governing, the gaps in his rather medieval perceptions showed up in glaring fashion. He was given a marvellous opportunity, elected provisional president and enabled to rule virtually as a 'permitted dictator' for eighteen months. With the nation and the parties bent to his will, there seems in the final analysis to be only one explanation of why the expected rebirth of France did not take place: the intellectual limitations of Charles De Gaulle. After his resignation he became fond of belabouring the inept democratic politicians of France for their inability to pull the country out of its pit. The fact is, it was De Gaulle's waste of eighteen decisive months which killed the *élan* of the people and put the parties in the pit in the first place.

De Gaulle had studied history voluminously without apparently understanding its first principles—that all phases of life are interrelated and that life is dynamic, not static. De Gaulle's world was in little airtight compartments: the army was one, the economy was another. Since a war had to be fought it was best that the other compartments be sealed off, else they might jostle and disturb the army. The fact that life does not stand still but moves either forward or backward, and the fact that a forward-moving, revitalized France might make the army a better-fighting, stronger force, was beyond his comprehension. So, he built a big army with social and economic feet of clay with the result that France to-day could probably not hold out against a possible aggressor as long as she held out against the Nazis.

De Gaulle broke the *maquis* because it was of the people, and he distrusted the people. André Wurmser¹ points out a fact that

¹ André Wurmser: *De Gaulle et les Siens* (Raisons d'Être, 1947)

almost the entire world overlooked: De Gaulle's dramatic appeal for resistance to the Germans, delivered over the BBC on 18 June 1940, was *not directed to the French people*. It was directed solely to the armed forces. De Gaulle looked on the rise of the partisan underground armies with cold mistrust and grasped them firmly to his side only when America attempted to supplant him with General Giraud, and he therefore needed support.

H. G. Wells pointed out in a book published during the war that De Gaulle's military ideas, expressed in his famous books, contain egregious errors which are significant. His idea of the good army is a small, *professional* (not a mass) army, highly mobile. Nowhere does he express the need for a support, either of artillery or of infantry, for his 100,000 men in tanks and armoured cars. How could a military analyst neglect both these elements which were decisive aids to mobile armies during World War II? Wells, quoting the French General Eon, says, 'It is impossible not to observe: 100,000 men in six divisions cannot by themselves defend the country. But they are enough to make a *coup d'état* . . . [De Gaulle's ideas] reveal a subconscious mind dominated by preoccupations quite different from those of the conduct of warfare.' Wurmser comments that the only body which perfectly suited De Gaulle's formula was—the Nazi S.S.! A mind that thought in grooves of this nature could never take to the French people's army. De Gaulle broke the partisans at the first opportunity.

His conception of France was a mystical one consisting of a vague though rigid collection of loyalties. He conceived of the people as a uniform mass and he could never understand how they could be so unpatriotic as to split up into parties or classes, or that their incomes and interests might be differentiated. He never distinguished between pro-Fascist Vichyites and his own democratic underground. Once, on entering a liberated town, he curtly asked the drably clothed chiefs of the underground Resistance why the 'constituted authorities' were not there to meet him. The Resistance chiefs meekly responded, 'They are in jail, *mon général*.' Once De Gaulle, without asking anyone's advice, decorated some Vichy troops who had fought against the Allies in North Africa. The Constituent Assembly was shocked

and said so. In innocent astonishment De Gaulle responded, 'But they are our boys too?' With France dominated by conceptions of this character it is clear why the purge was not carried out.

He brought back to France with him his feudal conception of loyalty and appointed to the cabinet several men whose minds were probably in step with the times in the middle of the last century. One of them was the banker, René Pleven, who sedulously blocked any effective attempt to reform the currency and, with De Gaulle's backing, contributed to keeping French economy in a state of inflation. One excuse was that reform might 'discourage the investors'. The result was that inflation discouraged both investors and workers.

I attended one of the General's early press conferences when the finances of the Republic were well-nigh strangling it. But De Gaulle's boredom with reporters' questions about economics was undisguised. However, when events in the empire—Syria was then in upheaval—were brought up, he came to life, delivered orations rather than answers, punctuating them with lively gestures.

De Gaulle's prestige dropped swiftly during his eighteen months' rule. His rule was petulant and unbecoming of a man the people had presumed to be great. He threatened resignation every time his will was questioned—by the Communists asking for the premiership, or by the Socialists asking that the exorbitant cost of the army be reduced. (France was then spending 466,000 million francs in her budget, whereof 125,000 million went to the army and only 82,000 million to reconstruction though the war was over.) When he finally did resign over demands that army estimates be reduced, the nation was relieved rather than sad. A poll in the year 1947 asked the people which of their several post-war leaders had done the best job. The one-month government of Léon Blum was favoured with 60 per cent of the answers; De Gaulle's eighteen months got but 10 per cent.

The general retired in a pout to his home in the sleepy little village of *Colombey-les-deux-Eglises*. It is probable that he expected that the politicians would get themselves in an awful mess and call him back. The first part of his assumption was fulfilled, but no one felt an urge to demand the chief's return.

When, in 1946, one René Capitant formed a political party called the 'Gaullist Union' in an attempt to get a bandwagon moving, it captured only ten seats in a parliament of 500. It is fair to observe that the general did not give the movement his blessing; but since he also did not refuse it his name it is reasonable to believe he was content to watch it as a trial balloon.

It was clear that the call was not coming. De Gaulle had to go out and campaign for it. Events gave him his opening. French economy went on the rocks at the same time as Britain's did, in the winter of 1946-7. The democrats wrung their hands, and the Communists grew stronger. In March President Truman announced his 'Doctrine'. De Gaulle re-entered politics and rode the tide against Communism at home and against Russia abroad. He assumed leadership of an organization called the *Rassemblement du Peuple Français*, The Rally of the French People, and asked all patriotic Frenchmen to join it. He stumped the country dispensing his two party lines.

The amorphous 'Rally'—De Gaulle refuses to admit that it is a party—began to take a familiar shape. The members became known to one another as '*compagnons*', an advance on the '*citoyens*' of the French Revolution, to compete with the Communists' '*camarades*'. Meetings took on glamour. At a Paris mass meeting the platform was built to resemble the huge snow-white pedestal of a very tall monument; De Gaulle appearing alone on top of it to deliver his speech was the impressive human statue. In Marseilles, De Gaulle spoke from the poop of a ship. As he uttered his last stirring words, anchor was silently weighed and the vessel slipped off to the horizon, the figure of the general gradually disappearing in the distance—'Prestige cannot be without mystery'!

Within one month of his assumption of leadership, the Rally prospered to the extent of enrolling a million members.

His first trial of strength with the parties was in the municipal elections in October 1947. Even his own followers were stunned by their success. His R.P.F. won 35 per cent of the available seats. The Communists were second with 20 per cent. In elections to the new Senate (The Council of the Republic, by name), in 1948, the R.P.F. became the first party with 40 per cent of

the seats. It is fair to add that elections to the Council are not by popular direct vote but by a confusing indirect system which prejudices the vote in favour of the Right. None the less it was a stirring performance. Thereafter the democratic parties welshed and postponed other local elections which had been scheduled to be held in 1948.

Late in 1948, when the postponement of the elections was announced, De Gaulle held one of his rare press conferences in order to register his protest at the decision, and I had the pleasure of attending. It was quite a ceremony just getting in: admission was by printed invitation. At the gate the invitation and my press card got me in. At the door of the building I had to produce, in addition to those documents, my passport. At the door of the conference room I had to wait to be personally identified by a member of the General's press bureau.

A new and mellowed De Gaulle stalked into the room to hold forth to us. His hair had grown grey about the edges and his moustache was completely grey. Instead of a uniform, he wore a neat blue serge suit, which seemed to change his personality. He was flexible, stopped to chat amicably and singly to reporters and he had learned how to smile.

He had filled the lacunae in his politics and now had answers to questions of social policy. He abominated, he explained, both Capitalism and Communism. He would resolve social frictions by forming Labour and Management into what he called 'Associations', vaguely reminiscent of the 'Corporations' by which Mussolini made lamb and lion to lie down peacefully together—the lamb inside the lion. He would solve the economic problem by increasing production and creating an atmosphere of order and confidence for investors. 'And doubtless,' a Socialist paper commented next day, 'he would forbid poverty after six o' clock in the evening.'

General De Gaulle talked of social and economic problems as casually as though a mere twist of a strong wrist would dispose of them. Once again, it was questions of power that brought him forward, eyes expressive in response. It had just been announced that Britain would have the commanding position in the Western military Union. He was opposed to that on geo-

graphical grounds: Britain was an island and in a pinch would look to defence of her island first. Europe was a continent and command should rest on the continent. As for Germany, he was in favour of it being carved into nine small states, each one to join Western Union separately. That left only France to command Western Union—France run by General De Gaulle.

He concluded his press conference on an ominous note. In the past he had always insisted that he would attain power only by legal means. Now, he said, if the government of the democratic parties resorted to illegality—and he hinted that he considered their postponement of elections to be illegal—he would ‘reserve his methods’ of attaining power.

There is no doubt that De Gaulle possesses the means of his methods. After the foundation of the R.P.F. he created a *service d'ordre*, a personal armed police force. Its existence became public knowledge in 1948 when, during a street fight with Communists in the town of Dijon following a Gaullist demonstration, a dozen or so Communists were left with bullet wounds. Since the Communists had no weapons and the police had not fired into the melée, it was apparent that the Gaullist *service d'ordre* was carrying guns.

A few days later the Ministry of the Interior released information about the Gaullist Rally that startled the French Left. De Gaulle's personal convoy of nine automobiles, including armoured cars and loudspeaker vans for his party, were given him by the government without the public's knowledge. The government also provided him with a personal police escort costing ten million francs a year. The Government parties, without knowing it, had been financing De Gaulle's campaign. More stunning still was this revelation: the Minister for War had long since issued an order withdrawing cars and personal escort; but the General Staff of the army had *countermanded the government order and kept the vans and escort with De Gaulle!* This publicity enabled the government to remove the escort, but it also left democratic Frenchmen with a chill of fear that with that mood in the army De Gaulle already had one foot in the door to power. Should he choose the means of force there is little doubt he could assume power.

One of the main factors inhibiting him at present is lack of foreign approval. After his remarks about Britain's insular interests, the British Foreign Office is dead set against him. The State Department seems to share its opinion. De Gaulle's ideas are clearly Napoleonic. Once in power there is no telling in what directions he could drive Western Union. For one thing, his cohorts have hinted at the formation of a 'Latin Bloc' with Spain and Italy, led by France. Italy as a defeated former enemy and Spain as a rank outcast might well accept such a combination to restore their influence. Leading the three most populous nations after Germany on the Western half of the continent, De Gaulle could dictate terms to Western Union.

Moreover, there is nothing to prevent De Gaulle from negotiating with Russia as a means of inducing the West to meet his terms—personal command of Western Union. His objection to Communism is mainly internal. If he banished the Communists in France there is no reason to believe he would not be ready to come to terms with Russia.

Another difficulty in De Gaulle's way has been his inability so far to enlist the support of the bulk of the Big Money in France, which is almost essential for a right-wing dictator. Its flirtation with Hitler before and during the war did not turn out very satisfactorily for it, and there is a marked chariness about accepting a Gallic facsimile of the German Führer unless the threat of Communism makes it absolutely necessary.

But perhaps the supreme difficulty is that the French middle class is not the German middle class. They have talked a good deal in the *bistros* about the need for a 'strong hand' in France, but when the polls open they prove skittish about giving the unpredictable De Gaulle their undivided support. Among the things left encrusted by the great Revolution is a pretty stubborn attachment to freedom.

CHAPTER VIII

BENELUX

AFTER THE winter of Europe's discontent in 1946-7, the nation state, for which men had lately been giving their lives, suddenly became a very unpopular institution. It was clear to everyone that unless drastic readjustments were made Europe would not pull out of this scrape without shipping large portions of its population to less densely settled parts of the world. The villainous national frontier, protecting inefficiency and strangling trade, was the first obvious target.

European Federation became for a while a more familiar term than Cold War or Iron Curtain. France began discussing the possibility of economic union with Italy. The Scandinavian countries did the same among themselves. Mr. Bevin gave a free advertisement to the American telegraph company by holding out 'Western Union' as Europe's one hope. Marshall nation conferences were held on internationalization of West Europe's labour force and other phases of federalization. Mr. Churchill sired a European Federation which met in facsimile parliament at The Hague, complete with a new flag for a federal Europe and as many views of how the union should be effected as there were eminent ex-prime ministers, philosophers and academicians present. The result to date has been an alliance between five of the powers to standardize arms and integrate armies—but little sign of federalization. The problem has been approached with most realism in the attempt to form an economic union of Belgium, the Netherlands and Luxembourg. Their plan for union—called Benelux—was made independently of the Marshall Plan and long before the winter crisis. Its realization has proceeded unspectacularly by the prosaic and tedious method of chipping away at details. It is still a very long way from completion and illustrates the tremendous difficulties of breaking down the villainous frontier.

Belgium, the senior partner of the union, provides the second

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most flattering example of human ingenuity in the contemporary world. It is one-fifth the size of an American middle-sized state, yet provides a high standard of living for four times the population of, say, Iowa. With over 700 people to a square mile it claims to be the most densely populated country on earth in relation to absolute area—sixteen times as densely populated as the U.S.A. In economic alliance with minuscule Luxembourg, Belgium was for years the world's biggest exporter of steel and was displaced only recently by America. In Antwerp it has had at periods between the wars the busiest port in the world. In Flanders near the coast it has the most intensively cultivated patch of soil on earth with the world's highest output of market garden produce per acre.

Belgium enjoyed a spurt of progress in late medieval times when the commercial age was flowering. It ended when her valves of commerce, the harbours of Bruges and Ghent, silted up and grass grew in the cobbled streets. From then until the new industrial principle came to rule Europe, her role in history was largely passive, that of a pawn in power politics, though a very important one. Her territory covers one of the two most important strategic areas in Europe (the other is Switzerland), embracing the Flemish plain, the only natural gateway for French armies into Germany, or German armies into France. With Holland she embraces the great continental river-mouths where any force big enough to invade England would have to assemble. Belgium owes her status as a separate, individual nation to being the raw, sensitive corner between the three great nations whose conflicts have made most of the history of the past three of four centuries. She was originally carved out of France as a bastion against French expansionism (an 'unnatural' nation embracing half Latin and half Germanic peoples whose frictions have until recently been a continual source of internal strife). She has since become a Franco-British bastion against German expansion.

Uncommonly rich in iron ore and coal, Belgium was called back into an active role by the Machine Age. Her businesslike monarch, Leopold I, developed an early interest in Africa. He summoned the journalist, Henry Stanley—fresh from a visit to

the bowels of the dark continent—to the Belgian court, asked his advice and proceeded to take it, carving out of the Congo an empire twenty-five times bigger than Belgium. In twenty years Belgium grew into a rich modern nation on a par with Britain in industrialization.

Belgium's was the only national economy that emerged from the late war in a healthy condition and ready to expand. This was partly due to the acumen of the Belgians, but in greater part due to a set of fortunate circumstances. Firstly her colony was in Africa, still not far removed from the stone age and unaffected by the post-war wave of nationalism that swept Asia and deprived other European empires of much of their colonial flow of wealth. Throughout the war the Belgian Congo turned out raw materials that brought in foreign currency with which to begin reconstruction of the motherland. Its chief products are copper and the new fissile element, uranium, which America bought in large quantities at good prices. It is said that on American request the dollar income from uranium is kept on special secret account and its amount is unknown, though it is probably considerably higher than the small figures given the Press from time to time by the Belgian Ministry of Finance.

Next, Belgium had the advantage of being liberated almost literally between sunup and sundown. Having been beaten as far as the Franco-Belgian frontier, the Germans abandoned the hopeless job of trying to defend flat Flanders and fled back to the security of the German Siegfried Line, leaving Belgium almost unharmed. Flying bombs and Rundstedt's last Ardennes offensive wrought considerable damage, but left the country none the less in a condition envied by her neighbours.

Then, as the chief base of Allied armies with Antwerp the chief port of entry for Allied supplies, Belgium in the last year of war earned a fat account in dollars and pounds—estimated at around 350 million dollars—with which to commence reconstruction.

Also, Belgium had enjoyed an uncommon war-time advantage, shared only by Denmark among occupied countries. The Nazis did not remove or convert to war purposes any appreciable amount of Belgian industry. They allowed Belgian factories to

produce on the spot for the German home market. When the war was over the Belgian productive apparatus was all in one piece and there was no great problem of reconversion.

Finally, the structure of Belgian industry is uniquely favourable for a post-war period when the world must reconstruct its capital machinery. While many other European countries get their foreign currency largely by selling foodstuffs and luxuries abroad, Belgium's main export is steel. While other steel-making nations required most of their steel for domestic rebuilding, Belgium, in fairly good shape, needed only 20 per cent of her steel at home and thus could export the rest to earn foreign exchange. The extent of this advantage can best be shown by a glance at Holland, an exporter of food and radios. The collapse of Germany deprived Holland of a rich market for her goods, but to Belgium it had mainly the effect of removing a heavy industrial competitor. When Britain collapsed in the winter crisis, she cut off her imports of Dutch cheeses and radios; but she actually increased purchases of Belgian steel. In normal times the top-heaviness of Belgian industry is a disadvantage, for no phase of production is so sensitive to the trade cycle as steel. But in the abnormal post-war period it gave Belgium a spurt which no other European country enjoyed.

The Belgian government rounded off this prosperous situation with an act of wisdom. As soon as the government returned to liberated Belgium, while the shock of the event was fresh, it blocked all bank accounts to eliminate war profits and called in the Nazi-inflated currency to be exchanged for smaller quantities of new money. As a result Belgium has been spared the wild inflations that have debilitated so many liberated countries, France above all.

The drastic currency purge was followed by an economic policy which no other country could afford to adopt. While the rest of Europe was forced to apply sharp controls to every phase of economic life, to limit imports to bare essentials and to live in austerity, Belgium abandoned war-time controls as rapidly as possible, allowed people to import anything their hearts desired and launched a policy of abundance. She even lowered import duties to encourage them to buy goods from abroad. Belgian

shops were filled with American luxuries, her streets became loud and congested with shiny new American cars. Brussels's Place de Brouckère became the most scintillating square in Europe, the nearest thing to Broadway east of New York.

Belgium became the toast of Europe's conservatives. The policy poured incentive goods into the shops, where the people could see them and discover good reasons for working harder to get the wherewithal to buy. The theory was also that abundance would bring down prices, but this did not follow. However, the incentive idea worked. Belgians went to work and made their country the first in Western Europe to achieve pre-war production levels. By 1948 she was turning out 25 per cent more than before the war.

The argument that the Belgian course should be generally adopted, however, has big holes in it. Some countries who tried it later—France and western Germany—nearly ended in calamity. The fact is, the other nations of Europe did not adopt austerity through wrong-headedness; they did so because they had no other course. They did not have the favourable economic position or the large reservoir of foreign currency with which to buy abundance from abroad. Abandoning import controls in Britain, for example, would have brought a quick, short gush of luxuries for the few with surplus money, but there would have been nothing left with which to buy food for the many or raw materials to employ them and reconstruct Britain.

Even in Belgium the quick return of free enterprise has resulted to a great extent in maldistributing income in favour of those who already had money and were able to make profitable use of the new freedom. The state of middle-class pocket-books is amply revealed in the yawning emptiness of Belgium's innumerable cafés and restaurants since the war—in a country where the café and the restaurant are the principal means of popular relaxation. Among the working class, whose wages never rise as fast as prices, Belgium suffered a continuous rash of strikes for higher pay in the first two post-war years when the 'austerity' nations, by equalizing burdens and rewards through controls and rationing, enjoyed relative civil peace. In the winter

of 1948-9 something like a trade recession hit Belgium and it was estimated that one in every six registered workers became unemployed, the highest proportion of unemployment in any nation in Europe since the war.

The Belgian policy could easily have played into the hands of the Communists, had not the left extremists been broken with Britain's aid early after the liberation. The job was accomplished by the conservative premier of the London government, M. Pierlot, while the war was still on. Pierlot undertook a drive, not unlike that by General De Gaulle in France, to break the partial hold of the underground resistance on civil life. He denied their claim to a share in political power and decreed that they must hand in their arms. When they hesitated he authorized house raids without warrant. He also refused requests of the resistance movement to have its forces enter the Belgian Army as a unit, and instead gave each individual who handed in his arms a certificate promising to take him into the army or police individually in the indefinite future. Most could not wait, for they had to make a living.

The underground leaders, among whom the Communists were strong, decided to strike rather than watch their power slip gradually away. In the Autumn of 1944 they called a series of menacing strikes and street demonstrations. Pierlot encircled the government quarter of Brussels in barbed wire and assumed emergency powers to suspend civil rights. On November 26, the Communists led a particularly fiery demonstration through the barriers into the government quarter. Pierlot called in British troops; shooting broke out and four people were killed and thirty-eight wounded. Precisely who did what to whom was uncertain in the confusion. But, together, Pierlot and the Communists accomplished the job—beneficial to the rest of the nation—of discrediting each other. Pierlot resigned to more liberal-minded governors and the Communists went into a decline from which they have never recovered.

Under the new cabinet of the Socialist, M. Van Acker, there matured the issue which has troubled post-war Belgian politics more than any other: whether or not King Leopold II should be allowed to return to the throne. In six years of occupation and

liberation all the stored up rancour between right and left in Belgium became concentrated on this issue.

In the German invasion of 1940 King Leopold had surrendered to the Germans without awaiting the consent of his British and French allies, or that of the Belgian cabinet to a separate peace. The Belgian cabinet in Limoges, to which it had fled, voted to condemn his action. Animosity mounted when Leopold rejected an opportunity to leave the country as other monarchs of occupied countries had done. He chose to remain in Belgium. All this might have been forgiven; the King of Denmark, too, remained in his country and continued popular. But Leopold refused to become a symbol of resistance around whom his people could rally.

He never attempted to resume relations with his government, established in London. He remained cold to the underground movement in Belgium and rejected its suggestion that it 'rescue' him. Members of his court established friendships with pro-Nazi journalists. He sent formal messages of congratulation or condolence to Marshal Pétain and to the King of Fascist Italy. He paid a visit to Hitler in Berchtesgaden. In the middle of the occupation he remarried, which many people felt was unbecoming while the nation was subjugated.

At the end of the war, the left parties in Belgium wanted to depose him by law, since he refused from his temporary residence in Salzburg to abdicate. Their centre and right-wing partners in the coalition were opposed and suggested either that a popular plebiscite be held on the issue, or else that the King be allowed to return in full grace.

The general elections of 17 February, 1946, were in fact a plebiscite on the King, for there was no other issue; and the result was frightening. The nation was almost equally split on this by now passionate question. Around 1,400,000 voted for the anti-King parties; 1,100,000 for the pro-King parties. But some 300,000 had been deprived of the vote in this one election due to Nazi affiliations, and they would almost certainly have voted for the King. Also, female suffrage, granted only after the election, would probably have added slightly to the vote for the King.

The result was a wholesome shock. The Catholic party and the Socialists, who hate one another, reacted to the fear of a sharply divided nation by co-operating and forming a coalition government under Socialist Premier Paul Henri Spaak. With much rocking of the ship of state, and some outright explosions, the coalition has so far continued to govern Belgium, a curious union held together by conflict rather than by a community of purpose.

In her relations with other nations Belgium is, very much like America, a victim of her own good fortunes. She is too prosperous and productive for the rest of Europe to trade with. They could take her goods but could not pay her for them. Belgium was forced to extend credit on all sides and to date has loaned six per cent of a year of her national income to Europe (In ERP America handed out under 5 per cent of a year's national income). Her import policy has exhausted her dollar funds long since and with other trade partners unable to pay her in dollars as they did before the war, Belgium in 1947 was running a deficit in trade with America at the rate of forty million dollars a month.

One consequence of her situation has been to make Belgium the most 'internationalist' of European nations. Her Premier, Paul Spaak, is a very Vandenberg of Belgians; once a rigid isolationist, since the war he has held more UN chairmanships than any other statesman and is still chief of the Marshall Aid organization in Europe.

Another consequence has been to make Belgium more ardently insistent than ever on breaking down her northern frontier and amalgamating her economy with that of Holland.

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The Netherlands provides the first most flattering example of human ingenuity. The principal manufacture of the Netherlands, it has been said, is the Netherlands. The Dutch created the richest part of their country by recovering it from the sea with spades and pumps. All the country's chief cities stand, and three-quarters of the population live, behind dykes below

sea level. Though only 30 per cent of Holland's sandy surface is arable it yields some of the biggest grain crops per acre in the world. Her tulip and dairy farms are among her largest industries.

Unlike Belgium, Holland has seldom been passive in history. She was a great commercial sea power before Britain was. Her sons pulled the wildest real estate deal on record by buying a wild island called Manhattan from the Indians for about twenty-five dollars worth of trinkets. To-day a dozen Hope Diamonds could not buy it back. Two of her sons by the name of Roosevelt went far in local, ex-colonial politics. Holland still retains an empire sixty times her own size scattered over three continents. Lacking a basis for heavy industry, Holland lives by selling colonial raw materials and domestic foodstuffs to the rest of the world.

Holland came out of the war in a very different condition from Belgium. The Nazis in their retreat from France stopped in Holland and built their defence lines along the broad river mouths of the southern part of the country. For nine terrible months the Germans looted and destroyed her and Allied bombers pounded her. I spent much of the last year of the war in the Dutch town of Maastricht which was headquarters of the American Ninth Army. Even in that privileged town, people were existing on less than 900 calories a day (standard: 2,600), when we arrived. In German-occupied Holland people starved outright. By the time the Germans were shoved out, a tenth of the country's surface had been opened to the sea by the Germans and 30 per cent of its domestic national wealth was destroyed.

As an overpopulated and essentially agrarian economy, Holland before the war leaned on nearby urban markets for her sales and foreign exchange. The most important nearby market was the Ruhr. The second most important was Britain. We have seen how little either can now afford to buy. Holland also lived by her ports, Rotterdam and Amsterdam, two-thirds of whose traffic was German transit traffic. That too had gone.

The worst blow was the rise of nationalism after the war in her rich colonies of Indonesia. A total of one sixth of her wealth is invested in Indonesia, and from it she derived annually 15 per cent of her national income. It is reckoned that all in all,

the total loss of Indonesia would reduce the Dutch domestic standard of living 30 per cent below pre-war. With fighting flickering sporadically there, Indonesia—formerly a rich source of dollar-earning rubber—has become a net loss to Holland, requiring her to finance an occupation army of some 100,000 troops.

Meanwhile, the number of mouths to feed at home grows phenomenally. During the war the population of Belgium increased but 100,000 while that of Holland went up 600,000. It is still increasing, it is reckoned, at the rate of nearly a quarter million a year. The state of Holland illustrates the extent to which morality is a luxury in international affairs. There is no more moral people in Europe than the Dutch. Yet their attitude towards the Indonesians and their defiance of the UN in 'putting down' the Indonesian republicans have been flagrant. Their aim, when the complicated Indonesian question is shorn of fluff, is simply to exploit a colonial people. The aim of the Indonesians is, when similarly shorn, simply to derive the benefit of their own wealth for a change. But direst domestic necessity dictates Dutch behaviour, and even induces Dutchmen to think their cause just, and in that situation only armed might can be the referee.

The only compensation for the Dutch in the post-war picture has been that internal politics have remained calm, perhaps too calm. When the Truman Doctrine of aid to fight Communism was announced, the Dutch Minister of Finance, Dr. Liefstinck, dolefully lamented in public, 'We do not live close enough to the political storm centres to be eligible for political loans.' Although the Communist representation in the States General rose from three to ten members, they constitute no menace to the dominant Labour and Catholic parties who, as in Belgium, govern as a coalition.

The only sharp issue in politics is the Indonesian question. On it, however, most Dutchmen follow the official line, having perhaps been too long cloistered up in occupation to realize fully the extent to which nationalism in Asia is a reality and that in the long run Asiatic independence is inevitable.

When it comes, Holland will no longer be self-sufficient

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nationally or imperially. A larger international unit, such as Benelux, will be an urgent necessity.

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It is easy to neglect Luxembourg, the third partner of the projected union, but Europe would be much poorer if it did so. Luxembourg is one-fifth smaller than Rhode Island and has only 300,000 inhabitants. But she is the seventh largest steel producer in the world, turning out seven million tons of iron ore and two million tons of steel a year, more *per capita* than the U.S. or Britain.

Luxembourg's name tells its history. It means Little Castle or Fortress. It happened to be a nearly impregnable defensive position where natural barriers between France and Germany end. They fought over it so often that eventually the powers decided to make it independent of either, as a Duchy.

Luxembourg has made its little marks on history. When in 1346 the Count of Luxembourg died bravely in the Battle of Crecy, the Prince of Wales in admiration plucked three feathers from the Count's helmet and used them and the Count's motto, 'Ich Dien', on the Welsh coat of arms. During World War II, Luxembourg was the first occupied country to organize a general strike against the Nazis and to print its own underground newspaper. The country is ruled to-day by Grand Duchess Charlotte and a Catholic government. In 1922 Luxembourg entered into a customs union with Belgium to which she remains virtually an economic appendage. So, in fact, Benelux's problem is simply that of amalgamating two economic units: Belgium-Luxembourg with the Netherlands.

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There is nothing dramatic in the first serious effort to demolish a difficult economic frontier by mutual consent. The decision to do so was not an act of momentary inspiration or the result of sudden and spectacular calamity. Belgians and Dutchmen were unified in one country for fifteen years after the Napoleonic wars, until the Belgians broke away. For the past hundred

years they have been talking about getting back together again. Once, when the talk seemed likely to turn to action, Germany forbade it. Between the two world wars, when the two nations began progressively lowering their customs barriers, America and Britain protested that this amounted to discrimination and put a stop to it.

During World War II the two governments, exiled in London, decided to take the step. Their main assumption was that Germany would be defeated and both would lose a valuable market. By unification they might, however, turn the loss into a gain and capture a good many German markets. Together they would constitute a unit of seventeen million people and be the third biggest trading nation on earth. Their traditions were fairly uniform. More than half the population of Belgium is Flemish, more closely related in language and race to the Dutch than to their own Belgian compatriots. Their politics were nearly identical, both countries leaning to the conservative side and both governed by a coalition of Catholics and Socialists. Their economic conceptions provided no obstacle; both are doggedly faithful to the principles of free enterprise. Fifty years ago their economies were complementary, Holland being agrarian and Belgium industrial. That has changed, but still there are no grave conflicts. Holland's excellent light industries should merge easily with and benefit considerably from Belgium's heavy industry.

In September 1944, it was agreed to commence amalgamation immediately the war was over. However, Belgium was liberated quickly and Holland only nine months later. By that time the disparity between their economies was pronounced. Their trade was all one way—to Holland—and Belgium had to grant her neighbour a large credit to enable the Dutch to pay for it. Also, in order to recover, Holland had to follow the British policy of controls and austerity, while Belgium was the only country in Europe at the time with unrestricted free enterprise. It was thus not until April 1946 that even negotiations could begin.

On 1 January 1948, after a year and a half of continuous negotiations by five permanent committees, the first step was taken: the tariffs charged by the three countries against other

countries were equalized. In effect, they built a common tariff wall around their area. They also reached agreement to consult one another before founding new industries that might be unduly competitive.

That is the sum of Benelux's achievement to date, four years after the war. Firms engaged in foreign trade between the two countries would hardly know a change has taken place. Free movement of currencies is forbidden. Though customs duties have apparently been equalized, there are so many other more important payments—turnover taxes and excise duties, for example—that it makes little difference. Moreover, rigid quotas are still applied to goods of many kinds allowed to cross the border.

The committees are working feverishly to end the taxes and duties and remove border control posts entirely, but the difficulties are tremendous even in countries as nicely compatible as Belgium and Holland. For example, there is tremendous mutual suspicion between the great Belgian port of Antwerp and the great Dutch ports of Rotterdam and Amsterdam, all competing for the traffic of the same German hinterland. Belgian farmers, whose produce is highly priced due to the individualist methods of distribution in Belgium, rightly fear that their native markets will be swamped by Dutch produce, distributed extremely cheaply by co-operatives and a state marketing apparatus. Belgian shoe manufacturers rightly fear that the more efficient Dutch shoe industry, selling at cheap controlled prices, can swamp their home markets.

These are only a few of the points of friction chosen at random. They are being overcome very slowly in interminable negotiation. In the end, if the union is achieved, it is going to take an extraordinary degree of self-denial and of courage to face new competition on the part of vested interests of Capital and Labour in all three countries. 'Everyone is in favour of Benelux,' a Belgian businessman told me (a Gallup poll in 1946 recorded 80 per cent of the Dutch and 70 per cent of the Belgians in favour), 'except where it touches his individual interests. Unfortunately, it touches everybody's individual interests at some point.'

BENELUX

The slow progress of best situated and most determined nations does not promise well for the progress of Western Union as a whole. I return to the question at greater length later. Now it is sufficient to note that if Benelux be the yard-stick, Western Union has to date barely advanced a short inch.

CHAPTER IX

SCANDINAVIA

IF SCANDINAVIA and its historic ward, Finland, were a single nation, it would have won the last Olympic games. With a total population of only seventeen million inhabitants from which to draw its athletes—compared to America's 145 millions—Scandinavia and Finland scored 657 points to the United States' 547.

Scandinavia's past is an epic of conquests that reduce ancient Caesars and modern dictators to frying size. Norsemen ruled the dark, open seas when Britons still timidly hugged the shallows. They discovered America five centuries before Columbus, seized most of the islands in the Atlantic (and still rule some of them), and invaded and conquered Britain several times. At the other extremity of Europe they founded the first Russian state, ruled it for four centuries and shook Constantinople at the prime of its power. In between they terrorized the whole continent, plundering Paris no less than three times, and overran Italy, Sicily, Spain and North Africa. The institution of feudalism was largely a reaction to irresistible Scandinavian rapacity. The Pope called for the Crusades, which began the corrosion of feudalism, partly to direct the ravaging energies of the Scandinavians away from Italy.

To-day, Scandinavia is about the most wholesome thing in Europe. It is mainly in Scandinavia that serious progress has been made in the least successful of applied sciences—sociology. The chief symptom of Machine Age crisis—the maldistribution of wealth—has virtually been prohibited. The Danish poet, N. F. S. Grundtvig, described all Scandinavia when he wrote, 'Few have too much; fewer too little.' Bernard Newman says¹ that of 13 Danish high court judges only one could afford to own an automobile; but few Danish workmen cannot afford that hallmark of modest prosperity, a bicycle.

¹ Bernard Newman: *Baltic Background* (Robert Hale, 1948)

In Sweden, where the only really rich Scandinavians live, only one thousand people own more than 250,000 dollars. According to a survey by Sir Ernest Simon, the highest paid government official in England earns twenty-four times more than the lowest paid. In Sweden, the highest paid earns only six times more than the lowest, and the lowest is paid nearly twice as much as the lowest in England. On the last pre-war tabulation Sweden was one of the first five nations in Europe in wealth *per capita*. Sweden has also been more successful than any other nation at ironing out the depressed lows and the boom highs of the trade cycle, the plague of our times, by means of systematic and carefully timed launching of public works projects.

Scandinavia's character derives from the sea. The coastline of minuscule Denmark is longer than that of England. The coastline of Norway, with her barely three million people, is longer than that of all the United States. Nature forced the people to live by water: the glaciers scraped the Scandinavian peninsula clean of fertile top-soil, depositing it somewhere in Germany. Retreating, the glaciers left the peninsula a long, nearly barren spine of rock shredded with lakes and fiords. Only 9 per cent of Sweden's area is arable, and only 3 per cent of Norway's. Denmark is wholly arable, but the soil varies from only average to below average in richness.

Arid rock pressed the people into the sea and made them the world's best sailors, which they remain to-day. Until the outbreak of the late war little Norway had the largest merchant fleet in the world *per capita* of population. Her annual fishing catch was the world's biggest. Though reduced by war, her whaling fleet is still the world's biggest. Norway's moderate prosperity has been built on the happy circumstances that most of Europe is Catholic and eats fish on Fridays—and that the world was willing to pay for two-thirds of Norway's essential imports by renting her shipping space for its cargoes.

When the industrial age came, Scandinavia seemed to be at a disadvantage. Only Sweden contained natural resources for industry—the highest quality iron ore deposits in Europe. However, the sea helped solve the problem. No expensive capital

outlay on roads and rails add to the cost of transport by sea. Denmark was thus able to get north German minerals for making fertilizer cheaper than they could be sold in south Germany. She got coal from Newcastle cheaper than it could be bought in Birmingham. With no raw materials Denmark none the less became virtually an industrial land with as many people building ships and bicycles and making beer as there are in her excellent co-operative agriculture. When electricity supplemented steam power as a means of making wheels turn, Scandinavia invented the turbine and turned its thousand lakes and rivers into white fuel for industry.

A strong argument can be made that the sea is responsible not only for the material, but also for the spiritual health of Scandinavia. The sea has been for Scandinavia what the great western frontier was for America. It was an outlet to freedom which dissolved any tyranny at its source—for a tyrant must first be able to keep his people *in* before he can keep them down. Like the American frontier it was also an attraction competing with rising industry for labour power: if wages were not high or conditions of work were not good, Scandinavians had the world for a playground and ships for legs to take them there. The consequence of the one has been political democracy; the consequence of the other economic socialism. There is indubitably a direct relation, further, between the sea and the broad-mindedness that distinguishes Scandinavian morals and her peoples' breadth of international sympathies. The sea-faring Scandinavians with the world for a school learned too much of the follies and triumphs of man in his many different environments to nourish much vanity or many delusions about themselves at home.

The paradox will suggest itself that Greece, too, was a sea-faring nation whose people were shoved into the water by rock. But Greek democracy withered in a general spiritual disintegration and under a series of bellicose tyrannies. However, that is not a paradox but an analogy. Greece prospered in democracy while her Mediterranean water-world held infinite opportunity. When the little Mediterranean world closed around her and the seas ceased to be an outlet to freedom, her class

hatreds sharpened, rivalries mounted; tyrants, able at last to keep the people in, kept them also down, and Greece declined.

World War II is changing the basis of the Scandinavian idyll in markedly similar fashion. No apocalyptic conclusion is justified; the Scandinavians have shown themselves too wise and too little shy of innovation to go down as did the Greeks. But, the point is, the Western European crisis has not spared its healthiest part, and adjustments are going to have to be made in the north as elsewhere if it is to preserve its traditions.

The fact is, the world is tightening around Scandinavia. The year 1929 was the warning, World War II an undeniable confirmation that the world is shrinking; possibly it is now as small relatively as the Mediterranean Basin was 300 years before Christ. What happened to America's frontiers in 1912 has happened to the world's seas: the frontiers have closed. In the 1920's immigration restrictions began to be applied in receiving countries. The seas are no longer the reserve outlet to freedom they were. In the depression opportunity became very limited indeed as world trade shrank and competition between national merchant marines sharpened. World War II further tightened the frontier. Norway lost half her merchant ships, while—with a narrower market to supply—America tripled the number of hers.

Denmark, blessed with sea-links with Germany and Britain, the two richest markets in Europe for her bacon and butter and the two most productive suppliers of raw materials for her industries, now finds these markets critically narrowed. Germany is prostrate and Britain impoverished. Meanwhile, the number of mouths to feed has increased—in Norway alone 12 per cent since the outbreak of war—and they now have to stay at home.

The Scandinavian standard of living, once the envy of Europe, has fallen. Norway, for example, lives like Britain on imports. In 1948 the Norwegian Minister of Commerce told the Storting that Norway would have to produce and sell 1,000 million crowns more produce abroad than before the war merely to attain the pre-war standard of imports. She has not yet come near to increasing her productivity to that extent. Sweden, having enjoyed neutrality during the war, proceeded after the war to import necessities to maintain her living standards on

the pre-war scale. By November 1947 her reservoir of 4,000 million crowns worth of foreign exchange and gold had dwindled by seven-eighths. Sweden was within a mere 600 million crowns of not being able to pay her way.

All three countries followed the example of Britain, clamped on an economy of austerity, restricted imports and deprived the home market of goods in order to export more. Elaborate plans to make industry more competitive in the narrower world were launched.

Strikes, almost unknown between the wars in Socialist Scandinavia, have broken out in all three countries since the war as the shortage of goods has sent prices up. In Sweden, in 1945, 125,000 engineering workers laid down their tools for five months—with the result that the entire country was totally paralysed for a month—a consequence roughly similar to that of the winter crisis in Britain.

World War II also had the effect of upsetting Scandinavia's century-old pacifist foreign policy. The altered world power-political map made the new and hostile Big Two uncomfortably near neighbours of Scandinavia. During the war the new giant, America, took over with Danish consent Denmark's two island colonies, Iceland and Greenland. After the war America moved out of Iceland with the most obvious reluctance and after much delay and haggling with the Icelandic government (which has voted for and received its independence from Denmark). From Greenland—the world's biggest island—America did not depart at all. The agreement by which America established bases there was to last until 'the present danger' was over. Since the war the Danes have repeatedly advised America that 'the present danger'—of Germany—is now over. But the Americans stay on.

On the other side of Scandinavia the fortunes of war made Russia a neighbour of Norway's in the far north. Finnish grants of bases to Russia have brought the Soviets closer to Sweden. From a distance of 800 miles away before the war, Russia has now advanced in Germany to within 100 miles of the Danish frontier. For a while the Russians occupied the Danish island of Bornholm, but left it in 1946.

Scandinavia adjusted itself to the new international setting

by making a determined effort to improve relations with Russia. Norway and Denmark included native Communists in their cabinets for a while after the war. Sweden went further and, despite American protests, extended Russia a 1,000 million crown credit and signed a big five-year trade pact with the Soviets. Denmark was unable to market her customary annual 20,000 tons of butter in Britain, but signed an agreement whereby Russia would take the bulk of it.

After the Marshall offer and the development of the Cold War the three nations strove ardently to maintain neutrality and friendly relations with Russia. They joined the Marshall Plan from economic necessity. But when the Marshall nations held a 'Western Union' conference in Brussels, the foreign ministers of Scandinavia publicly declared they would not participate in a scheme condemned by Russia and would send only observers to the conference. Norway, some time previously, won Russia's gratitude by proposing measures against Franco Spain in the UN (this was probably more heartfelt than an act of diplomacy; Norway, during the Spanish war, contributed *per capita* more funds to the Loyalist side than any other nation). In Sweden the Minister of Finance, Herr Wigforss, shocked Americans by stating in a public speech that the danger in the Cold War was not a Russian act of aggression so much as a possible American forestalling attack.

There then occurred, early in 1948, an event which has marked another turning point in post-war Europe and of which more shall be said later: the Communists seized the government of Czechoslovakia. The event sent a shudder through all Scandinavia. Almost over night the mood of amicability towards Russia collapsed in all three countries. Labourite Prime Minister Gerhardsen of Norway—once considered a rabid 'Red', himself—launched a bitter attack on Norwegian Communists in the Storting. On May Day, 1948, the Swedish Socialist Premier, Erlander, followed this up. 'The *coup* in Czechoslovakia,' he said, 'was a testing time not only for Prague, but also for Stockholm.' It is a sign of the changing pressure of the times that the Danish upper house of parliament, the Landsting, which had not held a foreign policy debate for over 100 years, held one after the

Czech *coup*. A Copenhagen radio broadcast actually instructed citizens to report to the nearest police station any suspicious moves that might indicate an attempted seizure of power.

Scandinavian prosperity has been to some extent based on a long-standing policy of pacifism and neutrality, involving small armies and navies. The Czech *coup* changed this, putting a new pressure on the parlous domestic situations of the three lands. A Bill before the Swedish parliament to reduce military estimates was replaced by one asking for a 50 per cent increase in planes and a 100 per cent increase in personnel for the air force. Norway immediately voted twenty million dollars to rebuild the army and has since increased the sum to over forty millions. Denmark voted funds for the creation of a Home Guard 100,000 strong—in a Bill containing a clause forbidding Communists to enlist—and stopped demolition of air-raid shelters. These burdens are not great on big-power standards, but of the three Scandinavian countries only Sweden can afford them without hardship.

The pacifist policy was scrapped and Scandinavia was even divided on the traditional policy of neutrality. The pre-war government of Norway had been soundly criticized and after the war subjected to a full-dress investigation on charges of having neglected the country's defences. The post-war government was not going to lay itself open to the same charge. So, in 1949, against Russia's protests, the Norwegian Foreign Minister, Herr Lange, visited Washington for talks on defence and returned to Oslo to declare Norway in favour of taking sides in the Cold War and joining America in the North Atlantic defence pact. Danish Foreign Minister Rasmussen made the same pilgrimage to Washington, and by now it is likely that Denmark will join the pact as well.¹

Only Sweden remains obdurately neutral. Sweden's chief motive is to give Russia no excuse for subjecting neighbouring Finland to the process of communization the Soviets have applied to their other satellites.

Until the time of their differences over the Atlantic Pact the three Scandinavian countries seemed sincerely anxious to merge

¹ Denmark has since joined the Atlantic Pact.

SCANDINAVIA

their nations in one sovereign union. Immediately after the war the premiers of the three countries met in Copenhagen, and Per Albin Hansson of Sweden proposed their working towards common Scandinavian citizenship. Infected by the spirit of Benelux they set up joint commissions to create common judicial institutions, common textbooks and educational standards and to study free movement of labour from one country to another. Later, in 1948, they set up further commissions to pursue the Benelux plan for a common customs area.

Co-operation is already strong: the three countries operate jointly the Scandinavian Airlines, making it a far more efficient and competitive enterprise than any one of them could operate alone. Prospects for further co-operation are at least as good as those of Benelux. Their economies are largely identical in frame, leaning heavily on state-owned enterprises and co-operatives. All three governments are Socialist, and all three countries are constitutional monarchies. Their languages differ only as dialects of the same language differ, and their traditions, having grown up under a single rule for most of Scandinavian history, are not diverse.

The differences over the Atlantic Pact, however, seem to have strained relations and dampened sentiments for unification. This is too bad, for if the three united they would constitute the largest country in Europe after Russia, with 314,000 square miles to France's 270,000. They would never be a great power but would obviously increase their trade and competitive ability. They would also win the Olympics.

CHAPTER X

THREE LONE RANGERS

'Switzerland is a land flowing with milk and money'.

—a misprint quoted in *The Times*

SWITZERLAND, EIRE and Portugal were, like Sweden, little islands of neutrality, peace and relative prosperity during the late war. They are distinguished from the other small countries of Europe by that and, except for Portugal's tie with Spain, by not forming part of a local bloc.

Eire and Portugal are of little importance in Europe, but Switzerland, the smallest of the three, with a population about half that of New York City or London, is vital both to European commerce and high continental strategy. Switzerland's foreign trade is the largest *per capita* in the world. She entered the Marshall Plan on the same basis as America: on the aid-dispensing rather than the aid-receiving end. Before the Marshall Plan, Switzerland had distributed more post-war financial aid to Europe for her size than America had.

Though deathly shy of alliances, what international affinities Switzerland has are stronger with the U.S.A. than with any European country. Far and away most of her trade is with America. *Per capita* of her population Switzerland has given more citizens to the New World than any other independent country. The gold rush in California a century ago began on the farm of a Swiss named Sutter. The Swiss, Albert Gallatin, was America's second most famous Secretary of the Treasury and his statue still adorns the entrance of the Treasury building in Washington. Switzerland's best known American descendants at the present time are General Eisenhower and former President Hoover. Swiss engineers built the George Washington bridge in New York and a host of others throughout the land. They invented, among other things, cellophane, zippers, D.D.T., Nescafé, Ovaltine, Nestlé's baby foods and milk chocolate which the Swiss

family Hershey still makes in America. Like America, Switzerland is doggedly attached to private enterprise.

Switzerland is currently the second most prosperous country in the world after the U.S.A. Its biggest town, Zürich, contains within its municipal limits more money per head of population than any other city on earth including New York with Wall Street or London with the City—most of it invested there for safe-keeping by foreigners. Although little of its mountainous terrain is cultivated, Switzerland feeds her dense population at present better than any other country. She is absolutely bare of raw materials or mineral fuel, but her industry, both heavy and light—making everything from locomotives to wrist watches—is the most efficient in Europe. She has no seaports, yet handles more foreign trade—largely in transit—than any country on the continent.

Switzerland's character and fate have possibly been more affected by her mountains than has Scandinavia's by its seas. Switzerland contains the highest range of mountains in Europe, the very spinal column of the continent. Thanks to the Alps, Switzerland was able to preserve its independence from the Hapsburgs (who themselves were originally *nouveaux riches* Swiss whose ancestral home at Habichtsburg—Hawk's Castle—still crumbles into the Swiss Rhine). A fierce, stubborn, poor people living in poor country, the reward of conquering them was not worth the number of skulls they could crack by launching artificial landslides on invading armies, or the armoured breasts they could pierce with deadly aim from cross-bows in guerilla warfare.

Now an intensely peaceable and neutral people, they were once the orneriest, cussedest, fiercest, most aggressive people in Europe, raiding all their neighbours in turn and in the intervals fighting one another. After a sound licking in North Italy, however, they decided they had better become neutral. But even after that fighting continued to be the national occupation and soldiers were the chief export of the little country. In a host of European wars Swiss peasants, rented out by Bernese overlords, fought on both sides. The last of the mercenaries are the colourful Swiss Guard of the Vatican.

In modern times Swiss neutrality has been guaranteed by an odd balance of power, thanks to the Alps. The country is the principal watershed of Europe. There are points in the Alps where you can pour out a pail of water and part of it will go down to the German Rhine and the North Sea, part to the French Rhone and the west Mediterranean, and part to the Italian Po and the east Mediterranean. In the hands of any one great power, Switzerland would give that power the lever to strategic pre-eminence on the continent: it would possess nearly impregnable defences and it would have, in the deep-grooved passes, a good launching site for its own offensives. So, rather than risk that this strategic area fall into the hands of any potential enemy, all the powers after the Napoleonic wars decided (after some cagey manœuvring by the British Foreign Secretary, Lord Palmerston, and a show of force by the German Swiss) to declare Switzerland a permanent neutral ground out of bounds to power politics. The country has not been violated since. Just to play safe, however, the Swiss have created a unique army. Every male adult is called up to the army every year for a few weeks' training. In the meantime he keeps his whole kit, uniform, guns and ammunition at home in a cupboard. The army can be fully mobilized, by means of Switzerland's excellent telephone system, within twenty-four hours.

The mountains are the basis of Swiss security and of Swiss prosperity. Hundreds of thousands of foreigners each year go to see, ski down or climb up them and for their trouble pay the Swiss 40 per cent of their balance of imports from the outside world. The grassy slopes feed some of the finest cattle in the world, and the cattle yield rich raw material for some of the finest cheeses. The torrents that pour down the mountains have been harnessed to a large industry.

Perhaps the outstanding resource with which the mountains have indirectly provided the country is capital. Low taxes, due to having no large standing army and no navy, and an economic stability unshaken by wars, have attracted masses of foreign currency into the country for safe-keeping and investment. Banking is probably the most profitable of the nation's industries.

Swiss prosperity has had its less happy consequences. It has

bred a people conservative to the point of being on occasion downright reactionary. Swiss democratic institutions are justly celebrated—but they allow only 28 per cent of the people the right to vote. Switzerland is the only democratic country left in Europe in which women lack the suffrage. The reason is they have not tried to get it. As Professor Rappard writes, the women's suffrage movements of the world have all begun in the factories, where women begin to see the need for rights, and in the salons where women talk and think about them, but not in the kitchen. Since the bulk of Swiss families are petty bourgeois, Swiss women live in the kitchen. In defence of themselves the Swiss say that if fewer people vote, they make up for it by voting four times as often as people in other countries. The system of popular initiative and referendum keeps most of Switzerland at the polls on a good number of its Sundays every year.

It typifies the attitude of many Swiss that the country's leading newspaper, the *Neue Zürcher Zeitung*, was so incensed at the Russian Revolution that it refused to recognize that it had taken place. For twenty-five years its editors sedulously edited all news agency dispatches from Russia to make Leningrad read *St. Petersburg*, Kalinin *Tver*, and so on. The practice ended at last in 1943: the editors could not bring themselves to call *Tsaritsyn* anything but—Stalingrad.

The Swiss government, dominated by the outdated belief that government is best when it governs least, has frequently failed to give its people leadership. Only very recently did Switzerland become the last modern country to institute a partially adequate social insurance scheme. It has done little in the field of health education, and in a country famous for its resorts and cures for wealthy foreigners the rate of native tuberculosis is higher than in other Western nations.

It deserves to be said that the main obstacle to progress has been the ultra-conservative French-speaking cantons (by a powerful states' rights system the canton, of which there are twenty-five, is still perhaps the articulate sovereignty in Switzerland; the official name of the country is the Helvetic Confederation). The division of sentiments in World War II brought out

the differences in tone clearly. Whereas in World War I Swiss sentiments were divided according to race (the German 70 per cent favouring the Reich and the French 20 per cent and the Italian 6 per cent favouring the Allies), in World War II the division was ideological: the French cantons tended ever so slightly away from neutrality towards Vichy France, and the Italian Swiss continued to read as their first paper Mussolini's *Corriere della Sera*. But the German cantons were rabidly, even dangerously, anti-Axis and one could not give away a copy of the *Frankfurter Zeitung* there. In a celebrated editorial that very nearly cost it its right to publish, the Zürich newspaper *Volksrecht* cried out in the middle of the war, 'Away with this eunuchery called spiritual neutrality. . . . We are democrats.'

Switzerland's industry was of great benefit to the Nazis during the war, but it is very hard to cast stones. The country was totally surrounded and could easily have been starved into submission, had the Nazis dared. For the price of industrial deliveries the Swiss were able stubbornly to resist even the mildest infringement of their military and political sovereignty. In the early years of the war the Nazis complained furiously that when a German plane accidentally nosed over the border, sharp-eyed Swiss anti-aircraft gunners knocked its propeller off before the rest of it got across; but when an Allied bomber ranged over the country, somehow they could not hit it. (Later, when this became too regular a practice by Allied planes seeking their bearings by Swiss towns, the Swiss had to knock down a couple to appease the Germans.)

It was not generosity that induced the Nazis not to attack the country. The best routes for supplying the south of Hitler's European fortress were through the Swiss tunnels. Any German attack would have resulted in their being blown up by the Swiss and closed for probably three or four years. The Swiss had also prepared for invasion by creating a hard core of defence, a 'national redoubt' in the Alps, bristling with pill-boxes dug in the solid mountain and nearly impregnable. Nazi divisions might have bled on these barbs for years without opening the country to their use.

Switzerland came out of the war not merely intact but with her

industries built up on German war orders. She had wads of foreign currency from having handled the diplomatic interests of the various enemies in their opposing capitals, and increased her dollar supply by playing host to Allied occupation troops on mass leaves in Switzerland from Germany. With defeat impending, Germans had poured shares of rich German industries into Switzerland, some of which the Swiss confiscated to pay themselves for unrequited deliveries to Germany, some of which were probably sold to Swiss by Germans to get currency. Despite Allied pleading and threatening the Swiss have yielded only 1 per cent of the large German assets deposited in Swiss banks.

In Switzerland, alone among the nations in Europe, it is possible to report no serious change brought about in the post-war period. By a much-debated referendum the federal government has won a little more economic authority over the cantons. At present Switzerland is presided over by its first Socialist President, but since his job is largely that of an official host, it means no change in politics. A modest federal old-age insurance scheme has finally been forced through the jealous cantons since the war. Although Communism made some progress during the war while it was illegal—in city elections in Geneva, voters wrote in the name of the illegal Communist party and gave it more votes than the legal parties—Russian antics and Switzerland's amazing prosperity since the war have made Communism a feeble force indeed.

Switzerland's only serious problem is the rest of Europe. As in the case of Belgium, Europe's demand for Swiss goods is great, but it cannot pay for them. This has made Switzerland one of the most enthusiastic supporters of and participants in the Marshall Plan to revive Europe. But, significantly, for a long time the Swiss government would not allow its Foreign Minister to attend Marshall Plan conferences—the government instead sent specially selected economic delegates to go and rub elbows with the foreign ministers of other countries at the talks. The reason, one newspaper commented, was religious: 57 per cent of the Swiss are Protestants, 41 per cent Catholics and the rest Jews and Agnostics; but the first religion of all is—Neutrality.

The cardinal fact about Eire is that it is a country that cannot forget the past. It carries the past about its neck like a millstone and therefore has difficulty in standing upright and seeing the present or the future.

It has been a hideous past, perhaps the blackest chapter in the history of Britain's rule of empire. In the year 1845 Ireland had six million inhabitants. Since then, while all the other nations of the world have multiplied, Ireland's population has fallen by half. From starvation, maltreatment and desperate emigration, Ireland's share of the population of the British Isles fell in a century from 31 per cent to 8 per cent; from 4 per cent of that of Europe to less than 1 per cent. A people does not easily forget experiences which produce such statistics.

The Irish fought bloody battles to win their independence. In 1921 the British yielded to force where they had refused to yield to reason—a bad lesson to give a people; the same that Mr. Bevin has since taught to Israel—and by the Government of Ireland Act made Eire a virtual dominion, autonomous under the formal sovereignty of the King. But of the thirty-two counties of Ireland, Eire contained only twenty-six. The northernmost six counties remained a part of the United Kingdom. The partition of Ireland is a living reminder of the past and keeps Eire politically nettled and cold towards England. Eire's solitary claim on the world is that Northern Ireland be unified with Eire.

What the sea is to Scandinavia and the mountains to Switzerland, the Tragic Experience is to Eire. There is, for example, the great Irish paradox that the Irish everywhere are good, forward-looking, leading citizens—except in Ireland, where backwardness is the dominant feature. Irish genius has contributed a disproportionate share of the world's great writers—Yeats, Shaw, Joyce, to name but three—but it would seem that a disproportionate number have had to leave Ireland to do their creation. A London *Times* correspondent beginning a survey of Eire wrote, 'A former [Irish] Minister who judges his Ireland shrewdly, when asked of what the average Irishman was thinking, replied promptly "Nothing." It proved to be scarcely an exaggeration.' Ireland's mentality is isolated from the present world by being buried in the past.

One causal factor is the intellectually oppressive influence of the Catholic Church and its effective censorship of what the Irish learn, read and think. Its nature and its power both derive from *The Experience*. In the long struggle against Britain it so happened that the religious issue (Britain was Protestant) matched perfectly with the national and class issues (the British were the landlords). The Church became both uncommonly powerful and uncommonly immoderate by leading a passionate three-sided struggle.

Another shackle on the Irish mind is the insistence of the government that archaic Gaelic be revived as the official national language. Gaelic is musical but impoverished as a language; but every pressure is applied to make it stick. Handsome money prizes are given annually to the best novel written in Gaelic. The results have been dreadfully poor. Secondary students who elect to write their examination papers in Gaelic are automatically given higher marks, regardless of the contents of their papers. Primary pupils are, against the protests of hundreds of teachers, compelled to learn and speak in Gaelic, and their minds are more successfully isolated by this than by water or barbed wire.

Partition, the reminder of *The Experience*, has swamped out every issue and thought. Social progress has been slight and Irish politicians have been too absorbed with the national grudge to give it much attention. As a result of low living standards and insecurity, Irishmen tend to marry late in life. The percentage of young men who marry under the age of 29 years is only 18 per cent in Eire compared to 53 per cent in Britain and 64 per cent in America.

Irish hatred for Britain is a curious phenomenon. The Irish like and get along well with the British as individuals. Ex-Premier De Valera paid a friendly visit to Prime Minister Attlee after the war. Outside the office of the British representative in Dublin queues of Irishmen form every morning in the working week to get permits to go and work in Britain where the Irish frankly admit conditions are better. But the Irish hate Britain as an idea, the current embodiment of the past enemy, and refuse to make their peace with her. The same Irish ex-Premier stumped England on a personal speaking 'campaign', pouring

fire on the English for keeping Ireland partitioned. As remarkable as that is the fact that the British let him do so.

Eire's attitude to Britain is unnatural and stunts her growth. Britain is Ireland's first natural partner and ally. In military trouble she could not defend herself, and Britain alone of all nations could. Before the war Britain took 90 per cent of all Ireland's exports and supplied 55 per cent of Irish imports. They are a natural unit, Ireland a great pasture without large urban markets or the basis for an efficient industry; and Britain a great factory without an adequate agricultural basis for feeding her people. But Eire not only shuns unity: in 1948 she voted to break off the last tenuous tie with Britain—the formality called the External Relations Act, whereby Irish diplomats carry credentials signed by the King. She has long since begun building her own inefficient infant industries at high cost, behind high tariff protection, resulting in unduly high prices for their produce. I hasten to add that not all Eire's infant industries have been of this nature; many have truly assisted the modernization and improvement of Eire's standards. Also, not all of them have been built from motives of economic nationalism; to some extent Britain was unable to deliver the more efficiently produced goods that Eire used to buy from her, and Eire was thrown back on her own initiative. But the dominant effect has been inefficiency, high prices and another tariff frontier to sharpen Europe's crisis.

Irish statesmen have long made it clear to Britain that only one thing could end their curious relationship: the end of partition and the inclusion in Eire of the six counties of Northern Ireland. The British, concerned about national defence, are adamant in their refusal. The Irish were hostile to Britain in World War I and cold to her in World War II. So vulnerable to invasion herself, it is dangerous for Britain to have a separate and not friendly nation at her rear, for the invasion of Eire would be a simple matter for a large power. The only assurance of security Britain has in her rear is the possession of the base of Northern Ireland capping the island.

It is next to impossible for a disinterested outsider to take sides in the thorny Irish partition question. The Southern Irish

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have at least two good points. First, the border cutting the island in two is intensely uneconomic and builds a wall against such worthy schemes as the Shannon River development project that would raise living standards both in North and South. Second, the nature of the Northern Irish government makes it nearly impossible to have normal relations. Though an integral part of Britain, Ulster has its own parliament, dominated by the Conservative Unionist party. Its officials sedulously gerrymander constituencies to assure the Unionists majorities, and their election tactics have been rowdy in the extreme. In the last Ulster elections, in 1949, an opposition candidate wore a steel helmet throughout his campaign—and needed it. The government still rules by a scandalous law introduced in the North Irish parliament as a temporary measure in 1922 permitting police to imprison without trial, deny access to prisoners, suppress newspapers and prohibit meetings of any kind.

On the other hand, the Ulstermen have at least two good reasons for favouring partition: they are mostly Protestants and dread to fall under the censorship and discriminatory treatment of Protestants in clergy-ridden Eire. And for all its faults, their government is considerably more progressive than that of Eire.

Though there is no early solution in sight to a problem that might end the distortion of Irish mentality, there have been signs since the war that Eire may be beginning to look forward. A new generation has come of age and there are indications it is a little bored by the passions of the past. In the 1948 elections in Eire, Mr. De Valera, who had been Prime Minister for fifteen years, lost his majority in the Dail, and it appears as though his loss was due to his failure to meet an increasingly articulate concern of the people—their social problems. His opponents made capital of the fact that the weekly old age pension in Eire is twelve shillings and sixpence, while it is twenty-six shillings in Northern Ireland. There was discontent at his neglect of housing. Decrepit tenements frequently collapse in Dublin, and during the election campaign one adjoining De Valera's campaign headquarters collapsed with a curious result: it bared a room stocked with election leaflets telling of the De Valera

government's fine progress in slum clearance and sent the leaflets flying into the streets.

It was also significant that the elections brought to power in De Valera's place a premier who is without an Irish war record. To Eire's incipient new mood the Marshall Plan came as a tonic. The participation in this international co-operative effort has knocked a sizable hole in her long spiritual isolationism. People seem to be beginning to get ready to forget. When they do, Eire can start growing up.

* * * * *

The only useful function of Portugal is to serve as a counter-exhibit to Scandinavia, Switzerland or Holland; an example of the depths to which a great nation can sink. Not so long ago, Portugal was one of the two greatest and liveliest imperial powers. The Pope allotted her half the New World, and proportionately to her role and energy in the world at the time, and thanks to the daring and vision of Portuguese seamen like Vasco da Gama, she deserved it. Portugal began declining soon thereafter and the decline has never stopped.

Portugal provides perhaps the clearest example of the tremendous formative influence Great Britain has had on the contours of Europe and an indication of the probable consequences were the British Empire to collapse. We have seen that Britain, by the continental policy necessary to her survival, has nourished the fortunes of—and in some cases largely created—small nations who in one way or another block the access to the sea of large powers. Little Denmark's great Atlantic empire (Greenland, the Faroes, and until recently Iceland and the Virgin Islands) has survived in British-ruled seas because the Motherland served as a stopper to the German-Russian Baltic. Belgium and Holland have enjoyed independence, empire and prosperity to a great extent because they served as coastal bastions against Germany and France. Greece has been preserved from disintegration as a Mediterranean obstacle against Austro-Hungary and Russia. In the heart of the continent Switzerland's creation served a similar purpose of guaranteeing the division of the continent.

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In hopeless decadence the remnants of the Portuguese empire, and possibly even the independent status of the Portuguese motherland, could never have survived these centuries without being, as she is called in England, 'Britain's oldest ally'—a barrier on the Atlantic coast against Spain or any power occupying Spain. One cannot avoid the view that with Britain's decline the day of the small nation in Europe is over. America, supplanting Britain on the seas and dominating the water-lines of Europe's empires, is applying its pressure for amalgamation, not division.

The remnant of Portugal's empire is enormous. It is the fifth empire in the world and enjoys the distinction of being the worst administered. But it provides Portugal with unearned fat to lubricate its downward course. Portugal's domestic resources are meagre and the people live mainly on selling sardines, wine and cork. Her people are about 50 per cent illiterate. The absence of progress is indicated by the fact that the Portuguese output of grain per acre is the lowest in Europe after that of Greece.

Portugal is caught in the toils of a medieval Church which considers the maintenance of ignorance and technical backwardness the prime condition for its continued power. In 1910, after 700 years, the small, rising bourgeois of the country finally overthrew a secondary shackle, the monarchy. But its successors in temporal power, the politicians, never got beyond the 'feudal age' of democracy—*i.e.* political parties did not have a programme or represent different conceptions of progress; they were purely personal cliques competing for a turn at the trough of public funds. Between 1910 and the establishment of a dictatorship, Portuguese politics were Latin-American in character: there were exactly two dozen *coups d'état* and Lisbon, the capital, was bombarded twice by the Portuguese navy as a means of changing governments.

In 1928, amid political and economic chaos, the President of Portugal, General Carmona, invited Dr. Oliveira Salazar, professor of economics at the University of Coimbra, to straighten out the economy as Minister of Finance. Dr. Salazar, a faithful servant of the Church, said he could not do it without having

emergency powers. Carmona granted them and Salazar became dictator of the country, which he still is to-day.

Dr. Salazar has been a unique dictator, shunning personal publicity and bombast. Before the war, however, he did institute in Portugal all the attributes of Mussolini's Fascism, with green-shirted bands marching and chanting 'Salazar' and the administration of economy by 'corporations' after the Italian prototype. As in other Fascist states the prisons were and are still jammed to overflowing. But where other dictators have been able to enjoy the support of privilege, nearly everyone in Portugal detests Salazar. Out of respect for the universal character of the opposition, Salazar has maintained three different classes of prison cells, depending on the rank and ability to pay of the political criminal.

During the war Salazar, some business men and a few lucky peasants did extremely well. The land was packed with rich refugees, diplomats and spies who unloaded a lot of useful foreign currency. The Nazis were out to buy wolfram and the Allies tried to out-bid them for it, sending prices sky-high. As there was a good deal of wolfram-bearing ore in the fields and in stones used for building walls, Portugal cashed in on the sudden demand.

As an indication of where Portugal's war-time wealth has gone, Lisbon possessed in 1939 only one fur shop, but by 1945 it had a dozen. At the end of the war, new luxurious villas sprang up like mushrooms along the coast, and smart new restaurants and night clubs opened in Lisbon. Apart from a few peasants who were able to ride the wolfram boom, few of the common people saw any of the money. In six months following the war wages rose 25 per cent and prices 80 per cent—more than a 50 per cent drop in real wages.

At the end of the war Salazar made a speech declaring, 'the flag of victory is blowing in a democratic breeze'. He spread his sails to catch some of its force. He declared an amnesty for political criminals, first class. He called for the first free elections since his assumption of power, reintroduced *habeas corpus*, ended censorship of the Press and invited the opposition, whose existence he had previously ignored, to express itself.

As an example of the popular mood the respectable newspaper *Republica* adopted the line of opposition to Salazar, and overnight its circulation rose from 8,000 to 130,000!

Then the catches began to appear. *Habeas corpus* was applied only to criminals of the first class, censorship was re-applied to the Press and opposition parties were informed that their political programmes would have to 'remain within the framework of the regime'. The most important catch was that Salazar insisted on retaining the electoral register used in his earlier elections. Since only one party had been allowed to participate in these elections, few people had taken the trouble to register. The opposition parties now demanded that the lists be brought up to date. Salazar refused. So the opposition, with its voters disfranchised, boycotted the elections. Salazar's men were elected and the dictator accounted for the very low poll by the fact that it rained on election day.

In the two years since the elections there have been three attempts to overthrow the Salazar government by violence. Exactly what happened in them is confused and few clarifying facts have been released by the police. Judging from partial reports of ensuing trials all were staged by the military and business upper-crust of Portuguese society. One of them is said to have been attempted with the consent of the aged President Carmona who appointed Salazar to his dictatorial position in the first place. All the revolts were doomed to defeat by the fundamental weakness of Portugal: the refusal of Portugal's rulers to allow the common people to have any part in any phase of national life, either revolt or reconstruction. Without the people there is little hope for a Portuguese renaissance.

CHAPTER XI

EUROPE'S DEAD-END KID

'The problem of Italy is the problem of poverty'.

—IVOR THOMAS

THE MOST important event in post-war Italy was the first general election held under the country's new democratic constitution, on 18 April 1948. In addition to being one of the five or six main events in the international Cold War, the election also changed the character of Italian domestic politics and illustrates the essential nature of Italian society.

Three months before the election many Western observers in Italy gave the Communist bloc an even chance of winning a 51 per cent majority. Industrial shares dropped on the North Italian stock markets while prices of jewellery in Rome rose steeply as investors were acquiring liquid assets. It became possible for the first time since the war to rent expensive apartments in Milan, while land values rose in South Italy: people with means were moving out of the 'Red' North to the South. The Italian foreign office told me that applications for passports to leave Italy multiplied in the third month before the election.

A fortnight before the elections the whole picture had changed. There was not much doubt in anyone's mind who was going to win—and it was not the Communists. The Communists admitted defeat in small but revealing gestures before the voting took place. Police began finding guns and hand grenades abandoned in dustbins and behind hedges; the left was 'unloading' in expectation of an anti-Communist victory and in fear of ensuing police raids. In the few days before the balloting, all the other parties erected gigantic scoreboards across the fronts of their headquarters to give the crowds a running account of results after election-day. But in Milan, where I covered the event, the headquarters of the Communist Party remained significantly bare.

The result, when the votes were in, was an exceedingly rare

one for Italian politics. With some 356 parties competing, a single party—the main anti-Communist party, the catholic Christian Democrats—won a stunning clear majority. Of 574 seats in the lower house of parliament, it won 307. Against its 53 per cent of the popular vote the pro-Communist bloc (called the Popular Front and comprising mainly the Communists and the left-wing Socialists led by Pietro Nenni) polled but 30 per cent.

Speculation on a Communist victory three months earlier had not been erroneous. A powerful left-wing tide had actually been arrested, then arduously thrown into reverse, by perhaps the most hectically fought political campaign that ever took place in Europe. The best measure of how radically the tide was turned was the result in several key working class constituencies. In the Milan industrial suburb of Sesto San Giovanni—called 'Little Stalingrad' for its solid pro-Communist vote in the past—the leftist ballot fell from close on 100 per cent to 55 per cent. The Catholic vote rose from almost nothing to 34 per cent. In the Fiat automobile factory district in Turin, hitherto pretty solidly leftist, the Catholics even won a majority with 15,000 votes to the left bloc's 11,000. Sicily, where a few months before the leftists had won a surprising victory in municipal elections, now turned solidly against them in the election of April 1948.

Italy had truly undergone a radical change of heart and mind in an amazingly short time. It was brought about by four singular factors which are germane to my ensuing analysis.

First, in the face of the Communist threat the centre and right of Italian politics—splintered into some 300 parties—achieved a unity which was probably rare even under Mussolini. They abandoned all efforts to push their various little platforms and tacitly adopted a common negative programme of anti-Communism. The non-Communists control around 82 per cent of Italy's press to the pro-Communists' 18 per cent. With that preponderance of word power united and concentrated for once on a single policy, they gradually pounded dents into the leftists' armour.

Second, Italy's big money re-entered politics on a grand

scale. Since the war wealthy Italians had to a great extent kept clear of politics. Tainted to a high degree by Fascism they had preferred to draw as little attention to themselves as possible. But as the possibility of a Communist victory loomed large they forgot their qualms and began to pour funds into the election chests of the anti-Communist parties. A survey made by the Italian bureaux of the United Press of America revealed that for every dollar spent by the leftist bloc on propaganda—press, posters, loudspeaker vans and so on—the anti-Communist parties spent seven dollars and a half. The Christian Democrats alone had four dollars to spend for every Communist-Socialist dollar.

Third, the Vatican climbed down from its non-partisan pedestal where the recently reconfirmed Lateran agreement required it to stay put. The Catholic Church owns the religious allegiance of 98 per cent of the Italian people. It now threw all this tremendous weight frankly behind one party—the Christian Democrats, led by the former Librarian of the Vatican, Alcide De Gasperi.

Cardinal Schuster of Milan opened the campaign a month before the election with a pastoral letter denying absolution to Catholics who voted Communist. Then, the Pope himself followed with a similar threat. After that, every parish priest reinforced these threats in every sermon. A widely publicized incident let the people know the Church meant what it said. When, shortly before the election, the Communist mayor of the village of Giuliano, one Francesco Frezza, died, the Bishop of Varese ordered that he be denied a Catholic burial, though Frezza was a devout Catholic and had never missed Sunday Mass in all his life. A mob attempted to carry Frezza's body into church by force, but the church was surrounded by a cordon of police who prevented it. The incident is said to have had a tremendous effect on the peasants of the region.

Perhaps as valuable as its exhortative services, was the Church's supply of an 'infantry' for the Christian Democrats' campaign. The Catholic party contains many able men, but most of its candidates are aloof and rather colourless—not the kind of men to campaign by the Italian equivalent of 'ringing doorbells'. The Church made good this weakness by sending the

Catholic Action organization into the campaign. The Catholic Action set up 'civic committees' in 18,000 parishes of Italy to get the vote out on the doorstep level. Its energy was amazing. After literally carrying on the campaign for the catholic party, on election day the young men and women of Catholic Action tugged every possible voter to the polls by bicycle, automobile, wheel-chair and in one case I saw, by wheel-barrow. When the election was over the leaders of Catholic Action claimed to be directly responsible for 40 per cent of the Christian Democrat vote, and they were probably right.

The fourth and most important factor in the turning of the tide was the frank, open entrance of America into the campaign. The opening salvo was the dramatic joint proposal of America, Britain and France to Russia that Trieste—the former Italian port in the Adriatic, made a 'free city' by the peace treaty with Italy—be returned to Italy. Italians of the left no less than the right have a powerful sentimental attachment to Trieste, and the Western gesture put the Communists and their Russian patrons on the spot: Russia could not agree without betraying her satellite, Yugoslavia, at a time when—we now know—Yugoslavia was already straining at the Russian harness.

After that event, not a day passed without the anti-Communist majority of the press having a new, effective American gesture to put in its headlines. President Truman made Italy a badly needed gift of twenty-nine merchant ships; gold looted from Italy by the Nazis was returned; the first Marshall Aid ships arrived and were unloaded amid ceremony and a speech by the American Ambassador; the State Department announced that Italians who were known to have voted Communist would be denied that dream of all Italians, emigration to America; the War Department announced that American naval contingents in the Mediterranean would be strengthened; American occupation troops in Trieste held their first full-dress military parade since the war, complete with tanks and big guns; American and British warships anchored off Italian ports during the campaign.

The official American campaign was supported by private American efforts of some importance. Italo-Americans organized the sending of ten million letters and cables to relatives and

acquaintances in Italy begging them to vote against the Communists. For an Italian peasant a telegram from anywhere is a wondrous thing; and a cable from the earthly paradise of America is not lightly to be disregarded. Frank Sinatra, Gary Cooper and a sky-full of other film stars recorded a series of radio programmes to win friends and influence votes in Italy. In an edition widely displayed and commented on in Italy shortly before the elections, *Time* magazine gave its indelicate shove to the electorate. 'Suppose the Italians vote Communist?' *Time* said, quoting a convenient but unidentified 'sagacious Frenchman'. 'Suppose they freely choose Communism? . . . The correct thing to do is to tell the Italians that they can choose almost any party they like, but not Communism. The U.S. should make it clear that it will use force, if necessary, to prevent Italy from going Communist.' This, *Time* commented, was 'sense-making talk'.

The Russians tried to respond with a few feeble gestures for a while—some Italian war prisoners were released; some newspaper was sent to Italy and offered to all parties for their campaign. But there was no way of resisting what amounted to a tidal wave.

There is evidence that the Russians found the show getting too rough for them and actually became apprehensive of what the American and British reaction to a Communist victory at the polls might be. (Russia's concern about conflict with the West was also expressed within a month of the Italian elections in one of the celebrated Cominform letters to Tito, accusing the Yugoslavs of trying to involve the Soviets with the Western powers when, 'it should have been known . . . that the U.S.S.R. after such a heavy war could not start a new one.') The indication was the timing of the Russian response to the three-power note on Trieste. The Russians could have answered the note immediately, since their answer had to be 'No', and thus given their Italian Communist clients a good three or four weeks to think up excuses. Or they could have waited a week longer than they did and the elections would have been over before they said 'No'. Instead they chose to publish their negative answer four days before the election. The act cut the last ground out

from under the Italian Communists. It was not the decisive blow of the election, but it was the *coup de grâce* to cut short the pain.

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The West won its victory in Italy, but at a very high price. It connived at a political campaign by the Holy See that was illegal, contravening both the newly re-negotiated Lateran agreement and Article 66 of the Italian electoral law forbidding the Church to mix in politics. The West intervened in Italian domestic politics in a way that cast legitimate doubt on the professed American policy of respecting the independence of other nations. It allied itself with social elements in Italy whose aims have nothing to do with democracy, and whose power has been enhanced by that alliance.

I am realistic enough to concede that the tactics and methods can be justified. Following the Communist *coup* in Czechoslovakia, the West could not disinterest itself in the fate of another democracy where Communists might win a majority and use it to stifle all other political parties. More important, the issue in terms of power-politics was too grave for indifference. Had the elections had the opposite result, war might have been inevitable. A Communist victory even by the ballot box would have been a shattering blow to world equilibrium, by carrying Russian influence into the centre of the Mediterranean and disintegrating the whole Anglo-American set-up in that strategic area. In our imperfect world it is sometimes worth paying a high price even in the coin of morality to stop up the greatest source of immorality of all—which is war.

But has the West now drawn the stunning lesson of the Italian elections? They suggest a very important hypothesis: suppose the access of both sides in the elections to funds and means of propaganda had been equal; suppose the world's most powerful Church and the world's wealthiest nation had obeyed the rules and remained aloof. In those conditions it is quite possible that the Italian people, without pressure and of their own free will, would have put the Communist bloc in power.

A few years ago Fascist Italy was a costly source of world disturbance and it took a bloody world war to change that. In 1948, Italy frightened the West by the possibility that she would go Communist, and it took some highly dubious political manœuvring to prevent it. There is clearly something rotten in the state of Italy. Democracy is in a very poor way when such methods are required to keep the people from voting for a dictatorship. What is the matter and what can be done about it? And, has the West proceeded to take remedial measures, or will it have to indulge in war or shady politics again next time to keep its new protégé on a democratic keel?

The answer to the question—What is the matter with Italy?—is straightforward, though there is no quick, easy solution. To put it simply, there are far too many Italians living on too little Italy.

Italy is only half the size of her neighbour, France, and much bonier; but she must feed some six million more mouths than France. More than half the gaunt peninsula is rock. That which is cultivable is a gorgeous optical illusion. It is lush and verdant with grain fields, olive groves and vineyards. But the feast is for the eye, not the stomach. The grain is of low quality and the wheat for the Italian staple, *pasta*, must be imported from abroad. Its quantity, too, is miserably low. Italy's *per capita* farm yield is lower than that of her backward Balkan neighbour, Yugoslavia. It is but one-third that of her advanced neighbour, France.

One reason for the low yield is that Italian farming technique is in places incredibly primitive. In some places in the South little progress in farming technique has been made since the Roman Republic. Wooden ploughs are still used; or ploughs made of a single short spike which never reaches the fertile layers of soil six inches below the surface; or frequently peasants have no plough at all and use hoes to turn over the soil.

But primitive technique is in fact only a consequence of the real trouble: there are too many people on the land. Nearly half Italy's big population is in agriculture, and this is much more than the limited soil can sustain. Though there are large estates, the average size of a holding in Italy is too small to feed a

family, much less to provide a surplus for the towns and cities. It has been estimated by experts that if half the people could be cleared off the land and a reasonable degree of mechanization carried out, Italy could produce a third more of its own food than it does. But no one dares persuade the people to leave the land; in fact, all efforts have been in the direction of keeping them there. For there is no place for them to go. There are no jobs for them elsewhere. There are simply too many Italians.

Industry is unable to absorb them. Italy possesses meagre raw materials and no mineral fuel. There is a macabre saying that Italy is self-sufficient only in hemp to hang men with and marble to make them tombstones. Considering the paucity of her resources, the country has done very well in building an industry. She has a well-developed hydro-electric industry, has domesticated the silk-worm as a means of getting raw material for a very fine textile industry, and has good chemical and automobile industries. But all these together cannot absorb her people. Even without the surplus population from the countryside there are at present over two million unemployed in industrial Italy, the largest figure in the Western world. If one added the partially employed peasants, the bureaucrats who sit in their offices only half a day and the *restaurateurs* clinging by a thread to their uneconomic businesses, it is said that there would be between five and ten million Italians too many.

Italy's basic shortage is jobs. Italians can somehow scrape by at the consumption end; it is the scarcity at the production end of her economy that is distressing Italy. The need for work pervades the country like the atmosphere. More in hope than in fact, her new democratic constitution begins by calling the new state a 'Republic of Work'. In other countries workers protest by stopping work. Italy has been plagued by strikes *to* work. As a gesture of protest, farm-labourers have banded together, invaded farms and gone to work at harvest time without permission and without the owner being able to pay them. In the spring of 1947, bands of peasants caused trouble by taking over fallow fields and ploughing them without permission as a symbolic gesture.

The predominant national scarcity affects rich and poor

indiscriminately. Because they can find nothing to do, sons of well-off families crowd Italy's universities beyond their capacity. Rome university in 1947 had 40,000 students, about four times the number it had facilities for. The situation is similar in other universities. Italy which could possibly use engineers has a locusts' plague of lawyers and people schooled in the liberal arts.

The hope of most graduates is to squeeze into the government service. It is far too bloated now and is among the worst paid and most incompetent in Europe. As a consequence administration is bad, taxes are not collected, funds are mis-spent. Although Italy has no colonies at present, she still has a Ministry of Colonies employing 1,300 persons. They have nothing to do, but it keeps them off the streets—for half the day anyway. As things are, incompetence in government, like backwardness in agriculture, has to be fostered rather than remedied; else there might be revolution.

The scarcity of jobs is the main source of monetary inflation in Italy. With little productive employment available men learn to live by their wits. The most obvious way is by becoming middle-men, inserting themselves into the distributive process and taking a toll on national wealth without contributing anything to national production. It is done on a big scale by gangs buying up automobiles and withholding them from the market to create a scarcity and raise prices; then unloading them at a good profit. It is done on a small scale by hundreds of thousands. Four or five boys will pool their resources, buy a few packages of cigarettes or bars of soap from American tourists, set up a counter on the *Via Veneto* and hawk their pitiful wares. The spectacle of four or five strong young men nursing these counters no bigger than tea-trays because they can find nothing useful to do illustrates Italy's problem in miniature. All of this, of course, sends prices up. In the year 1946, wholesale prices for goods as they left production centres rose 150 per cent. But retail prices of the same goods, by the time they reached the consumer, rose 1,500 per cent—ten times as much, to pay the toll of the middlemen. Once, in 1946, the Rome police made a drive to break the black market that was thus causing prices to soar. They gave it up when the black marketeers—thousands

of little people—marched to the city hall and humbly begged to be allowed to ply their trade—else, they said, hundreds of thousands would starve.

Even in the best of times, Italy has not been able to balance her foreign trade account and pay by her own resources for the raw materials and food she must import to keep alive. Now, with a larger population, it is more difficult than ever. Industries must keep their payrolls padded with supernumerary workers; their produce must pass through countless useless middlemen before it reaches the market; they must obtain a score of permits from a swollen, expensive bureaucracy. By the time this procedure is completed, prices for Italian goods are higher than those prevailing on the world market, and Italian industry is not competitive.

The social consequences of this dire struggle of man against man for jobs and survival inside Italy are obvious. It induces the privileged to hold on blindly to every advantage they possess in the struggle; to the point, if necessary, of supporting right-wing dictatorship to guard it for them. In desperation it drives the poor to the other extreme—towards Communism and confiscation. The slack necessary for social compromise, which is the first requisite for democracy, does not exist. That it is precisely the Italian people of all Europeans who must be caught in this impossible situation is doubly unfortunate. I know of no people in Europe who so painfully *want* to be democratic. They have had their dictatorship, and it is my firm impression that from right to left the whole people are deathly sick of it. Unlike the French, the Italian people are not demoralized; the speed with which they rebuilt their much more damaged country after the war, largely with their bare hands, is adequate evidence. But circumstance is against them. If something drastic is not done about this crucial problem, Italian democracy will enjoy a short life before yielding again to dictatorship.

What can be done? In the short run, the only thing is emigration. If the outside world were willing to take, say, five million Italians—not just skilled workers who are the capital of the country, but whole families—the Italian standard of living would rise very much within a year after the pressure were thus

relieved. There have been a few opportunities to emigrate since the war. Switzerland and France have taken several hundred thousand. But they insist on taking only the able-bodied, leaving the elderly in Italy. Argentina has taken large groups, but the treatment meted out to them on their arrival in Argentina has been such as to discourage others from going.

The projected customs union now being negotiated between Italy and France promises some relief. If the two countries can be welded into an economic unit as planned, with free movement of labour between them, Italy's excess could be considerably relieved to fill France's deficit of labour.

But emigration and customs union with France are stop-gap remedies. If the world took away five million Italians, in ten years the number would be replenished and the same pressure would recur. If the basic problem of Italy is to find a permanent solution, some very drastic changes will have to be made inside Italy. To suggest what they may be will require a short analysis of a peculiarity of the Italian nation.

Italy is in fact two different countries and two different peoples. The two countries of Italy have been too long separated, gone their vastly different ways and been subjected to sharply contrasting formative influences. North Italy is a progressive modern European country. But South Italy, like Spain and Greece, is a backward country which has always been outside of and been unaffected by the mainstream of European development.

There is a tendency to overlook how little North Italy belongs to the Mediterranean and how completely it is a part of the heart of Europe with France and Germany. The city of Florence with half the peninsula below and half above it, is on a latitude with Marseilles. Italy's northernmost towns are more northerly than Geneva. Her great northern cities, Milan, Turin, Venice, are on a level with Bordeaux. From the latitude of the central Italian city of Florence there are only three railways linking North Italy with South Italy. But there are ten railways linking North Italy with the rest of Europe.

In an important sense North Italy is not only *a* European nation; it is *the* European nation. The Renaissance which marked

the beginning of European civilization proper began in the city-states of North Italy. The revival of commerce which laid the basis for the beginning of European civilization began in that same epicentre and spread from there over the continent. In an important sense it was North Italy that gave birth to our dominant, European, civilization of to-day. While all this was in progress, South Italy languished in decay with the rest of Mediterranean civilization from the end of the Roman Empire onwards. It was ruled until last century by the worst possible tutors, the decadent Spanish Bourbons, by methods Gladstone called 'the negation of God erected into a system of government'. The two Italys have very naturally yielded very different types of human produce; from North Italy, America got its name—from the Florentine explorer, Amerigo Vespucci—and its discovery by the Genoese sailor, Columbus. From South Italy, America got Capone and Luciano. (These contrasts should not be carried too far. One Fiorello LaGuardia was also of South Italian derivation, and America could do with many, many more like him.)

North Italy creates all Italy's wealth. South Italy parasitically consumes it. North Italy is a land of excellent and very efficient industry. Its farms are modern and very productive indeed. South Italy is a land of inefficient feudal plantations, dominated by landlords whose tenures date from the Middle Ages, and peopled by a largely ignorant peasantry. It is said that when you travel by railway from Naples the long distance to the toe of the Italian boot, you pass through the lands of only five families. The difference in outlook between the two Italys was never so clearly attested as in the referendum of June, 1946, on whether or not to keep the monarchy which had licked Mussolini's boots for twenty-five years. South Italy yielded a two million majority for keeping the discredited institution. North Italy yielded a four million majority for abolishing it.

It is clear where Italy's problem of overpopulation originates. The average size of a family in all Italy is four persons. But south of Rome, among the oppressed peasantry of the South, the average size of the family is seven. To realize what is wrong with Italy, imagine that America joined in an equal national

union with China. It would not be long before feudal, impoverished China with its tremendous birth-rate dragged America down to pauperdom with her. That is roughly what has happened in the union of the two Italys.

Italy's drawback, then, is the South; the remedy is to turn the South into a modern country. First and above all, the land must be reformed, the great estates confiscated and divided among the landless. At any cost, farming must be rationalized. The farm yield would then increase, life would become richer. Education and a better life, giving peasants other diversions than procreation, should reduce the birthrate. Industry must be better distributed from its Northern point of high concentration over the whole peninsula, especially to the South. Tied with the short-run policy of emigration, the long-run policy of lifting the South out of the Middle Ages would do much to solve Italy's problem.

Unfortunately there is a grave social obstacle. The magnates of the South are the most blindly resistant elements in Italy to the changes and reforms that this policy would require. And due to an unfortunate circumstance it is they who dominate the governmental structure of Italy. The circumstance is inherent in the nature of the two Italys: when the son of a Northern merchant comes of age, he seeks employment in some productive business. When the son of a Southern landowner comes of age, there are no respectable businesses for him to enter, and farming is already overcrowded. So he goes to Rome and pulls strings to get into government service. The Italian civil service is thus shot through with and run by the Southerners who carry their feudal resistance to change into their executive functions.

A progressive government bent on reforms would have a highly non-cooperative civil administration to carry them out. But it is very difficult to get a progressive government elected in the first place. North Italy has its normal quota of conservatives. The South has an abnormal quota of them with a powerful popular support among the ignorant, superstitious and easily intimidated peasantry. Together, the rightists of the two Italys can outweigh the progressives, who are confined largely to North Italy; and in fact almost always do. They have done so steadily

since the war, and by denying reforms are eating away at the only basis on which democracy can in the long run be firmly established. We turn now from this analysis of Italian society to what has actually happened in Italy since the war.

* * * * *

Italy was closer to exhaustion than she had appeared to tourists when Mussolini carried her into Hitler's war in 1940. The conquest of Ethiopia had been a heavy drain on her resources and morale. The Spanish civil war, having dragged on far longer than Mussolini had anticipated, added its strain on the nation. The bloated artificial economy, too long on a war footing, and a series of wars in which the people felt no real interest, had left them weary and spiritless. The Italian soldier developed surrender to a fine art. The army won no battles, not even small ones, to stir its spirit. Greece, a third Italy's size and wealth, not only contained Mussolini's attack on her, but shoved the Italians far back into Albania by the time Germany intervened to save the Italian Army. The fact is, the Italian people made poor Fascists from the outset. Given a chance to fight for democracy, they were soon to show how ill-founded was their war-time reputation for being poor fighters.

The end was provoked, logically, by the Northern industrial workers. In March 1943 they defied the Italian police and the German Gestapo, whom Mussolini had invited into the North, and paralysed industry with strikes. The King decided Mussolini could no longer control the country. On 25 April 1943, he summoned the Duce and dismissed him. As Mussolini left the royal presence a group of army officers arrested him. The King appointed Marshal Badoglio, a trustworthy member of the old guard, to become Prime Minister, and Badoglio chose a cabinet containing a good number of Fascists from Mussolini's cabinet, but no representative of the six underground democratic parties of the North, led by the Christian Democrats, the Socialists and the Communists.

The purpose of this *coup* was not to make changes in Italy. It was specifically aimed to forestall them in the face of the

menacing attitude of the underground parties. Badoglio's first move was to send troops north to be prepared against any possible uprising. He forbade the formation of political parties—in effect banning the six already formed and functioning. Badoglio was in fact a trustee of the old order in a period when it was endangered. The Allied command signed an armistice with him, and with Allied support he was able to rule for nine crucial months. The Monarchy was allowed to retain power for three years. As in Germany and France, a rare opportunity was missed.

The manner in which Italy was liberated exacerbated her basic problem, but it was unfortunately unavoidable. The Allies invaded the peninsula, but their offensive stagnated north of Rome. For nearly two years the two nations of Italy, already so diverse, were divided and underwent radically different development.

The South was occupied by the Allies and ruled by Badoglio's static old guard. Nothing essential was changed. Public opinion eventually forced a change of personnel in Badoglio's cabinet; but until the end of his rule he was allowed to retain four members of the old Mussolini government.

It was a second misfortune that the Allied military governors came to know Italy by the South. They soon reached the conclusion that Italians were ignorant, lazy and irresponsible and that they should not be allowed to govern themselves. When after two years Allied Military Government moved into the liberated North, it carried this conception with it and blocked any initiative by the democratic parties.

The North, meanwhile, had a rebirth of spirit. The Germans invaded and occupied it. They rescued Mussolini from his mountain prison and propped up his wrung-out, sallow form as a figure-head of an 'Italian Social Republic' in the North. But Nazis and Mussolini together could get no support from the North Italian people. So they resorted to taking outright desperadoes from prisons to form cadres for their neo-Fascist police and army.

Almost the entire population of North Italy went into resistance—bankers and workers, priests and peasants, in perhaps

the most nearly unanimous effort Italians have ever made. The world heard far too little about their deeds. They worked off twenty-five years of servitude in fourteen months. In Switzerland, where I was staying at the time, I was in close contact with their emissaries, and it is my firm opinion that the Italians created the best and bravest partisan movement in all Western Europe. Elizabeth Wiskemann, who worked with the undergrounds of both France and Italy, wrote in her book, *Italy*¹, that there was certainly less collaboration with the Nazis in Italy than in France at that time. *The Economist* said of the activity of the North Italian Resistance, 'It was one of the greatest feats ever achieved by a people in arms.'

The partisans put themselves in position to paralyse the Germans at almost any point at almost any time they chose. When the Allies began their northwards offensive against the German 'Gothic Line', the partisans started shooting. On 25 April 1945, they seized Milan, the biggest Northern city, from the Germans, and proceeded to wrest away most of the other cities without outside aid. It was solely due to their action that most industries were captured and held intact through the last destructive phase of the Italian war.

When the Allies arrived there was order and a new Italy awaiting them. Local committees of liberation, representing the six democratic parties, had constituted local governments. They had already purged some 30 per cent of the managerial staffs of industry. The factories were operating to the limit of their resources under the management of workers' committees.

The Allied military governors, however, had other ideas. By threatening to stop deliveries of coal and thus to stop economic life dead, they induced the workers' committees to give up management to those—many of whom had been justly purged—who knew how to manage industry. Civil authority was then 'shared' with the committees of liberation in such manner as to leave the committees no initiative. They had to obtain Allied consent for every act, and in the delays and conflicting orders that resulted from fuzzily divided authority, the committees' part in administration became chaotic. The process of

¹ Elisabeth Wiskemann: *Italy* (Oxford University Press, 1947)

discrediting them was thus begun. Appointments to posts of administrative authority rested, of course, with the Allies, and they showed a consistent distrust of the democratic parties and a consistent preference for appointing people who had always held authority. In local government, consequently, the Liberation committees soon became ineffectual.

The fate of the central government was just as unfortunate. The Badoglio cabinet was finally dismissed. But the demands of the Northern resistance groups for dominance in the new government were not heeded. The British chose instead to make the Southern Italian, Bonomi, Premier in place of Badoglio. Behind the scenes the British repeatedly threw their weight into the scales to keep control with the Monarchy and the South. On one striking occasion they came unashamedly into the open and publicly vetoed the choice of Count Carlo Sforza as Foreign Minister, a choice made unanimously by the six democratic parties. Count Sforza was a forthright Republican, firmly opposed to the retention of the Monarchy.

Constant British pressure gradually changed the content of the democratic parties. (At this time America was playing a secondary role in European politics and was not to be stirred until the winter crisis in Britain forced her to become more active). It became apparent to the parties that power was being surrendered to them by the Allies only very slowly and only as the conservative wings of their leadership gained the ascendance. So, to appease the occupying powers and to end as soon as possible the chaotic division of authority and get life functioning in Italy, the parties began to hasten the shift to the right. This process went on until, by the day the Allies gave full power to the Italians, the dominant party—the Christian Democrats—had been transformed from a leftish party on good terms with Communists and Socialists, into a very conservative party which had little common ground with the left. Although the three parties tried, as in France, to govern as a coalition, their real unity had been destroyed by the occupation policy of Britain, and harmonious government was to become impossible.

The purge of Fascists was sabotaged early by the officials Badoglio was able to retain in power. Flagrant war criminals

like General Roatta, who had executed thousands as Italian occupation commander in Yugoslavia, somehow 'escaped' from prison. Lesser Fascists threw away their party buttons, declared for the Allies and were retained in their positions.

The economic situation deteriorated rapidly. With no more German coal coming in, and the Allies able to deliver only 50,000 tons a month instead of the estimated 1,000,000 tons necessary for Italian industry, factories barely ran. Grain was short everywhere and for some time bread was sold by the slice. The inept bureaucracy was unable to enforce rationing and controls, and shops blossomed with luxuries for those who could pay for them. Returning prisoners of war became disillusioned at the injustice and withdrew to the mountains to form robber gangs. As late as the summer of 1947, Allied troops were required to carry arms while travelling in certain parts of Italy and were ordered not to travel at all by night.

On this poor foundation the new Italy roughly followed the pattern of France in its political development. The first elections, on 2 June 1946, brought to power the Catholic Christian Democrats, the Socialists and the Communists. As in France, the three formed a coalition, led by De Gasperi of the Catholic party.

As in France, the winter of 1946-7 brought an economic crisis. Since Italy was quite unable to pay her way when UNRRA deliveries ended in February 1947, De Gasperi went to America to ask for a loan. After his return he summarily dissolved his coalition cabinet and re-formed it, leaving out the left parties, as was done in France in the same month, May 1947. The consequence was the same: the Communists launched an offensive of strikes.

The discontent amongst the masses was far more intense in Italy than it was in France and thus there was a far more fertile field open to the Italian Communists than to the French. The Italian offensive had tremendous success. Shortly after the ejection of the Communists from the cabinet the big General Confederation of Italian Labour held elections of officers. The bloc of Communists and left-wing Socialists won fifty-eight of the seventy-five positions and clear dominance over organized labour. Italy's parlous economic situation, with close to three

million unemployed, swelled the Communist ranks and made the Italian party the largest Communist Party outside Moscow, larger than the gigantic Chinese Communist Party.

In the winter of 1947-8, with powerful backing all over the industrial areas, the pro-Communists began proselytizing the peasantry, and their success continued. In North Italy they were able to bring out on strike over a million farm labourers under Communist leadership. Most important of all, they seemed at last to have made effective contacts with the wretched peasantry of South Italy. In local elections in Sicily the leftist bloc won a majority for the first time in history. Thus, early in 1948, there grew the widespread expectation that the Communists and left-wing Socialists might win a clear majority in the general election of April 1948.

The April election, already described, has now set in motion a social process like that we have seen in France—a polarization of voters around extremes. The nature of the Catholic party was altered by the electoral campaign. Once a mildly left-centre party, it has been completely 'captured' by the Catholic Action and by Italian Big Money. A typical case in point is that of Count Stefano Jacini of Milan, one of Italy's biggest landowners and president of one of its largest banks. Count Jacini told me that his sympathies were not entirely with the Christian Democrats—a republican party. He himself, he said, belonged to the right and was a monarchist. But with the Communist threat at the election he buried his differences and worked wholeheartedly with the Christian Democrats. Count Jacini is now a leading figure in the counsels of the party in Milan. While the Christian Democrats remain committed, for example, to land reform, it is very unlikely that men like Count Jacini, who have become stronger in the party since the elections, will not throw their weight against any effective reform. The Christian Democrats, in a word, have been 'taken over' by the far right.

At the other end of the scale, it is a remarkable fact that while the pro-Communist bloc lost votes in the elections, the Communists themselves actually gained seats in Parliament. The big losers were, as in France, the centre parties and the left-wing Socialists.

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At the present time Italy is governed by a coalition of Catholics, right-wing Socialists and Republicans, led by Signor De Gasperi, the Catholic party chief. The policy of the government has moved pretty far away from its former middle course. Apparently anxious to please both America and their own new conservative leaders, the Christian Democrats have abolished many controls and some rationing mechanisms, or allowed them to become inoperative, and gone all out for free enterprise. The result has been that people with money can find plenty to buy, but people without money have suffered badly. Handsome new villas have sprung up all over Italy for people with means, but the government has done little to house the hundreds of thousands of Rome and Naples who live in caves or in some of the worst slums in Europe. When, early in 1949, the government began to discuss the possibility of undertaking a land reform, the conservatives won unexpected support from a welcome source. The American ERP chief in Rome, James D. Zellerbach, a former vice-president of the National Association of Manufacturers, pronounced himself opposed to the reform for fear it would reduce agricultural efficiency.

Italy's economic situation remains very critical. It is one of the few countries in the Marshall Plan that have not yet been able to reach pre-war levels of production. While it is officially estimated that to pay her way on the pre-war level of imports Italy will now have to produce 40 per cent more than pre-war, Italian production in fact has remained for over a year at around 20 per cent below pre-war. This failure has been due partly to Communist-fomented strikes. In 1948, Italian industry lost \$10 million worth of production through strikes. Partly it is due to the refusal of investors to lend their funds to industry. Investment has reached only 70 per cent of pre-war; people of means prefer to put their money where it will do them more private good—for example, in Switzerland. If America nourishes any illusions that Italy will be independent of aid by the end of the Marshall Plan, she had best begin disabusing herself of that notion right now. Unreformed Italy will be an object of charity for many, many years to come.

Meanwhile, with complete impunity, Fascism grows in the

open. The neo-Fascist party, called the 'Italian Social Movement' after Mussolini's 'Italian Social Republic', organizes marches in the streets and unblushingly sings Fascist hymns. While I was in Rome in 1948 its ranks invaded the Jewish quarter of Rome, presumably to do a little beating up. The Jews gathered to meet them and dealt them a sound licking. Late in 1948 one of the neo-Fascist leaders introduced a motion in the Italian parliament to put on trial for treason all Italians who co-operated with the Allies in the war. The motion was voted down, but the fact that such proposals may now be made in public is an indication of how thoroughly dead is the spirit of the Resistance.

The answer to the key question put earlier in this chapter must unfortunately be that the West has done little to remedy the basic sources of weakness in Italian democracy. There has been one happy sign of a change in American sentiments: Mr. Zellerbach was widely criticized in America for crudely intervening in the land reform question in Italy and in a statement since has changed his tone. In the spring of 1949, the De Gasperi government even introduced a tentative plan for a modicum of reform (a painfully inadequate plan designed, it seems on present information, to affect efficient Northern farms more than the gigantic uneconomic Southern plantations; and promising to re-distribute only some three million of the twelve million acres held in giant estates). But one swallow doesn't make a spring, and a good deal more liberal pressure is going to be needed to make Christians and democrats out of the Christian Democrats and their Big Business backers, both American and Italian.

Unless a more constructive lead is given Italy the nation's future seems dismally certain. Although the trend may be interrupted by extraordinary pressures like those in the election in 1948, or by the general demoralization that since seems to have overcome Italian labour, the inevitable drift of the poor in Italy will continue to be towards Communism and a policy of confiscation. Though they will hesitate, so long as it embarrasses the democratic American bread-giver, the inevitable drift of Italian privilege continues to be towards Fascism. I do not believe that either side actively *desires* a dictatorship of any kind; but

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the stresses of Italian society are such that it is forced to gravitate towards dictatorship. In these circumstances, if American aid ever ceases, the chances of Democracy in an unreformed Italy are somewhat less than those of the proverbial snowball.

CHAPTER XII
GREEK TRAGEDY

' . . . They were at last overthrown not by their enemies, but by themselves and their own internal dissensions.' —THUCYDIDES

SINCE THE centre of civilization shifted to the Atlantic, the Mediterranean has declined into a museum of corruption and misery. It is difficult to say which Mediterranean country is most corrupt, for the competition is sharp; but there is no doubt that the most miserable country in that lovely but impoverished basin is Greece. Greece has too many friends. For almost a decade now the little land has been incessantly raked with uncompromising, indecisive warfare between friends saving her from each other. In 1940, the Italians invaded Greece to save her from a corrupt dictatorship. The British landed to save her from the Italians. The Germans invaded to save her from the English; Greece was the only conquest which Hitler made amid protestations of undying friendship and respect for the victim. Since the war this little country has received more dollars worth of foreign aid per head than any other country on earth. And with every friendly dollar her misery has deepened.

Greece has only one claim to all this attention: the accident of her geographic location. She is the stopper in the downturned bottle of the Balkans by which the West prevents Communism from flooding into the eastern Mediterranean and so dissolving the West's strategic bases and rich investments in the Near East. America is in Greece for her own political motives, and Russia is trying to get in for the same reason. No one is protecting Greek democracy, for it does not exist. 'Democracy' in Greece is a paper façade, and beyond a quarter mile radius of the hotel districts of Athens and Salonica, where the foreigners live, not even the façade exists. No one is seeking to preserve Greek independence, for there is no such thing. Greece is by her nature a dependent country, and the only issue the powers are concerned about is on which of them she shall be dependent.

Let us forget Greece's strategic location for a few minutes and try to assess her problem on its merits. Let us assume that she is an appendage of South America or of West Africa, far from the cross-currents of power politics (incidentally, we should certainly find her receiving not a penny of foreign aid; and in so far as the Western press took any notice of her at all, it would probably be only to condemn her impossible rulers). If France combines all the natural advantages of the other European countries, Greece has inherited the disadvantages of all in double measure. She is a poorer South Italy without North Italy to draw on; a poorer Portugal without the fat of empire.

When you fly into Greece her simple problem stares up at you like a bloodless corpse. Centuries of deforestation have left the country a mountainous desert of bald rock, eroded gravel slopes and bone-dry sandy valleys. For miles and miles you see nothing growing except occasionally, where a narrow valley encloses a thin layer of soil, a few scrubby patches of maize or wheat. But the maize is stunted and seldom reaches your shoulder, and the wheat is thin and mangy.

Eighty per cent of Greece is barren rock. Only 15 per cent of her tiny surface is economically arable. On that small patch seven million Greeks must be supported. About four million Greeks are directly engaged in agriculture—far too large a farming population for so small an area. The amount of farmland per head of farm population is less than one and one-half acres. The over-population of agriculture is greater than in Italy, and the resources of the country provide a still thinner basis for creating an industry to attract labour away from the overcrowded soil. While Italy has at least a good hydro-electric industry, Greece has not. Her rains come all at once in one great gush in the winter and flood the valleys for a few weeks; then for the rest of the year the stream beds are bone-dry. Her water resources thus do not justify investment in hydro-electric machinery. Greek investment in machinery is sixty American cents a head—nearly the lowest in Europe.

Before the war Greece lived precariously by her big merchant

marine carrying other nations' goods, and by exports of her main agricultural produce: tobacco, olives, currants. But the war destroyed three-quarters of her merchant marine. And her main agricultural products are unfortunately luxuries, the first things countries do without in a pinch. Germany, which used to take half her tobacco crop, has almost ceased to exist as a market. Greece is the only country of which it can literally be said that millions would starve if foreign aid were stopped. There is absolutely no chance that Greece will be able to support herself by the end of the Marshall Plan.

The situation leads to the same political and social consequences as in Italy but in an infinitely more aggravated degree. Continuous soil erosion forces swarms of people into the towns where there is nothing for them to do. A year after the war the Greek Federation of Labour announced that half its membership was unemployed. Parasitic middle-men take a greater toll on the national economy and add their pressure to inflation. At the end of the war the Greek currency unit, the drachma, was valued at 149 to the dollar. A year later it was 5,000 to the dollar.

The struggle for survival gives politics the same character as in Portugal. Political parties are not concerned with programmes or with national welfare. They are private cliques whose only aim is to come to power as a means of rewarding their followers with jobs and contracts. Every new government brings a new influx of bureaucrats into government service. There are at present 180,000 of them. A British survey of governmental needs estimates that 45,000, one-fourth the actual number, would be more than enough.

This swarm has a vested interest in backwardness. To give them employment a medieval system of internal customs barriers criss-crosses the Greek provinces and towns. A business man told me that to transport a cargo of gypsum from one part of Greece to another he had to pay provincial customs ten times, and the total tax amounted to 100 per cent of the value of his cargo.

Salaries of the civil servants are inevitably low and corruption is rampant. Bribery prevents collection of taxes from the rich,

so 80 per cent of the government's income derives from indirect taxes on goods¹, which fall on the consuming poor.

Bad government is the rule in Greece, but the governments which have succeeded one another since the war have shown exceptional talent at misrule. There have been no effective import or export controls, and the wealthy Greeks have sedulously shipped Greece's substance out of the country for their own benefit. One government allowed free sale of Greece's gold reserves to private Greek buyers. The aim was to show the people that money had a gold value and so give them confidence in Greek money. The result was that wealthy Greeks bought up the gold at a rate of 500,000 gold sovereigns a month and shipped it out of Greece for safekeeping. The coffers of Cairo were enriched by some ten million Greek gold sovereigns, drained from Greece. UNRRA reckoned that more wealth was leaving the country at the time than UNRRA was bringing in to save the Greek people from starvation.

The Greek government's administration of UNRRA goods was nothing short of criminal. The bulk of the proceeds went into the pockets of private black market profiteers who were allowed to distribute the goods. When the American aid team arrived in Greece in the summer of 1947 it found tons of good American textiles, sent to Greece as a gift, rotting in warehouses, while the Greek people were in rags. The government had refused to distribute the cloth for fear it would bring down prices of domestic Greek textiles. While American UNRRA food-stuffs went via the black market to the rich restaurants and mansions, UNRRA estimated that 75 per cent of all Greek children were suffering from malnutrition. UNRRA could do nothing except complain, for as an Ally the Greek government had full rights of distribution.

Into the misgoverned, overflowing reservoir of Greek humanity struggling against one another for the means of sheer subsistence, there pours every year a fresh supply of 40,000 more human beings. The country is fit to burst with misrule and overpopulation. And that, in fact, is exactly what is happening.

¹ The proportion in Britain, for comparison, is 17 per cent indirect taxes.

The Western powers have the decided material advantage in the struggle for Greece. But they have allowed themselves to be manœuvred into a position of tremendous moral disadvantage by the Communists. How this has happened is the story of war-time and post-war Greece.

In the backward world of Eastern Europe the common man has been left out of national life too long. He is over-ripe for his share of participation in the running and the rewards of society. The Communists have recognized the existence of this vast unused potential for power and have gone to work to exploit it.

Greek politics is a very narrow game for a few leaders with no motives save personal gain and the acquisition of largesse to distribute to retainers. Only the heads of families, and in effect only the heads of wealthy families with much largesse to distribute, have had any hand in the game.

The war came and broke the encrusted frame of social life and opened the prisons. The Communists came out and took over the common people. The different attitudes of the old rulers of Greece and the Communists are best shown in the way in which they proceeded to organize resistance to the Nazi occupation armies.

The traditional rulers organized according to their political methods; they banded together a few leaders, their friends, and paid no attention to the rank and file who would come when the time was ripe and when they were told to. When, in the year 1942, the British first got in touch with the most eminent of the right-wing partisan bands, the famous EDES, to get it to carry out acts of sabotage, they were astonished to find that it consisted of General Napoleon Zervas and fourteen officers; nothing more! The British from afar provided another promising right-wing band with 5,000 gold pounds with which to finance its activity. When they contacted the band they discovered it was a small group of army officers with no army but with very excellent plans on paper for rebuilding the Greek army after the war.

With British prodding the old leaders did eventually organize some popular support. But it was never large and was narrowly limited in its scope in the De Gaulle manner. It was an army; its purpose was to fight when ordered to do so, and by no means to

dabble in politics which would only disturb the achievement of military ends.

The Communists proceeded by a diametrically opposed method. To begin, their leaders gave up the kind of bickerings indulged in by the right-wing bands as a direct consequence of the system of personal politics. They invited other political groups to join them in a coalition organization known as the EAM. Their collective underground army of Communists, Liberals and Socialists was known by the initials ELAS. Until the coalition's strength was established, the Communists submerged their principles. Only later did they assert them.

They organized on a mass basis. While the chief right-wing band—EDES—never enlisted more than 5,000 fighters, the Communist-led ELAS army claimed 70,000 active fighters with 70,000 reservists. In view of ELAS' later accomplishments there is no reason to doubt this claim.

They quite frankly made their army a political army. The EAM, the civil organization on which the army was based, became a nation-wide coalition of six parties (most of them Communist 'fronts'). It prepared a rough constructive programme for post-war Greece, and meanwhile formed an administration for the large areas of the country which ELAS had wrested from the Germans. It drew directly on all the latent civic spirit so long neglected by the old guard and brought women, youths and peasants into an active participation in their own local affairs, setting up schools, hospitals, village councils and courts all run by the local citizenry itself. The organization spread like fire, and EAM came to number anywhere from a million and a half to two million Greeks.¹

EAM likewise extended its influence rapidly and silently within that other Greece—the Greek army of exiles organized by the Allies in Egypt. In the good Mediterranean military tradition of many generals and few troops, one entire unit of the army in Egypt, the so-called 'Sacred Squadron', was composed wholly of officers. In the rest of the Greek army in exile, the officers split up into little Monarchist and Republican cliques

¹ William Hardy McNeill: *The Greek Dilemma* (Gollancz, 1947)

and fostered their little traditional intrigues against each other totally oblivious of what was going on in the ranks.

The extent to which real power had shifted beneath them was evident in 1944 when a Republican clique of officers organized a mutiny against the dominant Monarchist clique of officers. The Republican officers were surprised at how cleverly they had planned; the Monarchist officers were quietly and quickly dismissed or arrested and the Republicans were in command overnight with no trouble at all. Fearing the mutiny had gone too far, the most influential of the Republican leaders, Sophocles Venizelos, was called in to ask the ranks to call it off. He was politely ignored. It then became apparent to the old-line Republicans that it was not they after all who had pulled the mutiny. EAM had come up like a groundswell and swept up the ranks of the Greek army in exile.

Belatedly waking up, the officers, with British aid, reacted sharply. The extreme right-wing General Ventiris was given command of the army. To a great extent Monarchist and Republican officers forgot their quarrel. With British aid, the army was purged, and fully one-half of its members had to be placed in detention camps as unreliable. The purge went on until the army became a purely Monarchist preserve. With British support, moreover, it developed an integrity independent of the politicians. Political governments changed frequently among the exiles, but the changes were of no importance; real power thereafter was in the army; it was autonomous, wholly Monarchist and right-wing.

Inside Greece the old-liners had long since been stirred to react. They began to be more concerned about the EAM revolution among the Greeks than about the hated German occupation; and in varying degrees many of them began co-operating with the Germans. Bands of Monarchists by the name of 'X', formed originally as a patriotic force, accepted arms and support from the Germans against the leftist Greeks. The leaders of EDES in Athens aided the Nazis in forming 'security battalions' to fight the Communists. (It deserves to be said that after this, General Zervas, leader of the EDES in the mountains, on British insistence broke away from his Athens organization.)

GREEK TRAGEDY

But with no British Army in Greece to aid them and with the Germans useless supporters save in the cities, the right-wing inside Greece was no match for EAM. In 1943, when civil war eventually broke out in the underground between EAM and EDES, the former drove General Zervas's army out of Greece and into the sea where most of his troops were saved only by being taken aboard waiting British naval units.

The war ended for Greece in circumstances highly unfavourable to the maintenance of civil peace. EAM was in control of nearly all Greece. Its leaders numbered many excellent liberals, the most eminent being the Socialist, Professor Svolos; but the Communists were clearly dominant. The returning Greek army was under the control of rabid, uncompromising Monarchist officers. (I leave the legal Greek central government out of the picture entirely. It had no authority either over EAM or over its own army. Whatever the personnel of succeeding Greek governments, they have remained men of straw and that is still true to-day.) Had the issue of Greek sovereignty been left to these two Greek forces, there is no doubt of the outcome. The ineffectiveness of the returned Greek Monarchist army was shown when, at the end of 1944, civil war broke out in Greece. ELAS surrounded the Monarchist army and immobilized it from the outset.

The decisive factor in the ensuing struggle for power was the British Army which entered the country as the Germans left. One would prefer to be generous to the British and say that they attempted to bolster what middle-way and democratic forces there were in order to create compromise and a basis for democracy. Unfortunately there seems little evidence to support this and one is forced to conclude that the British were determined to break EAM and install in power the discredited Monarchy and its blindly vengeful rightist supporters.

It was the British who in the first place had packed the returned Greek army with relentless Monarchists. On returning, the pro-British puppet Premier Papandreou condemned not a single Nazi collaborator from the time of his arrival in the country in October 1944, until his resignation in January 1945. When EAM, joined by all the centre and mild left in Greek

politics, demanded that he resign and Themistocles Sophoulis, a man of the centre, take his place, Papandreou was willing—but the British insisted that he remain, fearing it would be a 'show of weakness' to EAM if they let him go. The British sided with the old guard of Greece in proposing that EAM dissolve its army; but there was no hint that the returned Monarchist army should be dissolved. In effect the British were demanding that the most massive popular force in the country should drop its defences and subject itself to the tender mercies of a rabid reactionary minority thirsting for vengeance; it was, in a word, an impossible demand. Meanwhile, the British went to work building up an internal police force, showing a clear preference for enlisting known reactionaries.

It was EAM which started the actual shooting in the civil war at the end of 1944. This does not make the British less blameworthy. Their refusal to compromise with EAM brought to clear ascendancy in the EAM the more violent of the Communists who wanted to have it out with the old guard before the leftists' position was totally undermined by the growing British-directed police force. The moderates in EAM and those outside it, like the old Liberal, Sophoulis, were discredited, and the Communists were able to lead ELAS into a shooting war with the British. At first ELAS came near beating British and Greek Monarchists together. Then reinforcements arrived from North Africa and in an all-out British offensive with tanks and planes the ELAS army was defeated. EAM, its parent body, surrendered, and on 12 February 1945, signed the famous Varkiza agreement whereby it would dissolve its army and hand over its arms.

The speed with which the mighty EAM went to pieces following the Varkiza agreement was staggering. It had its effect north of the border, and Russia forthwith went to work securing the Communists in power in Bulgaria and Rumania, acts which were to arouse Western suspicions and found a basis for the Cold War.

By a series of steps real power was handed to the most desperate and relentless reactionaries in Greece.

First, in the panic of the fighting Premier Papandreou opened

the ranks of his 'National Guard' to any one who would join. The whole force of the Nazi 'security battalions' enlisted as a means of side-stepping a potential purge.

Second, a British military commission began rebuilding the Greek army. The Monarchist officers from abroad were used as the dominating cadre. When the new Prime Minister of Greece, General Plastiras, protested to the British against giving Monarchists a monopoly of command in the army, the British commission accused him of wanting to 'play politics with the army'. Plastiras soon resigned in frustration. As regards other elements in the new army, the British Foreign Office, by this time under Mr. Bevin, admitted in response to a question in the House of Commons in 1946 that 228 former officers of the Nazi security battalions held commissions in the new Greek army.

Third, a British police commission—under Sir Charles Wickham of the Royal Ulster Constabulary—'reformed' the Greek police. Largely, it remained the police force that had served the Nazis. To mention only the most eminent member, the chief of the Athens police, Angelus Evart, served continuously from the beginning of German occupation through 1947 and as far as I know still holds that position to-day. When the Greek Ministry of Public Order asked to be allowed a say in promotions and transfers in the force, it was bluntly vetoed by the British police mission, backed by the British Foreign Office.

Fourth, after Plastiras resigned in disgust, Admiral Voulgaris was made Premier and he carried out an administrative revolution similar to the royalist revolution in army and police, and filled the central administration and all provincial and mayoral posts with Monarchist appointees. Later, when the British Labour government finally brought in the aged Liberal, Sophoulis, as Premier to succeed Voulgaris and prepare for elections, Sophoulis quite rightly pointed out that the elections would be a foregone conclusion if every post in the army, the police and the administration were already occupied by Monarchists. He attempted to remove some of the appointees, but the British mission in Athens intervened and stopped him.

Meanwhile, EAM had yielded its arms as required, even exceeding the quotas set by the peace agreement. With the left

in a state of debility, the British sent troops through the country to 'pacify' it. Following close in their path and within call of British protection, the Greek National Guard—whose pro-Nazi make-up we have already noted—entered each town, raided and searched every house, beat up young men suspected of being former members of ELAS and turned over any arms found to free-lance rightist gangs in the neighbourhood. The rightist gangs blossomed all over Greece. The 'X' Monarchist bands, mentioned earlier, had numbered only around 500 members when they were being supplied by the Nazis. Now, in the aftermath of EAM's defeat, their numbers rose to 200,000, according to the American observer, William Hardy McNeill. In the western part of Greece the EDES bands of General Napoleon Zervas had returned and now proceeded on their own account to settle scores with the disarmed left. Thousands of young men fled to the mountains, others fled into Yugoslavia for protection. Revulsion abroad to the right-wing excesses was such that Mr. Attlee felt constrained to issue a public protest against what, oddly enough, might have been stopped by his own foreign secretary.

With the country thus 'pacified' elections were held on 31 March 1946, against the objections of the Premier, M. Sophoulis, and in the face of a boycott by the left. The outcome was predetermined; the Monarchists won 231 out of 354 available seats in the parliament. An Allied team of observers reported the elections to be fair, but the verdict is open to doubt. With all power and armed force in the hands of the right, and with the countryside under the terror of ubiquitous and merciless rightist bands, the Greek peasant was in no mood to be heroic; he voted the way that would spare him painful midnight visits in the future. After the elections I visited a village outside Athens and was told by peasants through a neutral Greek interpreter that they had been threatened with having their village burned down if it did not yield a majority Monarchist vote in the elections. In this village the inhabitants were forbidden to read the newspaper of the Liberal party—the party of the Premier of Greece—under the threat of being beaten up.

Seven months later, the Monarchists had little trouble

winning a referendum to restore King George to the throne. The only appropriate comment to the referendum was that made by *The Economist*, 'The only thing his return will solve will be the housing problem in Mayfair'.

In the circumstances the renewal of civil war was inevitable. The entire population of towns in north Greece that had voted against the return of the King were rounded up by the rightist bands and imprisoned in roofless pens. UNRRA asked the right to feed the wretched prisoners, but police and bands guarding the pens flatly refused.

One could excuse some of the violence of the Greek right and the connivance at it by the British, had its purpose been to protect, against Communist sabotage, some plan or project for rebuilding and actually pacifying the nation. But the new government, led by the Monarchist Tsaldaris, apparently had no plans for reconstruction whatever. M. Tsaldaris's opening speech in the parliament contained much bombast about claims on neighbouring countries for territory wherewith to create a Greater Greece, but said not a word about the awful economic and social situation inside Greece. Throughout the whole period of British ascendance no stone was laid atop another to repair the dreadful damage of war. I have already mentioned the misappropriation of UNRRA goods, the placing of all tax burdens on the poor, the enabling of the wealthy to export their wealth abroad while Greece was in desperate need of capital. While wealth fled abroad, the government proceeded to spend three times its income, leading to a gross inflation of currency, which once again landed on the poor. Half the Tsaldaris government's expenditure was on army and police, only 6 per cent on reconstruction.

Typical of the government President Truman was to defend as democratic was its treatment of organized labour. At the end of the war, union elections were held throughout Greece under the watchful eyes of British trade union leaders. Leftists, with the Communists in the lead, swept the board. On assuming power the royalist government removed the whole elected administration and set up an executive for the Greek Confederation of Labour with sixteen hand-picked rightists dominating

five leftists, and with Fotios Makris, a union official of the war-time quisling government, as chief. The five leftists rejected their appointments. With its organization crippled, labour's position was miserable. According to a team of observers for the Twentieth Century Fund, in 1947 'typical wages run around 7,000 drachmas a day—about \$1.40 at the official rate of exchange but not worth a dollar in real buying power. This is far less than enough to support a labourer, let alone his family.'¹

There are few modern parallels for government as bad as this. Even Hitler and Mussolini kept their workers employed and brightened their lives with circuses. Whatever may be said of the Communist governments north of Greece, they have instituted constructive economic programmes and brought considerable benefits to the poorest members of society. The post-war governments of Greece have ignored both worker and peasant to a point that amounts to downright economic persecution.

With or without the aid of the Communists, it is very likely that civil war would have been resumed in Greece. With the Communists, past masters at conspiracy and rebellion, it became more effective. *Time* magazine estimated that in the autumn of 1946 the Communist general, Markos Vafiades, a 42-year old war-time political commissar in the ELAS armies of Macedonia, launched his rebellion against the Greek government with 2,500 troops. To-day, after the Greek government claims to have killed or captured many times the original number, the revived ELAS rebel army is estimated to number around 25,000, or ten times the original number.

The Greek rebels are quite openly supported by the Communist régimes north of the border. Training camps and hospitals for them are maintained in both Yugoslavia and Bulgaria. Newspapers in both Belgrade and Sofia have appealed for funds to aid the rebels. The rebels' 'Free Greek Radio' is almost certainly situated in one of the three neighbouring Communist countries and run at Cominform expense. Probably the most useful function of the Communist lands, however, is to afford the rebels

¹ Frank Smothers, William Hardy McNeill, Elizabeth Darbishire McNeill: *Report on the Greeks* (Twentieth Century Fund, 1948).

opportunities for retreating from Greek soil whenever pinched by a Greek government offensive.

Foreign aid for the rebels is an uncontested fact. But it falsifies the Greek issue to pretend that foreign aid is the whole basis for the rebellion. The rebels also operate in the far south of the Pindus mountain range, remote from access to foreign aid. They are powerful in the Peloponnesus, separated from the bulk of Greece by the Gulf of Corinth and likewise out of reach of foreign aid. The Greek government of Athens has had to declare martial law for the whole of the Peloponnesus, indicating the universal dimensions of the rebellion. There have been rebellions and desertions to ELAS in the Greek army on the island of Crete, where the receipt of foreign aid or propaganda is next to impossible. While I was in Athens in the summer of 1947, half the Athens port town of Piraeus was late one night cordoned off by police and over 5,000 people arrested. Many of those arrested were shipped off to prison islands without trials. Next day in a press conference, which I attended, the Minister of Public Order, General Zervas—war-time commander of the rightist EDES—said that the raids were made to forestall uprisings. Raids of this dimension—and this one raid was not isolated; during the summer many more were carried out in Athens—indicate that discontent is not far from universal and that it has little to do with foreign interference. It is as indicative as anything that with the flood of American dollars and with American military advice, the Greek national army has swollen to 150,000 supported by a National Guard of 50,000—with the sole effect of extending the rebellion. Sooner or later the ugly fact will have to be recognized that probably the main responsibility for the Greek war lies with the Greek national government itself.

It must be said that the Americans, who replaced the British in the rattlesnakes' basket of Greece in the summer of 1947, have made a few brave attempts at reconstruction. Production figures have actually mounted, but nowhere nearly in proportion to the enormous funds poured into Greece. There have been honest attempts to make the government reduce its bloated bureaucracy and to collect taxes from the wealthy. Following

the practice once applied by the British, the Americans have forced the removal of a rabid Monarchist Premier and installed the old Liberal, Sophoulis. But the effort has been something like trying to cure acute appendicitis with bicarbonate of soda.

In Greece governments are mere figureheads. They pass tax laws but cannot collect the taxes. They declare amnesties but cannot enforce them. Real power lies in the bureaucracy, the army and the police, and nothing has been done to purge these instruments even of the most vengeful pro-Nazis, not to mention the reactionary Monarchists. At the end of the war the Greek government listed 22,000 Nazi collaborators for investigation. Of these less than half, some 10,000, were actually investigated. Of these only 7,000 were brought to trial. Of these only 3,000 were found guilty. Of these only 121 were sentenced to be executed. Of these, at the end of 1948, only 18 have been executed.

By contrast, 4,738 leftists have been sentenced to death, and of these, according to the Greek official statements, 1,500 have already been executed. The bulk of the remainder have not been reprieved but are in prison and are liable to execution any time. These figures refer of course only to official court sentences registered or carried out. The number of 'unofficial' executions by free-lance rightist gangs is probably a multiple of these figures.

If this report has not mentioned the brutal atrocities committed by the Communists in the civil war, it is not because they have not equalled or surpassed those of the rightist bands and the Athens army. It is because comparing atrocities offers no means of determining basic guilt or finding a way out. Butchery in warfare is a hideous old Balkan tradition in which one side seldom gets much the better of the other. The crime is in allowing the warfare to occur and continue. The onus of taking the initiative to end it rests with the Greek national government and the West which sponsors it. There is no question of 'appeasing' the Communists or Russia. To free itself of all blame for the war, the Greek government must give substance to Democracy. It must win back control of Greece from its armed forces and the autonomous rightist gangs, and be able

to offer an amnesty that it can enforce. It must appease the Greek people with a constructive programme of reforms that will bring a modicum of justice into economic distribution and social life.

Greece's economic situation, described above as the main cause of the trouble, is not as hopeless as it might seem. Since the war the American Porter Commission and the Food and Agriculture Organization of the UN have made sober surveys of Greece and are convinced that much can be done to raise production and enrich life. But it would require the government to abandon the system of personal politics and to give a national lead to the people. The government would have to institute peasant training institutions to teach farmers how to end their present wasteful methods of ploughing and sowing which are due to sheer ignorance. To pay for this it would have to start taxing those who are able to pay.

The government would have to start applying import and export controls in order to stop the use of the country's foreign exchange for the enrichment of the few and for the importation of luxuries, and begin spending its funds on fertilizers and other things useful to the mass of the people. Before the war, Greece imported only one-sixth of the fertilizers it needed. With proper fertilization it is estimated that the soil could increase its yield of foodstuffs some 50 per cent.

Much could be done to remedy the scarcity of water by building reservoirs and irrigation projects to contain the seasonal floods over a longer period. Wells could be drilled for spring water to supplement the stored up rain water. Greece could increase its cultivable area considerably by means of this kind. But once again, this means controlling the flight of capital from the country and investing it in national construction. With reservoirs and artificial lakes the country could even produce hydro-electric power for an expanding industry. Greece has a reasonable amount of bauxite and chrome to increase the range of jobs available to people released from the over-populated soil.

If just half the American millions being poured into the Greek army (with the effect incidentally of strengthening the social

and economic position of the officers who run Greece, and who consequently have little interest in compromise and peace) were diverted to construction projects of this kind, it would have the effect of winning a dozen battles in the civil war. The Communists cannot operate in the southern Pindus and in the Peloponnesus without the backing of mass discontent, and a peasantry engaged in bettering its lot would give them no support.

The chief thing is to make the surgical incision and remove the inflamed organ that poisons Greece: the real rulers of the nation, the blind reactionaries who have, in strange collusion with the Communists, a vested interest in the continuance of the war and of the flow of American funds into military pockets. Since America is already intervening in Greece up to her eyebrows, it is hard to understand why we do not intervene to some purpose—particularly in a case where morals are identical with strategic and financial interests. A Greece liberated from the reactionaries and on the way to reconstruction would be good for the Greek people and easier on the American taxpayer's purse, and would become, for the first time, a real bastion against Communism.

CHAPTER XIII

TO HIM WHO WAITS

'All the misfortunes of Spain come from the stupid desire of the governments to teach Spaniards to read. Teaching a man to read is only to oblige him to assume a position which will cause misfortune for himself and for his motherland.'

—The MARQUES DE LOZOYA, of Franco's Ministry of Education, in a speech in 1938.

SPAIN, THOUGH an outcast consigned to a completely passive role in post-war Europe, has a significant place in the pattern of events. The Civil War of 1936 to 1939 was one of the most shattering moral experiences in contemporary political life. Although the Spanish war ended ten years ago, and the world has altered radically in the interval, it can be argued that the event remains to-day a prime factor in the Cold War.

Spain, which is a part of Europe only on the map, is a curious historical phenomenon. She has less contact with and is less influenced by Europe than many of Europe's overseas colonies. The Alps connect Italy with the continent. The Pyrenees separate Spain from it. Although the Alps are higher, the approach to them is gradual and they are broken by natural passes. The Pyrenees, like a wall running from coast to coast, are sudden, precipitous and nearly unbroken. The possibilities for carving passes have been neglected due to the same social lethargy that has also neglected internal communications. As a result, Spain is broken up into localities rather than a national spiritual unit. Never seriously affected by the European commercial tradition, Spaniards have had no urgent motive for developing lanes of commerce.

Spain's national experiences have been non-European. In her early history her back was turned towards Europe and her face towards Africa by the necessity of expelling the Moors, a mission that took centuries. When that experience ended, the New World had opened and once more Spain turned away from Europe, this time towards the Atlantic. When that experience ended,

Spain's internal growth had been stunted and she turned inwards upon herself.

The stunting of Spanish growth began with the Moorish wars. They lasted sporadically for centuries; far too long a period for a people to be formed by what was in effect a single, continuous struggle. The classes useful to the struggle assumed a preponderant influence in society which it was impossible to reduce later, when peace came. They were the feudal warriors, the sources of the *Grandees* and the *Generals*—and the Church, for the war was also a fanatical religious war between Christians and Moslems. The Nobility, the Army and the Church have never since ceased to rule Spain in the Moorish war tradition of narrow fanaticism and brutality.

Spain's second experience, her expansion overseas, was peculiarly unfortunate. The same experience sowed the seeds of social change in other European countries, but not in Spain. The Spanish managed to acquire colonies that yielded quick, rich treasure, rather than the places that had to be colonized, nursed and cultivated before they yielded their fruits. The Spanish rulers, arrogant from successful war and firmly in the saddle of Spain, learned to live idly on the flow of imperial lucre and never got over it. Once they determined to put an end to the nuisance of little, vulgar, Protestant England whose seamen were piratically high-jacking Spanish loot on the high seas. Spain spent years building an Armada to deliver the death blow. But in the event, the fleet of the static-minded land of nobles and serfs was no match for that of the supple-minded nation of shopkeepers. The unwieldy Armada was destroyed. British world ascendance began and Spain entered on a decline that has been continuous. The nadir of imperial decline came three centuries later, in 1898, when America seized the last important remnants of the Spanish Empire.

But Spain's rulers never accustomed themselves to the thinning, then the stoppage, of the flow of unearned wealth. They switched to milking it out of the common people at home. The fable of the goose and the golden egg is not told to children of Spanish nobility. They do not understand self-denial or the need for moderate change. It is rare that a member of the nobi-

lity is so circumspect as the one who told the American reporter, Charles Foltz, that he opposed the slaughter of Republicans in the Civil War, for 'Who shall tend our vines if we kill so many?'¹

The attitude of their ally, the Church, is adequately indicated by the fact that alone in Spain the more liberal encyclicals of the Pope are not read out. Another illustration is this sequence from the classic Spanish catechism, the *Nuevo Ripalda*, on the subject of liberalism (quoted by Emmet John Hughes):²

Q. What are the freedoms which liberalism defends?

A. Freedom of conscience, freedom of worship, and freedom of the press.

Q. What does freedom of the press mean?

A. The right to print and publish without previous censorship all kinds of opinions, however absurd and corrupting they may be.

Q. Must the government suppress this freedom by means of censorship?

A. Obviously, yes.

Q. Why?

A. Because it must prevent the deception, calumny and corruption of its subjects, which harm the general good.

Q. Are there other pernicious freedoms?

A. Yes. Freedom of education, freedom of propaganda, and freedom of assembly.

Q. Why are these freedoms pernicious?

A. Because they serve to teach error, propagate vice, and plot against the Church . . .

Q. Does one sin gravely who subscribes to a liberal newspaper?

A. Yes. . . . Because he contributes his money to evil, places his faith in jeopardy, and gives others a bad example.

Q. What rules can be given to know liberal papers?

A. The following:

1. If they call themselves liberal.
2. If they defend freedom of conscience, freedom of worship, freedom of press, or any of the other liberal errors.
3. If they attack the Roman Pontiff, the clergy, or the religious orders.
4. If they belong to liberal parties.

¹ Charles Foltz, Jr.: *The Masquerade in Spain* (Houghton Mifflin Co., 1948)

² Emmet John Hughes: *Report from Spain* (Latimer House Ltd., 1947)

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5. If they comment on news or judge personalities with a liberal criterion.
6. If they unreservedly praise the good moral and intellectual qualities of liberal personalities or parties.
7. If, in reporting the events concerned with the battle waged by Our Lord Jesus Christ and His Holy Church against their enemies to-day, they remain neutral.

Q. What is the rule to avoid error in these cases?

A. Do not read any newspaper without the previous consultation and approval of your confessor.

The attitude of the generals is, if possible, more bitterly opposed to change for they have known the fearful frustration of unemployment since the Spanish-American war. Their main functions have become, first, to put down internal disturbances and, second, to provide an opening for a fourth social power to join the unholy alliance of Spanish rulership: the Spanish capitalists who by appointing unemployed generals to rich directorates in their companies have achieved something approaching parity with Nobles, Church and Army.

These four, comprising not over a million Spaniards, have ruled Spain as their private property and the remaining twenty-four million Spaniards sometimes with less regard than they bestow on their domestic animals. Around 60 per cent of the Spanish people are without education. Spain is the only country in Western Europe without compulsory primary education. The soil is eroding, farm produce steadily falling. Much of Spain has considerable natural resources, but in the main only those minerals near the surface—now becoming exhausted—have been touched, for the rulers of Spain shun the moderate self-denial it would require to invest in machinery to exploit them. National poverty has increased perceptibly from year to year, but its effects are not spread evenly. The purpose of legislation for a century has been to preserve the standards of the rulers, while the national wealth is steadily diminishing, which means squeezing the wretched people.

There have inevitably been uprisings, but popular assumption of power is impeded by disunity. Spain's mountains run across her in east-west ridges and slice the country into plots.

Without the spur of commerce or industrial revolution, few roads were constructed and the local units grew up in isolation. The people have grown intensely loyal to their local units and tend to blame their poverty on the central government. Especially the working class parties tend to be different in nature in different localities and highly suspicious of one another, a detriment to uniform action and policy.

None the less, sheer penury forced agreement on one issue: that the King, the most obvious symbol of the old order, must go. In municipal elections, in 1931, the Republican parties swept the board, winning majorities in 49 out of 50 provinces. King Alfonso abdicated and left the country. A parliamentary election later in the year confirmed popular sentiment. Republican parties won 356 seats in the Cortes to the non-Republicans' 50. A Republican coalition brought long-needed reforms. The state subsidy to the Church—which did not need it, for it owned over one-third of Spain's national wealth—was stopped. The coalition began building schools; reorganized the army; granted some longed-for autonomy to the regions and prepared a model constitution calling for a single-chamber parliament.

In 1932, the army officers tried to overthrow the Republic but were beaten. In 1933, disunity among the Republicans brought about their resignation. In ensuing parliamentary elections the mighty Anarchists on the Left abstained, and the Right came back to power, promptly erasing the Republican reforms. The Left revolted, mainly in the Asturias mining region. The revolt was put down by Moors brought in from North Africa under a little known general named Francisco Franco.

In 1936, there were new parliamentary elections—the last Spain was to have. The parties of the Popular Front, unified by bitter experience, won. In victory, the stored-up bitterness of centuries overflowed. Leftists committed excesses, burned churches, killed landowners. Rightists responded with assassination of Leftists. Five months after the elections the ruling classes rebelled against the democratic government. The government localized the rebellion and was by way of putting it down. Then African troops were brought into Spain by General Franco, and with these and with the plenteous aid of Italian and German

material and troops, the rebellion was saved. In three bitter years of fighting, during which the rebels were plied incessantly with foreign aid, the elected government, with only limited support from Russia, was eventually isolated and throttled. The medieval rulers of Spain recaptured their land and secured their rule.

The Spanish Civil War was a testing time for Western morality, and from it the West emerged unclean. In terms of law this was an illegal rebellion against a legally constituted, democratically elected government. There was every legal reason to aid the Republic and to refuse aid to the rebels. The moral imperative to aid the Republic was greater. The struggle was essentially that of the common people to defend their government against the rankest, oldest system of social injustice in the Western world, a system whose bankruptcy can be measured by the fact that it had to resort to arms to cancel the will of the people it could not sway by free choice at the polls, though it owned the vast majority of the newspapers and most of the funds necessary for the campaigning. But even then, had it not been for foreign aid and the importation of colonial troops from Morocco, the rebels would certainly have lost the war. The two most sacred principles of the democratic world were thus violated: the war was not only a war to stifle democracy, it was also an act of foreign aggression.

Yet the behaviour of the West towards Spain was such as to break the law, violate morality and abrogate its proclaimed policies of fostering democracy and opposing aggression. Russia alone consistently aided the Republic, though distance made her aid ineffective. France aided the Republic only half-heartedly and the burden of her behaviour throughout the war was to stifle the Republic. Britain and France initiated the notorious Committee for Non-Intervention, the total effect of which was to ensure Nazi and Fascist intervention in support of Franco and to throttle off legal aid to the Republic. Throughout the Civil War American oil went steadily to the rebels and was the lifeblood without which Franco's armies and his German airforce could not have moved and murdered; but the Republic received nothing. When, after three years, the Republic col-

lapsed, the Western nations did not wait until its corpse was cold before granting diplomatic recognition to the incredible rape by Franco, Nazi Germany and Fascist Italy.

Early in this book I mentioned the Communist dogma as a prime cause of the Cold War. It was in the Spanish war that we confirmed to the Russians some of their favourite suspicions. The Communist dogma maintains that serious political and social change can come only by violence, for at some point in the peaceful and legal advent of an oppressed class to power, the rulers will throw legality to the winds and halt the process by force. Therefore, concludes the syllogism, let the lower classes banish the illusion of peaceful evolution and organize and conspire for violent seizure of power from the beginning. This reasoning, the basis of the Communist conspiracy throughout the world, has caused more trouble among the powers than anything else with perhaps one exception: the almighty effort the West made in the Spanish war to prove to the Russians the validity of this phase of their dogma.

There is another aspect of political theory of greater current importance. The repeated theme of Russian propaganda is that the Western powers are now preparing and fomenting war against Russia. Any American citizen or British subject knows this to be absurd. He considers himself fairly typical and knows he dreads nothing more than war with Russia. But, say the Russians, the common people do not count. The people have no effect on foreign policy; it is the preserve of diplomats skilled in pulling the wool over our eyes, and of rich foreign investing and trading firms who dominate the diplomats. In Spain they won a talking point. Gallup polls in America during the Spanish war showed the majority of Americans to be in favour of giving aid to the Spanish Republic. In Britain, the percentage for aid to the Republic was higher, in France it was overwhelming. Yet none of the governments aided the Republic, and in fact all in direct contravention to the will of their peoples indirectly aided Franco, hiding the issue from the people and confusing it by pious-seeming stratagems like the Non-Intervention Committee.

Western spokesmen frequently excused their conduct in the Spanish war by the charge that the Republic was Communist-

dominated. The fact is, at the outbreak of the Civil War, in the Republican Cortes of 400 members the Communists were a small party with only nineteen seats. In a nation of twenty-five millions their party numbered only 3,000 members. It is true that as the war dragged on they did attain a strength out of proportion to their numbers. The reason was that the only consistent aid for the Republic came from Russia in the form of matériel and officers, and from the Comintern which organized the International Brigade. The growth of Communist strength was due to a default by the West, not due to any inclination of the Spanish people towards Communism, and could have been broken off at any time that the West chose to champion the cause of the Republic. The charge of Communism, it seems clear, was an excuse, not a justification for Western behaviour.

These ugly grounds for Russian suspicion of the West should now be buried with the dead past. But unfortunately there is little indication that they have been removed. The singular achievement of the Franco régime has been to be worse than any past government by the Unholy Four. And if the official Western attitude towards it has altered in any *effective* manner, we have not heard of it.

* * * * *

'Seldom in history,' Thomas Hamilton writes of the Franco régime after the Civil War, 'has a government so deliberately set out to infuriate the conquered.'¹ After ten years the country still exists in an official 'state of alarm'. American writers on Spain have estimated the proportion of the people who detest the régime at around 80 per cent. The prisons are still jammed and new prisons have had to be constructed to house some of the overflow. Firing squads still execute for 'crimes' committed in the Civil War. There are estimated to be between 20,000 and 30,000 guerillas in the mountains. Emmet Hughes reported that in March 1946, which he called a typical month, guerilla attacks on Franco's police and army in Andalusia alone averaged more than two a day.

¹ Thomas J. Hamilton: *Appeasement's Child* (Alfred A. Knopf, 1943)

Instead of meeting in some modest degree the demands of a people who fought for three terrible years to defend the Republic, Franco clamped the old order back on, but with a vengeance. The number of generals has increased and their incomes have been augmented several times. With less national wealth, the importation of American luxury cars for the nobles has increased. The Grandees give not less but more lavish parties; that given by the Duke of Alba for the wedding of his daughter in 1947 was the most glittering private feast Europe has read about since the heyday of European wealth before the first World War. Church lands have been restored and the Church has been given more land than it had before the Republic. The unnecessary state subsidy was not merely resumed, it was increased.

Industrial profits have gone up between three and four times. Prices have gone up 300 per cent according to government figures, or between 500 and 600 per cent according to *The Economist*. Meanwhile, industrial wages have risen only between 40 and 50 per cent, with the effect of a calamitous drop in real income.

The decay of Spanish agriculture has been allowed to continue. The Ministry of Agriculture, presumably dealing with agricultural improvement, receives 1 per cent of the budget, compared to over 50 per cent for army and police. Before the Civil War over eleven million acres were sown annually. In 1947, only nine millions were sown. Meanwhile, the population has increased 10 per cent. In 1947, the dark bread of the poor was pocked with straw and was lower in nutrition value than at the worst period in the Civil War. Production of olives, the only source of fats, fell from 387,000 tons in the 1930's to 242,000 tons in 1945. Ten times more land than before the Civil War has been turned over by the Grandees from agriculture to raising bulls for the ring, or to hunting grounds. Much land has been left waste to weeds since raising grain for the bread of the poor is not profitable. But the distressed peasants are in many cases held on the land by their past debts; the owners do not want to release them, for grain may one day become profitable again.

With half the people illiterate, education has none the less been neglected, if not actively suppressed. Education receives 7 per

cent of the budget compared to the 50 per cent for army and police. Classes are held sometimes with but one textbook—that owned by the teacher. Schoolhouses are few and in deplorable condition. The view of popular education which is dominant is that of the Director of Fine Arts in Franco's Ministry of Education, quoted at the head of this chapter.

The government of Spain is a conspiracy of a dreadfully spoiled minority to force the people to maintain that minority on the high standard of living to which it is accustomed. The conspiracy cannot, of course, be left naked; it must somehow be concealed from the people by a fig-leaf of spiritual justification. But the episode of the Republic has proven that the centuries-old fig-leaf no longer deceives the people. General Franco's problem was to provide new paraphernalia of state. He did so by apishly copying the Fascist methods of Germany and Italy. Like most artificial creations, none of his institutions has taken root or functioned.

He organized economy after the corporative structure of Italy. Whether called *Wirtschaftsgruppen* as in Germany, *Associations* in the current Gaullist nomenclature in France, or *Sindicatos* as in Spain, the function of these institutions is that of a company union on a national scale to fool labour into believing it has a voice in economy. In Germany and Italy the stratagem enjoyed, with police aid, considerable success. But in Spain Labour has not been fooled one whit and strikes have been frequent and spectacular.

Franco launched a typical Fascist programme to make Spain autarchic in some key industries and raw materials. But Spain, unlike Germany and Italy, possesses in no degree the requirements for self-sufficiency. The main lack is a wealthy class sufficiently constructive-minded to limit its present consumption in order to invest in capital goods. Most of the fantastic projects planned under Franco were unrealized. Those which were constructed, were ridiculously uneconomic and raised Spanish prices inordinately. At first under administration of the Falange—Spain's imitation Nazi party—most of the projects have gradually been handed over to private industrialists to liquidate or to maintain according as they find them economic or not.

Franco also initiated a social welfare and insurance scheme on the German and Italian models. Combined contributions of workers and employers provide a fund from which some working class families get a small subsidy against the rising cost of living. But with no tradition of responsibility, Spanish employers simply passed on their share of the cost in the prices of their products. This is social insurance after the manner of the man who raised the standard of living of his dog by giving it a stew made of a length of its own tail; and to equalize sacrifice, the man took half the stew and gave the dog half.

Both Nazis and Fascists could boast of legal succession to power. Franco could not. Even to-day his rule rests on no legal or constitutional foundation. Lately, without any act of his hand-picked Cortes or any popular preparation of any kind, he has apparently decided fuzzily that he rules by divine right. New Spanish coins bear the legend 'Caudillo by the grace of God'. The Caudillo thus has no specific origins; like Topsy, he 'just grewed'.

He adopted the Fascist political framework by typically arbitrary means. For the first nine months of the Civil War, Franco had absolutely no idea what he wanted with power—save to apply it repressively. But he obviously could not go on ruling in a political vacuum. So he picked out of the rag bag of Spanish politics a party that bore some resemblance to the Nazis. Without asking the Falange or understanding what it stood for, he appointed himself its leader and that was that. The little party had few roots in Spanish life. There was no large Fascist middle-class for it to draw on. It had never elected more than three deputies to the Cortes of over 400 seats, and in the last Cortes of the Republic it had no seats at all. It remains to-day not an organic party with a clear programme but an artificial appendage with apparently the sole purpose of perpetuating itself. It is maintained by a large government subsidy and by graft from the administration of food distribution and rationing. Under Falangist administration the poor of Spain have at times approached starvation. The olive crop of 1946 nearly rotted on the trees because, despite a shortage of oil on the market, the 1945 crop was still in storage: the Falange

was withholding it from the market to keep prices and its profits high.

When the tide of World War II turned, the Unholy Four of Spain began to find their Caudillo embarrassing, entangled as he was in the paraphernalia of Fascism. The rulers of Spain keep handy disguises suitable for every change in the world picture. Army and diplomatic services are shot through with Fascist generals, Monarchist generals and even Republican generals to be drawn on when the occasion requires. With the chances of the Western democracies looking up, they began to turn in increasing numbers to an ideal disguise long held in reserve: Don Juan, pretender to the throne, living in exile at Lausanne.

Before his death ex-King Alfonso had been prevailed on to resign his pretension to the Spanish throne, to skip over an elder son and hand over the succession to Don Juan, for the young prince fitted the changing world scene perfectly. He is tall, boyish and extremely handsome, the only male member of his family without the protruding lower lip of the Spanish Bourbons. He is also a Battenberg, related to the handsome and heroic British Lord Mountbatten who was tremendously popular at that moment as a daring commander of British commando troops. His family had had the good sense to send Don Juan to the British naval academy, whereafter he served in the British Navy. He is, in fact, still officially only on leave from the British Navy and was therefore at that time in effect an Ally.

I interviewed Don Juan in Lausanne at the time when it appeared almost certain that Spain was about to exchange the Franco disguise for him. I have never met a more ardent liberal and supporter of the Allied cause. It was the day the Italians surrendered, and Don Juan greeted me with, 'Have you heard the wonderful news!' For an article I was preparing for *Life* he told me of his past, how he had chosen the 'Count of Barcelona' as his title, Barcelona being the reddest city in Spain. How did he spend his days? He was studying Keynesian economics. What sort of books did he read? He was engrossed in a copy of the Beveridge Report. He spoke excellent English and flashed an irresistible boyish smile, except when he frowned in noble

denunciation of Franco. I went away much impressed and hopeful for the future of Spain.

Unfortunately I did further research, in the course of which I also interviewed his friends and aides. Don Juan's conversion to liberalism, it seems, was unduly recent. When the Spanish Civil War broke out in 1936, Juan left his exile in Cannes and stole across the border to volunteer for Franco's armies. He was rejected. He wrote letters to Franco asking to be permitted to join in the crusade. Franco answered suggesting he save himself 'for a later occasion'.

As late as 1939, Don Juan wrote the preface to a book on the Falangist movement calling it the 'salvation of Spain'. Not exactly neutral in his choice of places of exile, he spent the early part of the war in Italy where he had previously studied in a Fascist university, moving to Switzerland only when it appeared possible that the rulers of Spain might need a change of disguise.

At the time of my interview, Don Juan was sending furious letters to Franco attacking him, and also sending proclamations to be circulated 'underground' in Spain. I learned that both went via Franco's diplomatic pouch from Switzerland to Spain! Don Juan's personal secretary was paid his salary by the Franco government. Don Juan's aide-de camp, Viscount Rocamora, was a member of Franco's general staff. In order to enable Don Juan to have triple rations in Switzerland, Franco had given him a Spanish diplomatic passport. His copy of the Beveridge Report cost three Swiss francs; it was certainly his most expensive concession to liberalism.

In calculating with Don Juan the rulers of Spain had, however, underestimated their Caudillo. Although Franco would not dream of flouting his colleagues-in-rule in any painful way he rather enjoyed his position and had determined to keep it. Franco had created in the Falange a rather large and well-paid bodyguard against assassination. He had laid a nest-egg in the army, too. Some 80 per cent of its officers were new young men who had volunteered during the Civil War. They owe their advancement to Franco and would probably support him in a pinch. Moreover, Franco had taken care of the sergeants, given them good houses, permits to buy their food in government stores at low prices,

and isolated their housing estates from the rest of the people. There is absolutely no way of removing the stubborn little Caudillo without calling the Spanish people into the contest; and no Good Spaniard would do that.

The campaign to bring in Don Juan flamed for a moment, then flickered and now seems dead. It was a very polite contest, indicating the nature of relations among the rulers of Spain. So far as I have been able to determine the roughest handling dealt out to a Monarchist was the year's imprisonment to which the handsome but raucous Royalist, the Duchess of Valencia, was sentenced in 1948. Her ordeal was apparently not too trying, for a news agency reported that after she was sentenced, 'she returned to prison where her family took lunch with her in her quarters'. Compared to the treatment meted out to a worker who raises his voice, the Duchess was virtually on holiday.

Franco bought off his critics handsomely. A projected letter from Monarchist generals asking him to resign was forestalled by the simple expedient of raising their salaries. The Church was pacified when, at the end of the war, Franco appointed the leader of Catholic Action, Sr. Martin Artajo, as Foreign Minister—an act also calculated to dampen criticism from America. The Church was furthermore given more power over the Spanish mind than it ever held under the Bourbons. Although censorship theoretically rests with the Falange, the periodicals of the Church are removed from its scrutiny. Moreover, if the Church considers a periodical, newspaper, play or film already passed by the Falange objectionable, it may stop its circulation by a sort of super-censorship. Meanwhile, its control of primary education has been made total.

The Fascist trappings of the régime have been quietly removed. The Falange salute was abolished in 1945. For the first time, the Falange did not appear in the parade on the 1946 anniversary of Franco's triumph in the Civil War. On 17 July 1945, Franco adopted the Monarchy as the basis of the Spanish state by issuing a 'Law of Succession'. But he did not restore the Monarchy.

With all these concessions it has become extremely difficult for the rulers of Spain to object to Franco on any save one

ground: the fear that he may be disliked, or that Spain might be discriminated against, by the victorious democracies. This was once quite a serious consideration, but to-day it seems as if the wily Franco has ridden out the storm. All things come to him who waits, and the Caudillo has waited with a foxystubbornness.

Don Juan has since the war moved to Lisbon to be nearer to his goal. But in 1948 he made a virtual confession of defeat. He joined the Caudillo, whom he had so often denounced, on board the latter's yacht in the Bay of Biscay for a friendly luncheon. They discussed, it was officially said, the education of Juan's son. Later the young prince was escorted from exile in Lisbon to Spain where he is now in school. In such chummy circumstances the Monarchist threat to Franco appears dead. If the monarchy is restored it will probably be because it has bowed its head to the Caudillo.

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On 17 July 1941, in a public speech, General Franco said of the war, 'The Allies have lost it . . . German arms are leading the battle for which Europe and our people have longed for so many years and in which the blood of our youth is going to be mingled with that of our comrades of the Axis, as a living expression of our solidarity.' In reply to a letter from Hitler he wrote, 'I reply with the assurance of my unchangeable and sincere adherence to you personally, to the German people and to the cause for which you fight.'

As the war progressed and Axis victory became less certain, Franco was less blatant in his words. But his actions left no doubt where his heart lay. He provided the Germans with observation posts in Spanish Morocco to watch Allied ship movements. His consulates and embassies in South and Latin America served as espionage centres for the Axis. Heinrich Himmler and Franco's Foreign Minister and brother-in-law, Serrano Suñer, exchanged state visits in which they discussed 'police matters'—probably espionage. When the new British Ambassador, Sir Samuel Hoare, arrived in Madrid, he was met at the station by a well-organized demonstration clamouring for

Gibraltar to be given to Spain. At a military parade Spanish officers sitting in the same box with Hoare led the crowd in the same chant, and Hoare left in anger and embarrassment. Franco actually laid plans with the Germans for an operation—called 'Isabella-Felix'—to seize Gibraltar. It was called off only because of Hitler's decision in 1941 to move against Russia rather than against Britain. A statement of the German military attaché in Madrid, incorporated in a UN report, said, 'That the Isabella-Felix plan was not put into practice, was in no way due to Spain's unwillingness to do her share.'

He sent the Spanish 'Blue Legion' to fight in Russia, joining in armed alliance with the Axis. He used Spanish trade contacts with America for obtaining scarce goods for Germany. Until the last shot of the war was fired, his ships ran the Allied blockade and continued to supply German units cut off in the ports of France. Even now his country harbours, against repeated Allied protests, high Nazis and quislings from all the defeated régimes of Europe—the Belgian Rexist, De Grelle, for example—and facilitates their escape to Argentina from war-crimes courts. The evidence could be continued almost indefinitely that Franco has not changed in the least.

At the end of the war, Spain was despised by every nation in Europe. Almost every nation was ready to take action and expected it would be taken. Something like panic apparently reigned inside the Falangist régime. France closed her borders with Spain, and Europe waited for the great lead. In August 1945, at Potsdam, the Spanish government was shut out of the UN by a statement of the Big Three condemning the régime for 'its origins, its nature, its record and its close association with the aggressor states.' But there was no action.

France pressed that something be done. After some haggling, Britain and America agreed to issue a joint note with France stating, 'It is hoped that the leading patriotic and liberal-minded Spaniards may soon find means to bring about a peaceful withdrawal of Franco. . . .' Allied anger had cooled down a perceptible degree.

In Britain, Mr. Bevin said in Parliament, 'We detest the Franco government.' One could have assumed this. From

America, Mr. Myron Taylor went to Franco and politely proposed he save all concerned from further embarrassment by setting up a sort of Christian Democratic Party in Spain on the model of the Catholic parties of France and Italy. 'But', Franco is said to have responded, 'we are all one party in Spain; and it is Christian!'

The subject of Franco went before the UN Security Council which placed it in the hands of a sub-committee of smaller nations to recommend action. On 1 June 1946, the sub-committee unanimously recommended that relations of all UN member nations with Franco be broken off. The Council watered down the sub-committee's recommendation, adding after the proposal of a breach of relations, 'or, alternatively, such other action be taken as the General Assembly deems appropriate. . . .' The Madrid press sighed with relief and hinted that America and Britain were Franco's protectors. After this indication to Franco that there was no resolution among the Allies, it is probable that nothing short of economic sanctions could have induced him to quit. The General Assembly of UN finally passed a resolution calling on its members to withdraw ambassadors and ministers from Madrid, but not proposing a breach of diplomatic or economic relations.

The cold, wordy period of relations with Franco—a minor trial for the Caudillo who watched Russian-Western relations worsening—continued until 1948. By then, the armies were building up again. The Cold War changed the whole outlook. America replaced Britain also in the job of protecting Franco. The Pyrenees was a good secondary defence line in Europe, and American foreign policy via the American National Security Council was being considered in military rather than moral or ideological terms.

The campaign to whitewash Franco opened in earnest when the House of Representatives, in April 1948, voted Spain eligible for Marshall Aid. The response in Europe was electric and, for once, unanimous. The conservative Paris paper *Le Monde* flatly called the inclusion of Franco in the Marshall Plan 'impossible'. The British Foreign Office regretted to reporters that it could not alter its 'well-known view'—no truck with Franco. In Italy

the moderate Socialist leader, Giuseppe Sarragat, said in public that the House vote 'acutely embarrassed' him. Sarragat was representative of a large floating vote in Italy and was one of the West's hopes of winning the floating voters from the Communists in the Italian election due to take place a fortnight after the House decision. In the face of this reaction the American Senate succeeded in altering the House decision and cutting Spain out of the list of nations eligible for ERP. The subject was thereupon quietly shelved.

It was revived by Secretary of State Marshall at the UN General Assembly in Paris in September 1948. In private, he proposed to Foreign Ministers Bevin and Schuman that Franco be groomed for respectability and for a place among the Western nations. The two Europeans demurred on the grounds that public opinion in their respective countries would not tolerate this. The State Department later denied that any such proposal had been made, but on the day of the denial the British Foreign Office in London told the Press that it had been made and rejected.

At the same time, at the UN meeting, fifteen Latin American nations, usually susceptible to American suggestion, formed a bloc to propose lifting the UN denunciation of Franco as a first step towards his rehabilitation. While the Assembly was in session Senator Chan Gurney, chairman of the Senate Armed Forces Committee, took a party of military officers and Senators from Paris to Madrid where they were fêted with dinners and a bull fight, and discussed Spain as a potential American military base. Gurney was followed to Madrid by Eric Johnston and James A. Farley, the one presumably selling movies and the other soda pop. Actually both came away to hold press conferences and begin the job of selling Franco to America, with fulsome praise of the Caudillo.

On later evidence it seems that Gurney, Johnston and Farley were not preparing the entrance of Franco into official American graces; they were rather justifying a *fait accompli*: he seems to be 'in' already, without the consent of the American people or the Allied peoples of Europe. America long ago obtained air landing rights in Spain, sent engineers to enlarge and modernize

Spanish airfields for American use and made the Spaniards presents of bull-dozers to do the rest by themselves. There have been too many tell-tale signs that relations may have now gone beyond this. A high officer of American Military Intelligence was found by reporters in Madrid, a long way from his Washington headquarters. Embarrassedly he explained he was there only to 'visit an old friend—purely personal'. Early in 1949, reporters in Germany ran into a group of Spanish military officers arriving at Frankfort airport, and inquired the reason for the invasion. They were, the Spanish officers said, returning a 'good-will visit' American officers from Germany had made to Spain. Nothing of this 'good-will visit' of American officers had ever been revealed to the American or European peoples. So far as the people are concerned, relations with Spain are still regulated by the joint Anglo-French-American denunciation of Franco and the withdrawal of their ambassadors—which would seem the opposite of 'good-will'.

After ten years the issues of the Spanish war are quite obviously not dead. Far from seeming to regret our policy during the Civil War which ended in the stifling of Spanish democracy, we appear to have confirmed it by opposing most of Europe after World War II, thus effectively preventing action against Franco at a moment when action was feasible. Europeans were appeased by 'denunciations' and paper statements of 'detestation'. Now that the danger period is over we are becoming more brazen about it. Again, as during the Civil War, foreign policy towards Spain is being made without the consent or knowledge of the people. The people have decided against Franco; our foreign policy makers appear to have decided for Franco.

Was there at any time in the post-war period a real possibility of breaking the Franco régime without resort to violence? The answer is yes. Most long-term observers in Spain have agreed that a firm policy and economic sanctions at the psychological moment could have done so. Emmet Hughes writes, 'It is absolutely certain that the Spanish government could not survive a period of economic sanctions for longer than three to four months.' Charles Foltz says, 'It is my profound conviction that the present régime is so close to economic collapse for want

of foreign exchange that a clean break in diplomatic relations with nothing more than a study of economic sanctions by the democratic powers would be sufficient. . . .’ Many more statements of this nature can be cited. But perhaps they are wrong and Spain would not collapse? The awful fact is that America and Britain have not even tried.

Apologists for Franco frequently argue that overthrowing him would amount to playing into the hands of Moscow and that it would lead to Communism in Spain. As a matter of fact, the Spanish Communists seem to prosper only as an underground conspiratorial organization, a last desperate resort to which Spaniards turn when no one else champions their cause, a product of Western default. On all accounts, their voting number to-day appears extremely small. There is no serious Western observer who has not commented that their strength in a free Spanish Republic would have been feeble at any point since World War II.

Perhaps the key fact about Franco is that he is not meeting his internal problems. While economy is running down, the blind rulers of Spain clamour for more lucre from it. This cannot go on indefinitely. In the long run governments that refuse to face their domestic problems are impelled to seek another way out. A favourite means of such governments is expansion abroad. By befriending Franco and striving to sneak Franco Spain into Western Union, we are harbouring an infectious core for war—the one rotten apple that can spoil a barrellful.

CHAPTER XIV

STAR DUST

'May God continue to give us wars, not on our soil, but close to it.'
—An Andorran councillor, quoted by WILLIAM ATTWOOD.¹

EUROPE CONSISTS of thirty independent sovereign states. People who try to name them all usually fail even when looking at a map, for it is very easy to overlook Andorra, Monaco, Liechtenstein, San Marino and the Vatican City. Only the last-named has a bearing on this report. The first four are specks of interplanetary star dust in the Cold War, having survived through most of history by oversight of conquerors and being sustained in modern times by foreign curiosity and domestic habit.

Andorra, lodged in a Pyrenean mountain valley, is the largest and least densely populated, with 191 square miles and some 5,000 people. Andorra became a sovereign nation in the year 1278 under the joint protection of France and the Spanish Bishop of Urgel, to both of whom it still pays an annual tribute. The Bishop wisely started long ago taking his tribute in kind and still each year gets two or three weeks' supplies in the form of hams and poultry out of his ancestral suzerainty; but the French Republic unimaginatively takes currency—amounting now to three dollars.

For all but about the last 15 of Andorra's 671 years, life barely moved. Her people lived in their six villages by raising sheep and a little tobacco. Then dirt roads were built in place of mule tracks connecting Andorra with both France and Spain and the world moved in. First, the people got ideas and had a 'revolution' whose main consequence was the introduction of universal male suffrage to elect the country's 24-man parliament. When Hitler occupied France and moved to the Pyrenees in 1940, the revolution was promptly reversed and the vote once

¹ William Attwood: 'Inside Andorra', in *The Man Who Could Grow Hair* (Alfred A. Knopf, 1949)

again restricted to heads of families. But Andorrans have not forgotten: in elections in 1945 all but 26 of the 625 eligible voters boycotted the polls in protest.

Capitalism moved in and a big hydro-electric plant was built, bringing electric light to the Middle Ages. One of the biggest radio transmitters in Europe was constructed. Who owns the latter has been a mystery; the most prevalent rumour makes it the Nazis.

The most fertile discovery the Andorrans made was the value of international commerce without tariffs amid a tariff-ridden world. By charging no customs themselves, Andorrans imported scarce goods from Spain cheap, then smuggled them across the French border at night, and vice-versa, to be sold at a good profit. With the Spanish Civil War causing bad political and meagre economic relations between France and Spain, Andorra's smuggling business improved. With the recent World War and increasing scarcities, Andorra had a boom. Smuggling human cargo—leftist refugees from Franco Spain and Vichyite refugees from France—paid handsomely; but cigarettes and automobiles became the most profitable staples. As a result of trade in the latter, Andorra has more automobiles registered *per capita* of population (one car for every ten people), than any nation in Europe—but there are few cars in Andorra. They simply stop *en route* to be decorated with Andorran licence plates before being driven across the opposite frontier to be sold.

In the circumstances it is understandable that Andorra's greatest fears are continued peace, returning stability and improved relations between France and Spain.

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Monaco, situated on the French Riviera near the Italian border is, with its eight square miles, only one-twenty-fifth the size of Andorra but has nearly five times as many inhabitants (23,000). It has been an independent principality for 800 years, during which the most important thing that happened was the decision of the ruling prince in 1862 to open a fancy gambling house. For the rest of the last century Monte Carlo was the first

playground of Europe's wealthy, and the gaming tables of the Casino paid for all charges on public life with a very fat surplus.

The decimation of the ranks of Europe's playboys and girls has inevitably put the Casino in a depression, and after World War II it had to be relieved of its obligations to keep up all roads and gasworks in the principality. There is still no penury in Monaco, however, for its rare stamps and tourist trade make up much of the loss of the Casino income. Also, Monaco, like Andorra, has gone in for some polite smuggling on a small scale. In 1946, when the French government decreed that Algerian colonial wines could not be sold in France but had to be exported to foreign countries to earn foreign currency for France, Monaco did a lucrative business as the foreign country to which most of the wines were exported. One day the French government added up the exports of Algerian wines into Monaco and found out that to consume it all, every man, woman and suckling babe in Monaco would have had to drink five litres of wine with every meal including breakfast. French police set up a watch on Monaco's border and substantiated their suspicions: the 'export' wines were being smuggled from Monaco into France for sale in Paris restaurants.

The *Monégasques* suffer but one restriction on their freedom: natives are not allowed to play at the Casino.

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Liechtenstein, situated between Austria and Switzerland was, in law, the first of the Allies in the last war. As an Austrian dependency it declared war on Prussia in 1866 and since it was forgotten at the ensuing peace conference remains officially in a state of war with Prussia and its heirs. Liechtenstein, since 1920, has been closely linked to Switzerland which administers its postal service and handles its foreign affairs. It is ruled by a diet of fifteen men and perhaps the most popular monarch in Europe: Prince Franz-Joseph, who takes nothing for his upkeep and pays the Liechtenstein treasury 110,000 dollars a year from his lands and investments abroad. Otherwise, the country lives on sales of its stamps and licences to international firms who set up nominal

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headquarters in Liechtenstein in order to avoid taxes in countries where they operate. The country has a police force of seven men and had an army, but he died just before World War II—an old codger who was the last remnant of the 58-soldier force Liechtenstein contributed to Austria's war against Prussia.

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The Republic of San Marino in North Italy, not far from the coast of the Adriatic, claims to have been founded by Saint Marinus in the fourth century and therefore to be the oldest state in Europe. It also claims strong attachment to America: Abraham Lincoln is the first honorary citizen of San Marino and a statue to him graces a public square; one of the two current chief executives of the Republic used to earn his living as a dish-washer in New York and was married at the New York City Hall; a post-World War II issue of San Marino postage stamps bearing the likeness of President Roosevelt brought the Republic 60,000 dollars worth of American purchases, so the government has decided to run a whole gamut of past American presidents on its stamps to try to repeat the success.

At the moment, however, official relations with San Marino's favourite foreign nation are not happy. Allied bombers in 1944 destroyed neutral San Marino's railway, several of its buildings and killed some of its people. The government presented America with a 3,000,000 dollar bill of damages, which America refused to pay, saying the country was within the area of British operations. Uninterested in 'soft' currency, however, the Sammarinesi have continued to press their claim against America—unsuccessfully. Also America has ignored San Marino's requests to be the seventeenth nation in the Marshall Plan.

San Marino is the only one of the mite-sized nations thus far reviewed that is suffering from the Cold War. Hers is the only Communist-dominated government west of the Iron Curtain. The Sammarinesi not only elected a Communist-Socialist government in 1945, but re-elected it in 1949. As a result, relations with surrounding Italy also are very bad. The Italian government accused the government of San Marino of harbour-

ing tax-evading commercial companies (before the war San Marino had but ten commercial firms all told; since the war she has acquired eighty-seven, including six shipping companies, though the Republic has no outlet to the sea), and of smuggling arms to Communists in Italy (since the war, too many Sammarinesi have acquired 'hunting licences' permitting the import of fire-arms). Also, the Republic with its large dollar income from stamps has been importing American cigarettes in bulk and inhabitants have been smuggling them out for sale in Italy at high profit. Finally, San Marino has made the Vatican angry by granting easy marriage annulments, contrary to Church direction.

On bad terms with nearly everyone, San Marino faces a cloudy future. Early in 1949 the Italian government declared a virtual state of siege around the country, policing it against smuggling, and broke off a financial convention whereby Italy contributed fifteen million lire a year to the tiny Republic's upkeep. Without foreign aid and smuggling, San Marino must experiment in living on stamps—or change its government.

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The only feeble justification for mentioning the Vatican City with the chocolate-soldier states above is size: it is the smallest sovereignty in Europe with an area of only .16 square miles (108 acres), and a little over 1,000 inhabitants. Within its walls, dominated by St. Peter's, the biggest Christian Church in the world, it has its own laws, administration, stamps, currency, police and radio station. It has diplomatic relations with thirty-five nations, most of whom maintain ambassadors to the Holy See. Its present governor is the Supreme Pontiff, Pius XII, the former Eugenio Pacelli, 262nd Pope in the Apostolic Succession.

The Vatican State is small only in size; in other respects it is a considerable power. It commands the religious allegiance of 320 million Roman Catholics, the largest number of followers of any religion of which records are kept (there are 220 million Mohammedans, 137 million Protestants in the world). In view of its recent rise to a political power as well, it is a salient fact

that its greatest accretion of converts in recent history has come from the United States of America, leader of one side in to-day's tension. There were, at the beginning of the 1800's, only 40,000 Catholics in America. Their numbers have since increased out of proportion to the rise in total population, now being around twenty-six millions and constituting a strong 'balance of power' force in American domestic politics. Lately in America the Church has received converts at the rate of 85,000 a year. During World War II the number of American converts was 543,970.

For its size the Vatican is the richest state on earth. By the Lateran treaty of 1929, which established the independence of the Holy See from Italy, Mussolini agreed to pay it a lump sum of 750 million pre-war lire plus 1,000 million lire in Italian State 5 per cent bonds. In addition it owns the controlling interest in thirty-one Italian industries with a capital of over 300 million pre-war lire, and minority holdings in Italian banks, shipping companies, insurance firms, mines, and chemical, textile and hydro-electric industries.

Its foreign holdings are legion. In France it owns entirely the Franco-Italian bank and the *Semaine Sociale*, a publishing house which issues some forty periodicals. With 70 per cent control of the great *Société Textiles du Nord* its total invested capital in France is around 200 million pre-war francs. It has holdings of similar proportions in Belgium and Holland. In the United States it is said to have investments totalling around 700 million pre-war lire. Its investments over the whole world are estimated at 3,000 million pre-war lire or roughly around 240 million dollars.¹ (The figures refer only to Vatican City holdings; those of individual churches are not included.) In addition to its investment income, the Holy See receives an annual contribution of 'Peter's pence' from every nation where there are Catholics, the largest contribution coming from America.

Insofar as the Catholic Church, guided by the Vatican, has had political policies in the past, they have leaned to the right. Between the wars, Mussolini's legions that conquered Ethiopia were blessed by the Catholic bishops, as were the legionaries of

¹ *Critica Economica*, May-June 1947, a bi-monthly economic review sponsored by the C.G.I.L., the Italian Trades Union organization.

General Franco in the Spanish Civil War. In Austria, the Catholic bishops exhorted the people to support Hitler in the plebiscite which the German Führer held after his invasion of Austria. The Church later opposed Hitler, but only after the Führer had opened his assault on the Church, confiscating its properties. It is only fair to add that during the late war, parish priests widely supported the underground partisans in both France and Italy, sometimes at the cost of their lives.

The entrance of the Church into active European politics after the war was virtually forced on it. While the two Marxist parties, Communists and Socialists, advanced in almost every country in Europe, the war very nearly left a vacuum in the centre and to the right of European politics. The old centre parties had been discredited by collaboration with the Nazis.

No 'bourgeois' political force remained to confront the rising tide of the left, so anti-Communists of the most diverse brands created political organizations around the remaining strong spiritual force against Marxism—the Catholic Church. The Catholic parties, many of them unheard of before the war, rose to astonishing strength: at one point shortly after the war no less than nine (leaving out the four mite-sized sovereignties, all of which are predominantly Catholic) of sixteen West European countries were run by Catholic governments. The Catholic tide surged over the Iron Curtain and predominantly Catholic parties swept the elections of both Hungary and Slovakia.

The Catholic vote was enlarged by special circumstances. First, women were allowed to vote for the first time in half a dozen European countries, and women are much more easily influenced by the Church than are men. Second, the general shortage of food following the war made the peasant a strong figure. The threat of Communism to private ownership of property inevitably made him a bastion of the Church. Third, Europe was full of former right-wing politicians tainted with Nazi collaboration, who sought cover and found it in the Catholic parties. But this last acquisition turned out in some cases to be a factor of weakness: in France, the moment a 'respectable' reactionary party showed itself—that of General

De Gaulle—the rightists left the democratic Catholic party for the Gaullists and tugged away most of its following.

In addition to its influence on Catholic political parties, the Church was active in politics on its own. In France, it was the pulpit rather than any party which defeated the new Communist-supported constitution in the referendum of May 1946. In Poland, Cardinal Hlond openly called on the people to ‘reject materialism’—*i.e.* vote against the Communist-dominated government—in the elections in January 1947. The most spectacular case of direct clerical intervention in politics was in the Italian elections of April 1948, already recounted.

In addition to intervention in domestic politics, the Vatican mended its international fences. Catholics in politics have long suffered from the drawback Communists are subject to: they are considered servants of a ‘foreign power’. The administration of the Catholic Church has nearly always been Italian. Since the time of Adrian of Utrecht, who died in 1523, all popes and most cardinals have been Italians. The effect of this is illustrated by the ease with which the popular Alfred E. Smith was defeated in the American presidential elections of 1928, solely by a whispering campaign to the effect that his election would mean Roman domination of America.

During World War II, the ruling body of Catholic life, the College of Cardinals, was left with thirty-two vacancies (out of seventy seats), through deaths. In 1946, they were filled in accordance with a new Vatican policy: most of the new appointments were non-Italians. China furnished the first Far Eastern cardinal. The U.S. got most—five. Italy provided only four. Now, for the first time in four centuries, non-Italians outnumber Italians in the college.

On 6 September 1947, after Molotov had refused the Marshall offer and shortly before the Cominform was constituted to declare war on it, President Truman and Pope Pius exchanged good-will messages establishing, a commentator said, their ‘identity of aims’. The act was generally held to be a tacit alliance. With its strong new ally, the Church attained a voice in world affairs it has not possessed for centuries.

Up to this point, the Communists had made attempts to

placate the Church. In Poland, Church lands were exempted from the land reform. In Hungary, the state continued to pay the pre-war grants in support of the Church and maintained the laws of compulsory religious education in schools. In Italy, the Communist leader, Togliatti, shocked some of his supporters by agreeing to a renewal of the Vatican's pact with the Italian government which gave the Church a near monopoly on education.

Since then, however, war has been declared in earnest. In the Italian elections of 1948, the Communists labelled the priests, 'Fascists in clerical garb'. In Hungary, Catholic schools have been made state property, and the Prince Primate, Cardinal Mindszenty, arrested and imprisoned. There are signs of a coming reckoning in other East European lands.

The Vatican will indubitably be a mighty force in the continuing Cold War. It would be still mightier if it could overcome its one outstanding weakness: its fairly consistent tendency to support the *status quo* in a Europe which badly needs some changes.

CHAPTER XV

THE IRON CURTAIN

WITH ALL the countries of Western Europe accounted for, we arrive at the most significant boundary on the globe, celebrated in political caricature and oratory as the Iron Curtain.

With due respect to Dr. Goebbels who created the term in an editorial in his weekly, *Das Reich*, shortly before the end of the war, and to Mr. Churchill who gave it post-war currency, this sharp dividing line between two worlds has existed as long as European civilization. It cuts the European continent into halves roughly equal in population and—if Trans-Uralic Russia be included in the East—probably in resources. In every other respect the two Europes differ drastically.

All I have said of the glory and greatness of Europe has, in fact, referred only to the Western half. It has been wealthy, progressive in traditions, predominantly middle-class in social emphasis, commercial and industrial in its economy. Excepting Iberia and Greece, which are walled off from the main European currents by mountains, it has been predominantly liberal-democratic in politics. Eleven of its sixteen nations have possessed empires. By medium of empire, it has been not Europe, but Western Europe, which has given the world the dominant culture and institutions that go by the name of European Civilization.

The Eastern half of Europe has been chronically impoverished, backward and highly feudalistic in outlook and traditions—even in those parts where land reform is a generation old. Excepting Czechoslovakia and Finland, it has never known Democracy and, without a large middle class, or a considerable national wealth as currency of social compromise, liberalism has not taken root among predominantly poor peasant populations. Excepting Russia's ancient and tenuous hold on Alaska, none of its nine nations has possessed overseas empires. The area has, in fact, been largely an economic colony of the West, with

France, Britain, Germany and America owning most of its worthwhile assets.

At this point I must state something that, in the prevailing mood of that part of the world where this book will be read, may at first be considered either daring or wrong-headed: the single outstanding historical consequence of World War II has been to reverse the trends of development in the two halves of Europe. Western Europe has fallen upon a period of social contraction; Eastern Europe has fallen upon a period of social expansion. Both movements are in their earliest beginnings but appear on all evidence to be of a long-term nature. The forces behind these movements are profounder than current politics or the Cold War. They are secular forces long accumulating and now virtually irresistible. The advent of Communism in the East has had only a relative effect; to an extent it has aided, to an extent inhibited growth, just as the intervention of American aid has temporarily checked the pace in the contrary direction in Western Europe. I hope to show later that there is nothing necessarily tragic in this situation: it creates for the first time circumstances in which Europe can become a viable continental whole whose parts, together, can enter upon a new broad period of growth. But first let us gather all the elements of the West European crisis, noted inside individual nations, into a set of generalizations covering the whole area.

The most apparent source of Western Europe's troubles is over-population in relation to current resources and potential markets. There is hardly a country where the pressure of population on available resources is not visibly forcing down the standard of living.

It may be objected that Western Europe was not over-populated before the war; why should it be so now? The fact is that the pressure was indeed very much in evidence before the war. An important factor in Hitler's and Mussolini's belligerency was precisely the pressure of population on the limitations of Fascist economy, world markets and national resources. Since then, the recent war has further increased population and the

limitations have become more severe in all the countries of Western Europe.

The population of the area has increased probably around 10 per cent from natural causes. Further, some millions or so have been added in the form of displaced persons and German refugees expelled by international agreement from Poland, Czechoslovakia and Hungary.

Of the new limitations the most obvious has been the dwindling of those colonial resources which permitted the population of Western Europe to swell to its present density in the first place. Mass discontent is inevitably chronic in colonial areas for the simple reason that colonialism means exploitation, the taking away of much more than is given. During the Asiatic War the discontent became articulate. For four years the natives watched the Japs kick white men around as though they were nothing more than ordinary mortals. They proved it could be done, and that Asiatics could do it. There already existed a native leadership, matured and ready to organize this new articulate discontent: over the generations Western enterprise had created a small class of native businessmen whose interests were the same as those of the middle classes of Europe during the last century; this class now demanded national independence in order to retain more of the profits from its own resources and to introduce tariffs to protect its own industries against Western competition.

There are several calculations which show what the loss of these rich colonies can mean to their West European motherlands. In the House of Commons, once before the war, Mr. Churchill estimated that India was the indirect source of employment and enrichment for six million Englishmen. Although the Socialist government of Britain has had no trouble finding employment for the surplus labour left over after India became independent in 1947, their payment no longer comes from India; it must be found somehow in Britain's domestic resources. I have already quoted the estimate that 30 per cent of Holland's pre-war standard of life was derived from the wealth of Indonesia and reported the assertion of a French official that Indo-China once yielded France a surplus wealth of £50 million a

year. These figures indicate a tremendous economic dependence on a source that is no longer fully operative. Their colonies are at present in fact a net loss to Holland and France due to the cost of maintaining troops there and to the economic effects of warfare.

What has been referred to as a 'wave' of nationalism sweeping the backward Asiatic countries is more than that: the trend is certainly permanent. Nothing Britain can do, for example, will restore India to the crown as a source of colonial wealth. Holland and France are, in the long run, fighting expensive and losing battles to retain their Asiatic colonies on the old basis. Their only slender chance of holding on is to grant Indonesia and Indo-China something like dominion status and make them equal trading partners—a far different relationship involving an equal exchange of wealth, not the old one-way flow of unearned increment which built France and Holland up to their affluent positions in the world. Whether the end be long or short in coming, Asiatic colonial wealth can be definitely counted out as a continued source of sustenance for Western Europe.

The spread of Communism is having a similar, if less disastrous, effect. We have seen how the Russian Revolution and the loss of French investments there struck France a crippling blow, from which her economy never fully recovered. In coming chapters I shall describe the extraordinary wealth which the nations of Western Europe have been accustomed to draw from investments in the Balkans—Rumanian oil, Yugoslav lead and copper, etc. With the triumph of Communism in Eastern Europe all those sources have been cut off. Communism is at present spreading swiftly over China and reducing another important semi-colonial source of income. Thus, an enormous portion of Western Europe's great sources of unearned increment is by way of disappearing for good.

Its earned income, too, is in jeopardy. Western Europe¹ has spent ten of the past thirty-five years in a state of war, and for that considerable period has been forced to neglect its customary overseas markets. There has been a strong tendency for the markets to turn to other producers, mainly America, far from

the European scene of war. Also, many undeveloped countries, faced with a falling off of European deliveries, began building their own industries to supply their own wants, and they now want to protect their nascent industries by tariff walls.

It is factors of this order—the rise in population to be provided for; and the decline of means of providing for them due to colonial defection, the spread of Communism and the narrowing of markets—that account for the paradox of Western Europe since the war: most of the industries of the area have long been producing more than they did before the war—yet the standard of living remains in most countries radically below what it used to be.

[It is important to observe, moreover, that the present post-war period is an abnormal sort of 'boom' period for Western Europe, and not—as it is so often conceived—a depression period. The world market is still very much of a 'seller's market' which means that Western Europe can get rid of almost all the produce its industries can turn out. Britain, for example, can sell relatively high-priced British automobiles on the toughest car market in the world—that of the United States. But there is much evidence that the market is steadily turning into a 'buyer's choice'. It is going to be more difficult to compete. Japan is reviving, and her textiles are cheaper than any Europe can produce. Germany is reviving and may soon be able to undersell most of Western Europe; there is already talk of the much cheaper German *Volkswagen* being exported to America with the aim of outselling British small cars on the American market. But all the European industrial nations are in for a rough time if America ceases her present abnormal method of financing her exports—namely, giving away money to the nations so that they can buy American goods. This is bound to stop in time, and when America does re-enter the market as a normal competitor, all Western Europe will feel the pinch.

The internal repercussions of the contraction of economy in Western Europe can be extremely dangerous. I have suggested that an important factor in the growth of the predominant

tradition of Liberal Democracy in Western Europe has been the existence of surplus wealth as a means of compromise between classes. The surplus has now gone, and democratic institutions are to that extent endangered. In Britain the democratic tradition is too old and well founded to have suffered any ill effects, but in countries like France and Italy we can already see the people gravitating towards political extremes of right and left due to the attractions of revolutionary promises of betterment.

Another prime social requisite for the functioning of Democracy is the existence of a large middle class—people who own something like the propertied classes, and at the same time live principally by their own efforts, as does Labour—to act as a go-between through which compromises can be negotiated. In a Western Democracy the political parties, whether of the right or left, cannot hope to win an election without support from this broad stratum, and the need to woo it prevents party policies from being narrow and antagonizing class against class. This essential stratum is at present in grave danger in Europe. It is probable that it is the class which has suffered most during the Socialist term of government in Britain. In Germany, as we have seen, currency reforms in all four zones seriously reduced the economic foundations of precisely this class.

Unfortunately, circumstances *demand* an assault on the position of the middle classes. In all countries in Western Europe the middle classes are overlarge, and the function of a broad section of them has become non-essential. In Britain, France, Belgium and Holland, for example, a large part of the middle class consists of 'left-overs' from a great, but vanished, commercial past. There are thousands of redundant clerks in finance houses, *restaurateurs*, shopkeepers, who have lived by providing services for a well-to-do class which time has now diminished. In its crisis Western Europe's first need is basic producers. Belgium suffered a severe shortage of labour through the first three post-war years, while Premier Spaak could justly complain that there were 100,000 too many in the distributing—shop-keeping—trades of Belgium. In France the supernumerary shopkeepers, bar-men, waiters and peasants are certainly a multiple of that; yet France, too, has been suffering from a shortage of

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manual labour. In countries like France, where we see the status of the middle classes artificially protected by favourable taxation and legislation, the result has been a dangerous discontent and a trend towards Communism by the labourers who in effect have to shoulder the burden of maintaining the useless sectors of the middle class. Yet the necessary streamlining of society—the transformation of shopkeepers into manual labourers—carries the threat that the middle classes may move, as they have patently been doing in France and Italy, towards a rightist form of dictatorship.

A little over a year after the winter crisis of 1946–7 had marked the nadir of Western Europe's fortunes, the Marshall Plan began to operate. Already by the middle of 1948, Western Europe began to feel a little better, if only for the psychological reasons that the nations were no longer isolated but even united in their efforts to recover and were enjoying the sympathy and support of the world's wealthiest country. Continuing transfusions of American goods plus the first good harvest since the war brought material improvement and a perceptible return of colour to the collective patient's cheeks in the autumn of 1948. Britain felt able to relax austerity just enough to devote some labour to replanting her little public squares; grey residential London became dotted with bright, freshly-painted front-doors.

Production figures moved gradually upwards in most of the Marshall countries, and in western Germany even leapt upwards. Inflation slowed down in Italy. Early in 1949, in France, inflation stopped, and prices achieved a degree of stability.

All of this would seem to destroy my apocalyptic predictions for good and all. Would that it were so, for the role of Cassandra is not an attractive one. However, it is doubtful whether there has, in fact, been any real change for the better in Western Europe's position. The brightening of life in 1948 and 1949 is clearly due to the combination of a large gift in aid from America enabling the Western countries to increase their current production, and the existence of a world 'seller's market' enabling them to market almost everything they produce. Both

are clearly abnormal and temporary conditions. How much has been done to make sure that this improvement will continue after American aid has ceased and normal markets are restored?

The nations of the area have placed their hopes for permanent recovery in two schemes. The first is the Marshall Plan. The other is a scheme to integrate the economies of the area, eliminate national frontiers and make the industrial potential of Western Europe into a more concentrated and efficient producer and competitor on the world market.

Both of these schemes were excellent as originally conceived. But as actually executed, they indicate too clearly that neither American ERP administrators nor European 'federalists' have grasped the real urgency of Western Europe's condition. They seem to suffer, deep down inside, from the stubborn belief that there is nothing basically wrong; that Europe is ailing principally from a temporary setback mainly due to the late war, but that it is nothing which four years of American assistance and some conferences on integration of economies will not set aright on the old basis.

The truth is that Western Europe is suffering from a long-term decline in its position in the world, a change which has certainly been hastened and aggravated by the war but which would have come about even if the war had not occurred. The problem of Western Europe is to pay its own way largely from its own domestic resources, since its accustomed revenues from domestic and imperial investments have drastically dwindled. To make up for this loss, home production must be increased tremendously. More than that, *productivity* must be increased tremendously: *i.e.* to compete in a narrowed world market against much tougher competitors over new tariff barriers, Western Europe must recreate its industry to produce better, faster, cheaper. What is needed is a wholesale rejuvenation of its capital machinery—in fact, a new, sweeping industrial revolution.

The most obvious defect of the Marshall Plan as a means to this end is just plain quantity. While Europe needs a ten or twenty-year plan, ERP is to last for only four years. Also the amount is not enough; a much greater investment both of

foreign aid and domestic wealth is called for. Furthermore, America is not giving, and Europeans are not demanding, the right kind of goods: too few of the deliveries of aid consist of capital machinery, and too many consist of food or raw materials to be used in too large a proportion for mere current production with largely the same old capital machinery. As a result, we have already seen above that in Britain productivity per worker increased only 1 per cent from October 1947 to the same month in 1948. That is a rough measure of how much British capital machinery has been improved or expanded, and the rise of 1 per cent in one year is not nearly great enough to assure the 15 per cent rise in productivity planned by Britain for 1953. It is worth noting that this low figure for increased productivity is probably near the maximum for Western Europe.

Another indication of the failure of many of the participating governments to face their problem squarely, has been their sociological approach to recovery. To do the job, the first and foremost requisite is to enlist the enthusiasm of the basic producer, the industrial worker. Yet, since the Marshall offer was made, most of the Western nations have apparently thought it necessary to flatter America by imitation, and have abandoned controls and rationing mechanisms that equalized social burdens to some extent. In poor countries, where wealth is already maldistributed, the premature return to free enterprise has yielded every advantage to people with wealth and put the workers at great disadvantage. Real wages have fallen almost everywhere outside Britain and Scandinavia. It is true that the workers do work very hard, but in most cases the motives are those of the bad old pre-war days: high prices and fear of unemployment. That all-important extra effort that derives from active enthusiasm is absent. Labour's mounting restiveness has been registered in a steadily increasing number of strikes in 1949 in most of the countries.

Marshall Aid, we are forced to conclude, has been used mainly as relief, not as a means to alter the quality of Western Europe's productive apparatus or to provide a breathing spell in which to make some necessary social changes. It is to be feared that Western Europe in 1952 is very likely to be in much the same

situation as it was in 1948 before the Marshall Plan came into operation.

What about the other scheme to regenerate Western European productivity by joining all the national economies into a single stronger, more efficient 'Western Union' economy? Since the term has suffered from rhetorical distortion, let me make clear what 'Western Union' signifies, at least to me. Its object is to make salable goods cheaper, faster and better than any one West European nation has ever made them before, in order to be able to compete with highly efficient America and low-wage Japan on the world market. This would involve the abolition of frontiers and tariffs that protect inefficient plants. I do not believe economic unity is possible without unified political power to back and enforce it; therefore there must also be political unity—no longer nineteen-odd distinct sovereignties, but a single sovereignty.

This definition will sound raw and radical to Europeans. But, in fact, there is no other definition which suits the purpose of a unified Western European economy that aims to compete in the world market. The fact that Western statesmen refuse to face this simple, if harsh, reality and tend to hide their reluctance behind talk about the 'gradual' and the 'functional' approaches to a unification is one more indication that they refuse to see the urgency of the Western crisis.

One could accept their protestations that they are engaged on a gradual approach if the gradual approach had begun. In fact not a single attempt to limit the sovereignty of any nation has been made. Apart from flowing speeches by Messrs. Bevin and Spaak on the absolute necessity of unification, and the creation of a polite Council of Europe in 1949, nothing has been done. The Council of Europe consists of a sort of mock cabinet of West European ministers meeting in private, and a kind of mock consultative parliament meeting in public. But the ministerial council, which has the right to make binding decisions, is subject to the veto of any participating country, and the consultative assembly, which is not subject to the veto, has no power to make decisions.

This is not to underestimate the tremendous difficulties in the

way of unification: the Western economies do not complement one another, but compete with one another. The abolition of national frontiers would mean a wholesale slaughter of less efficient plants in, say, Britain in order to concentrate production in more efficient plants in, say, Belgium. This would cause big temporary rises in unemployment. The resulting unemployment might even be of long duration. The mobility of labour from areas where plants are closed down to areas where plants are being expanded is highly theoretic—the more so, when labour may be required to move across national boundaries into unfamiliar lands with different languages, traditions, housing conditions and maybe even wage-scales. There is also the tremendous difficulty of imperial integration: Britain, for example, could not join in an effective West European customs union without sharing her 'imperial preferences' in dominion trade with the other European nations—which would, at least temporarily, reduce one of Britain's most dependable markets. The integration of legislatures is no less difficult. How, for example, are stable British parliamentary traditions to be combined with the volatile traditions of the French chambers?

The difficulties are gigantic. But Mr. Attlee and many other responsible European statesmen have stated that there is no other way out, if Europe is to survive. If these statesmen are not talking through their hats to induce America to believe something is being done, lest she become disillusioned and cut off aid, then certainly the time is over-ripe for taking some determined steps to resolve them.

I have concentrated perhaps too much on the urgency of raising Western Europe's production and productivity. Although this is important, it is probably secondary to the main element in the Western crisis, which is the narrowing of the world market. Supposing the nations of Western Europe do increase their productivity to the desired degree in the required time, will they be able to sell their goods when the market turns from a sellers' to a buyers' choice; when Japan and Germany are fully revived, and when America, with her gargantuan war-time in-

crease in productivity, has re-entered the market as a normal competitor? Will there not be, then, a glut on the market, and a crisis of over-production as in 1929?

No one can be absolutely sure of the answers, but it must be said that there is little evidence that anything has been done to broaden the market. More tariffs have been raised in the last decade than have been reduced. More non-European competitors have entered the market than have dropped out.

There is already one pessimistic indication that there may indeed be a glut. In the winter of 1948-9, the market did begin its long-heralded transformation, and it became somewhat harder to sell. Western European nations, suffering from a shortage of labour for three post-war years, suddenly felt the old familiar pain of unemployment. Figures of unemployed mounted sharply in western Germany, Belgium, Denmark and France.

In view of this the only conclusion is that the long-term pressures that are reducing the standards of Western Europe are still operative and unabated. Little that is basic has been done to prepare the area to meet these pressures better than it has in the past. For all the hope pinned to it, the Marshall Plan is not nearly enough to do the job. To recover, Western Europe needs many, many other things. Among its most obvious needs is—Eastern Europe.¹

¹ In the brief period between the completion of the manuscript for this book and its setting up in proof, the world situation has altered radically and the predictions made in this section appear in the summer of 1949 in process of all too real fulfilment. The transformation of the world market from a sellers' to a buyers' choice is in full swing. A pinched market has caused sharp business recessions in almost all the Western countries and unemployment is rising steadily. The crisis appears to be making the West European countries less rather than more willing to amalgamate in union, as each seeks to protect its national market. *Danorsve*, the Scandinavian union project, has been shelved; the Franco-Italian customs union project has been condemned by the French National Economic Council as endangering French interests and it seems unlikely that it will be realized; even the *Benelux* project appears to be stalled, judging from broadsides in the Belgian and Dutch press accusing one another of seeking selfish advantage from the union. Prospects of a larger Western Union are at this moment blocked by an extraordinarily dogged conflict between Britain, insisting on a continuation of restricted bi-lateral schemes of trade between the Marshall nations in order to protect her markets, and America, insisting on the opening up of Western Europe to freer competition as a means of extending America's markets. The 'permanent' nature of the Western crisis seems all too clear to require insistence.

The second half of my unorthodox thesis is that irresistible forces are pressing the standards of Eastern Europe upwards. The area is involved in an inevitable social expansion in about the same degree as Western Europe is caught in a social contraction.

There may be a good deal of mental resistance to this thesis for it isn't what the papers say. Moreover, the reader can object, if prospects are really so bright east of the Iron Curtain, it is curious that there are so many East Europeans who have not noticed it and in their perversity are fleeing in large numbers to the declining West in search of a better life. These objections shall be dealt with in detail later in this chapter. For the moment, let me only point out that both objections are based on manifestations of current politics. The forces referred to here as making for a rise of Eastern Europe's position in the world are long-term and are profounder in meaning than current politics; they have taken years to mature and will take more years to work out their full consequences.

The contrasting forces at work in Europe are reflected in an interesting difference of attitudes. In the conversation of Western government officials the norm of the past runs like a red thread. There is much talk of national hopes and plans in terms of returning, restoring, rehabilitating, resuming, recovering. In official statistics the 'normal' column of figures in heavy black type is the column under the 'Level of 1938'. In the East, on the contrary, there is a marked indifference to the past. Hand-outs tell mainly of what is planned for the future and contain few verbs with 're' prefixes. The column of 'normal' figures in heavy black type is the one under the 'Level of 1950' or 1955. Posters in Italian post offices and in British tourist offices propose to the people that they emigrate in search of opportunity. Posters in Polish and Yugoslav post offices beg citizens to write to their relatives abroad and tell them to come home and help.

It is a measure of the contrast that Eastern Europe, which lost more than twice as many lives and suffered about twice as much damage in the war, passed pre-war production figures before Western Europe did. The Eastern nations have, since the

end of UNRRA, achieved this with none of the foreign aid that the West has received. Poland and Bulgaria lead the world in the advance of production since the war. Russia, though she suffered immeasurably more destruction, has caught up with Britain in relation to pre-war production and now bids fair to leaving Britain far behind.

It is not suggested by these contrasts that East Europeans come of finer stock than West Europeans; nor that Dictatorship bestows social blessings Democracy is not capable of providing. The shift of élan and fortunes from West to East is largely due to circumstances independent of the wills of individual men and to some extent also of political parties. A potential source of dynamism and social expansion has lain under the surface of Eastern Europe for a long time. As in dynamite, all the ingredients were present but were in static relation to one another, needing only a fuse to start them reacting within one another to produce the expansion.

Here are some of the factors:

Numbers of population have never of themselves made a nation great, but they certainly tend to prejudice the fate of a social unit in that direction. In the past Britain was one of the most populous of the great powers. To some extent it is due to the fact that she has now become a relatively 'middle-sized' nation without the numbers for production and soldiery to match those of to-day's great powers that her status has declined. Though at the moment the population of Western Europe is slowly rising beyond the area's means of provision, the experts predict that some time between now and the end of the century it will begin to fall. That of Eastern Europe, on the other hand, is still swiftly rising, and a levelling off is nowhere in sight. By the end of the century, the numbers Eastern Europe can draw on for production of wealth and for the armed forces will be far greater than those of Western Europe.

But, as has been said before, an area must be able to provide for numbers. Even with foreign aid the West can barely, on its present basis, sustain the standards of its present population. The East, however, is in a position to support an increasing population from its resources. Western Europe has attained its

present density of population at the end of a long industrial expansion. Without very drastic re-capitalization and widespread introduction of new techniques, Western Europe has very little economic slack left to provide for greater numbers. Eastern Europe, on the other hand, attained its present population before having done much more than scrape the surface of its resources. There is infinite room for industrial expansion.

Contrast the significance of this in the two neighbours, Italy and Yugoslavia. One of Italy's chief problems, we have seen, is the backwardness of her agriculture. The pressures on Italy tend to keep her farming backward, for industry has nearly reached the limit of its expansion and could not absorb the farm population that would be released by a mechanization of agriculture. Many evils flow from this. Farm output must remain well below what it could be. Italy must therefore import more of her food than she can pay for. People kept in poverty on the land inevitably tend to procreate faster than the economy can find employment for them, thus putting still more pressure on limited resources.

Yugoslavia, on the other hand, is only on the verge of industrial expansion. Her mineral resources are nearly untapped. There is room for industrial development at a pace that can take all the surplus labour that farming can release. So there is every incentive to mechanize farming, which increases agricultural yield and creates resources to provide for a still larger population. While Italy—and to a less severe extent most of Western Europe—seems to be caught in a vicious, downward, contracting spiral, Yugoslavia and most of Eastern Europe is caught in an expansive upward spiral.

But as was noted in the foregoing section, not even production is the main problem of the time; the foremost difficulty is selling a nation's produce. Western Europe's market is distinctly contracting. Eastern Europe's market on the other hand is, so far as the next generations are concerned, unlimited. Western Europe's domestic market is limited by national frontiers, and all the efforts of the post-war period have not sufficed to make any of the nations of the West—save, in some slight degree, the Benelux nations—break down their national economic borders.

In Eastern Europe, the national boundary is not an economic barrier. Industrial economy is new to the East and there are no long-entrenched interest groups who demand the protection of the national border: Labour has no old established standards to protect, Capitalists have been ruthlessly dispossessed. As a result, the Eastern economies have achieved an integration which is still being only timidly discussed in the West.

This, then, is the biggest single factor conducing to expansion in the East: Eastern Europe begins its industrial revolution under those same favourable conditions that America did—with a virgin market, destined to expand rather than contract, and continental in size. The Eastern market is even greater than that which provoked the rise of American industry. It extends effectively from the Chinese shores of the Pacific to the German Elbe, without a single tariff barrier in the way. This circumstance will doubtless encourage the rising industry of Eastern Europe to apply standardization and mass production techniques to a degree that has never been feasible in the small national markets of Western Europe.

Finally there is the character of the common man of Eastern Europe who must provide the labour force in this expansion. We had a glimpse of him in the chapter on Greece: repression and stagnation have lasted far too long for him. Throughout the East he is over-ripe for a constructive lead, an increased status and responsibility in society and a greater share of its rewards. So backward is the peasantry of the area that a very small concession in these things is likely to yield multiple returns in enthusiasm and effort. Unlike typical Western man, he is unsophisticated. In most countries his intelligence is barely developed, and his social values are unformed. He has no preconceptions of Democracy or the Good Society, and will accept a definition of them from anyone who raises his material standards and enriches to some extent his barren spiritual existence. In a word, he is virgin material for the politician to work on and mould into a powerful force for whatever ends.

Most of the former political leaders of Eastern Europe (I exclude from the following generalizations only Czechoslovakia and Finland) lost by default the opportunity to enlist the

latent energies of the common man. Government was roughly by the same Unholy Four that rule Spain, with unimportant variations in different nations. Their economic practice was to consume rather than invest the proceeds of the nations' wealth, so industry made only scant and sporadic progress. With no industrial outlets, nearly 70 per cent of the people of the entire area remained on the land as poor peasants and in a state of incredible backwardness. It has been reckoned that over one-third of all the farm population of the area was supernumerary and in effect unemployed.

In so far as national resources were tapped, it was done mainly by contracting them out to foreign firms at the price of graft paid to the native bureaucrats and cabinet ministers who negotiated the contracts. This was a main source of income of the ruling classes. Exploitation of mines and forests was rapacious and wasteful. The resources—lead, copper, bauxite, timber—were generally removed from the country in the raw state, worked into finished goods in the West and then sold back to the East at high prices. If a minimum of the proceeds had been invested in building some native industries at the pitheads, wasteful foreign exploitation could have been avoided, finished goods would have been provided for the people at far below the usual prices, and industrial outlets would have been created for the surplus peasantry.

The old masters of Eastern Europe maintained control over their inevitably restless, discontented peoples by three means. First by the sheer force of extraordinarily ruthless rural gendarmeries and over-sized, corrupt bureaucracies. Second, by illiteracy: in wide sections of the area it was higher than in Spain and Portugal. Third, by canalizing discontent into anti-semitism as in Poland and Hungary, into regional antagonisms as in Yugoslavia, and into chauvinism everywhere.

Of all these techniques of physical and mental repression, the most ardently applied—and it was applied uniformly in all the nations of the area—was chauvinism. It dominated the policies of all the governments and distracted them from any concern with domestic politics, economy or social welfare. There is no people in the area which at some point in history has not

had its 'imperial era'—which meant the subjugation of its neighbours. To regain the lost glory was the main preoccupation of politics and government. Adolescents were saturated with nationalistic propaganda. Education concentrated on history, and history as written in Eastern Europe was, according to Mr. Hugh Seton-Watson, nothing more than an 'erudite chronology written in a highly romantic and bombastic spirit.'¹ In permanent conflict with, and intrigue against, one another, the East European nations were not only domestic cock-pits, but the constant cause of disturbance to international peace.

The potentially democratic forces which might have challenged this sick old order were too weak or divided to do so. The middle classes of the cities were too small, too bound to feudal attitudes of their recent past, or too warped by chauvinistic education to create a Liberal-Democratic political organization of any strength. The working class was in many cases too small and impoverished to be attracted in any number to moderate social democratic parties with policies of peaceful, evolutionary change. Its tendency was rather towards radicalism. As a result, the Communists gained some strength in the Balkans for a while, but were decimated soon after World War I by ruthless police persecution. The White Hope of Democracy was the Peasant Movement which grew strong in most of the countries between the wars. But the Peasant Parties underwent an odd evolution. From radical origins they grew steadily more conservative and resistant to change as their strength mounted. Party leadership moved from the countryside to the cities, and the Peasant Parties came to represent principally the urban middle classes and the more substantial peasants. On such occasions as they held power they invariably became allied with the old ruling classes and gradually abandoned their last principles of reform. The Peasant Parties remained, however, the nearest recognizable imitation of a Western democratic party in the whole of Eastern Europe.

World War II, and the Russian counter-invasion of Europe, swept into this brittle order of things and shattered it to splin-

¹ Hugh Seton-Watson: *Eastern Europe Between the Wars—1918-1941* (Cambridge University Press, 1945)

ters. Except in Yugoslavia, where elements of a genuine popular revolution are apparent, the Russians made use of the presence of their occupation troops throughout the area to force a complete dissolution of all that remained of the old order, and to root out both the old guard and the rudiments of a new Democratic leadership in favour of dictatorship by small native Communist minorities.

The story of the Communists' political repression will be related in some detail in ensuing chapters on individual countries. For the rest of this chapter I seek to clarify some basic aspects of the post-war development of Eastern Europe about which there are profound misconceptions in the West. The analysis will explain incidentally why governments, repressive in all their most publicized manifestations, have won a highly favourable response from the common people—the basic producers on whom the social expansion of Eastern Europe depends.

It is unhappily true that the behaviour of Western diplomats, and the reporting on the area in much of our press, often reveal a fundamentally dishonest attitude towards Eastern Europe (a dishonesty, I hasten to add, which the Eastern press and diplomats repay two-fold). The Iron Curtain, as has been said, has existed as long as European civilization. As long as that have tyrants and ruling cliques been oppressing, torturing and murdering their opponents behind it. Tito spent nearly half the inter-war years in prison and was subjected repeatedly to torture. The recent book of the former Hungarian Peasant leader, Ferenc Nagy, tells how non-Communist peasants in Hungary were beaten with rifles by the rural gendarmery until the rifle-butts broke. Mr. Hugh Seton-Watson recounts the burning down of whole villages by landlords as a means of punishing the peasants. Traicho Kostov, one of the Bulgarian Communist leaders, was so tortured that, fearing he would 'squeal', he threw himself from the fourth story window of a prison and broke both his legs—only to be locked up in solitary confinement for several years more. The present Deputy Premier of Yugoslavia, Edward Kardelj, still walks with a limp as a result of his toes having been crushed in police torture.

All lists of atrocities can be continued endlessly. The point is:

the thousands of incidents of this kind that were continuous in Eastern Europe between the wars and were public knowledge in the countries involved, elicited but little protest from the West. One of the most stunning contrasts of the past generation has been the West's differing reactions to the murders of two Peasant leaders in Bulgaria. When the Bulgarian Agrarian Party leader, Nikola Petkov, was tried and executed by the Communists in 1947, our press and diplomacy blazed away at the 'judicial murderers' with indignation—and justly so. Of the other murder, that of the leader of the same Bulgarian party in 1923 when it was still the radical political instrument of the poor peasants, Mr. Hugh Seton-Watson recounts, 'Stambouliski . . . was led back to his home, where they [Bulgarian army officers] mutilated and tortured him and made him dig his own grave and finally finished him off. Some thousands of peasants were massacred. Representatives of the victorious Allies [Britain and France] in Sofia were rather glad that this boorish demagogue was out of the way, and closed their eyes to the horrors which accompanied it.'

The only thing new about Iron Curtain politics is the West's admirable but conspicuously sudden concern for its victims. That concern, expressed in angry editorials and a flood of diplomatic protests, would seem more genuinely humanitarian if some of the same concern were felt for victims in Spain and Greece. Both of these countries have executed, often after the most dubious legal proceedings and on highly dubious evidence, many more supporters of the Allied cause against Germany than any nation in Eastern Europe.

The actions of the Eastern governments have been distasteful enough without our having to exaggerate them; yet that is what we have frequently done. And in doing so we are drastically underestimating the calibre of our opponent. For example, a favourite editorial and oratorical line in the press and parliaments of the West is that Stalin has replaced Hitler in control of the area, and that the Communists have replaced the Nazis—otherwise nothing has changed. This is false; the differences are vast and vital. The policy of the Nazis in Eastern Europe was quite clearly to divide and destroy. The mutual war-time

slaughter of Serbs and Croats in Yugoslavia—to cite but one of many examples—was armed and fomented by the Germans with the aim of breaking the will of an ‘inferior’ people. It is incontestable on the other hand that the Russians and their satellite governments have applied the utmost pressure to erase national divergences and enforce racial toleration. The most stringent laws backed by a ruthless police force are applied to compel Serbs and Croats to live together in peace. The settlement over Transylvania was not ideal—there is no ideal solution to the question—but it has stopped generations of bloody strife between Rumania and Hungary. The sharpest measures have been enforced to prevent active anti-semitism and pogroms, once a favourite Polish pastime. In the whole area, where incessant national conflicts have always been a source of world disturbance, Russia has done her utmost to force a burial of national differences and the establishment of harmonious relations among the satellites.¹

Another frequent charge is that the Russians have converted the area into a Russian ‘colony’. Though economic facts about the area are hard to assemble, there are many that cast doubt on this charge. The policy of the Nazis in Eastern Europe was, as frankly and publicly stated by them, to maintain the countries of that area on an agrarian basis as a granary for Germany. That is the classic means of converting a country into a colony without permanent occupation. ‘In the modern world,’ says Mr. Seton-Watson, describing the process, ‘no state can remain predominantly agrarian without suffering exploitation by industrialized states.’ The Russians, on the other hand, have applied every pressure to induce these countries to industrialize themselves, which is the opposite of a colonial policy.

It is true that the Russians dismantled and removed large quantities of the industrial plant of those of their satellites who had sided with the Nazis during the war. But they took only a fraction of the quantity which the Nazis and those same satellite countries had destroyed or removed from Russia. It is true that the Russian occupation armies ‘lived off the land’

¹ The ideological division over ‘titoism’ in Eastern Europe is a special case which will be dealt with in detail in Chapter XX.

in the occupied countries. But it is very unjust not to recall why this was necessary: these same countries had laid waste Russian agriculture and there was no other means of feeding the Red troops. It is true that Russia has taken over large foreign investments in the satellite lands and thereby draws profit from their economies. But—with the exception of Rumania where Soviet penetration appears to be enormous—available evidence indicates that Russian-held assets are not as great as those which Western nations held in the same countries before the war.

It is certainly true that early in the occupation period the Russians resorted to two highly shady means of outright economic exploitation. They forced the defeated satellites to pay reparations on the basis of arbitrary valuation, thus taking a good deal more than the real amount of reparations agreed to in the peace treaties. They also forced them to sign trade treaties fixing Russian prices higher than those prevailing on the world market. But both these stratagems appear to have been temporary expediciencies during Russia's post-war pinch. Since conditions in Russia improved, the Soviets have drastically pared down their reparations claims and on all available evidence do not set foreign trade prices radically different from prevailing world prices. In an interview with the *New York Times* on 5 December 1947, M. Loebl of the Czechoslovak Ministry of Foreign Trade said his country was receiving from Russia 40 per cent of all her grain imports, 35 per cent of her cotton and all her 'basic requirements' in iron ore at prices 'lower than Czechoslovakia was able to obtain elsewhere'. According to T. E. M. McKitterick in a study of Russia's trade agreements with her satellites in 1947 and 1948, 'Generally speaking the prices quoted are world prices, though there have been cases where special quotations were agreed.'¹

The nature of Soviet imperialism, it seems, is not economic but political and ideological. In respect to economics, it is probable that the satellite countries of Eastern Europe are at

¹ T.E.M. McKitterick: *Russian Economic Policy in Eastern Europe* (Fabian International Bureau). Mr. McKitterick adds: 'The suggestion has frequently been made in the Press of this country and the U.S.A. that the result of agreements of this character is to exploit the manufacturing country to the advantage of the U.S.S.R. But there is no evidence that, in recent agreements at least, the terms have been unduly hard.'

present retaining more of the proceeds of their own national wealth than they did before the war under Western economic sway or during the war under Nazi domination.

A final misconception, one wherewith we occasionally seek to salve those two painful spots in the Western conscience—our responsibility for Greece and Spain—is contained in the often heard remark that no matter how bad our two unsavoury Mediterranean relatives are, 'they are no worse than the Russian satellites'. From the point of view of civil and political rights this may not be far from the mark. But there the similarity between the Mediterranean and the Eastern dictatorships ends. The canyon-sized difference between them is that the Eastern dictatorships are squarely facing their domestic economic problems. They have gone to work and done what any astute political party could have done—fused the potential expansive factors of the area. In only four years the progress has been remarkable. Domestic processing industries have been set up, and the proceeds of national resources are now retained inside the countries to raise the standard of living. There is not a particle of doubt that already the standards of the poor peasants and workers, four years after the disorganization and destruction of history's worst war, are higher than they were before the war. The new industries have begun to suck away the surplus farm population, and by means of co-operative use of machinery, farm production is gradually beginning to follow up the truly amazing post-war industrial expansion.

Socially, while the new régimes have been cruelly repressive to both the living standards and the rights of the upper and middle classes, they have brought clear benefits to the mass of impoverished peasants and workers. The political exiles from Eastern Europe are drawn entirely from the upper and middle classes, and it is mainly from them that the West gets its impressions of what is going on behind the Iron Curtain. Deserving as they are of sympathy and aid, it is wise to remember that they are not, as are their middle-class counterparts in the West, typical of their nations. The overwhelming majority of the Eastern peoples are the 60 to 70 per cent of peasants and the 10 to 15 per cent of workers. If we drew our information from

them, the majority, we should probably hear a somewhat different story of what is happening.

Throughout the countryside of Eastern Europe, community centres and schools have sprung up and added no little enrichment to a way of life that before the war was merely barren and oppressive. The purpose of course is to propagate Marxism. But, to the rural paupers so long neglected, it would make no difference if the aim were to instil Confucianism, so long as it is a show of interest in them, and evidence of at least sufficient respect for their opinions to try to influence them. The purges of civil service and police have been thorough, and have necessitated the recruiting of entirely new personnel. For this the governments have drawn on these same strata of poor peasants and workers. In industry the trade unions have given workers responsibility they have not known before. All this popular participation in the humbler tasks of administration has made for an appalling inefficiency, which to some extent has been compensated by a new enthusiasm. As I said earlier, it would indeed take but a very small investment of interest in the common man's welfare to bring high dividends in eagerness to work; and that, in fact, is what has been happening.

The rise of Eastern Europe has perhaps been incautiously referred to above as inevitable. Nothing under the sun is inevitable, and there are two very possible eventualities that could prevent the fulfillment of this prophecy.

One is a deepening of the apocalyptic mood in the Kremlin that might call for an extension of repression in the area. There has already been a call to take stronger measures to collectivize the peasantry, but to date they have not been ruthlessly applied. The attack on Tito for conducting his own affairs and not accepting the dictates of Russia has been another ominous sign. If Russian distrust should ever cause the satellite governments to begin victimizing those two basic classes whom they have hitherto encouraged and favoured, there would set in a demoralization which would send my prediction to limbo until a newer new order could release the energies of the Eastern peoples.

The other eventuality would be an outbreak of atomic and bacteriological war. But that would reverse all upward move-

ments on earth, not only that in Eastern Europe. Barring these eventualities, I think the prediction is sound that, for better or for worse, the other side of Europe's railroad tracks is going to assume a place among the high living-standard and great-power areas of the world.

I confess to feeling that there is something very artificial in the thesis propounded in this chapter. The rise of the East is going to be very painful and slow in its isolation from the established industrial sources of the world. The area is still extremely backward, lacks all capital except the backs of its citizens, and lacks engineers and managers. Western Europe's decline, too, seems absurd and unreal in the face of all its invaluable possessions—its still sound popular morale, its skilled workers, excellent engineers and managers, its long accumulated *expertise*—all lacking only steady sources of raw materials and new marketing outlets in order to expand anew.

The artificiality lies in the separation of the two areas that are contiguous parts of one continent and have become highly complementary. In its new period of expansion, the East could be a nearly insatiable market for the West's industrial produce. If the West assisted the mechanization of the East's farming and mining, it would have its sources of food and many raw materials.

If there is any sincerity in professions by America and Russia of aims to save Europe, the first effort of both should be to lift the Iron Curtain to permit the flow of trade and the exchange of skills and basic economic needs. Perhaps in time the political and ideological Iron Curtain would also be raised.

As their relations stand now, both areas are subjecting themselves to unnecessary pain. Western Europe's main trade partner in the present arrangement is America. Let us face the unpleasant fact that the partnership is commercially impossible: as long as one can foresee, the only way America and Western Europe can carry on a trade of any dimensions is by America continuing to pump free dollars into Western Europe. On the other hand, an economically unified European continent, more prosperous

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and efficient than its two separated parts, would not only be better for Europe. As a stronger dollar-earner and bigger, high-standard-of-living market it would also be better for America.

CHAPTER XVI

HUNGARIAN RHAPSODY, IN RED

'Below the rank of baron no one exists.'

—UNOFFICIAL MOTTO OF HUNGARIAN ARISTOCRACY.

'Learn from Lenin; if you have five enemies, you should ally yourselves with them; arrange to incite four of them against the fifth, then three against the fourth, and so on until you have only one enemy left in the alliance; you can then liquidate him yourselves and kick him out of the alliance.'

—HUNGARIAN MINISTER OF INTERIOR RAJK, according to Ferenc Nagy.¹

FROM BEING a kingdom without a king, ruled by an admiral without a navy, Hungary has become a democracy without a democratic government—at least as that term is understood in the West which gave it its modern connotation. Hungary is a warning. Countries too long dominated by the psychology implied in the first quotation above may easily yield to domination by that of the second quotation.

Hungary's past is that of an East European Spain. Situated in an oval bowl in the mountains, it is a rich, fertile plain with the largest percentage of cultivable soil of any nation in the world. It was much coveted by the barbarian hordes that swept back and forth across East Europe in ancient times, and the Magyar tribes that eventually occupied and held it inevitably developed a fierce but static warrior-landlord class which continued to rule fiercely and statically until the other day.

Until the other day, 1 per cent of the people—comprising mainly the 'magnates'—owned one half of the soil and the national wealth. Prince Paul Esterhazy alone owned 270,000 acres—in addition to over 170,000 acres in Austria and Bavaria—which he governed as a sort of state within the state. The largest landowner, however, was the Catholic Church with around 1,200,000 acres. At the bottom of the social scale, two million people, or one-fourth of the total population, owned

¹ Ferenc Nagy: *The Struggle Behind the Iron Curtain* (Macmillan, New York, 1948)

nothing. Above them, a million and a half owned dwarf holdings too small for their own sustenance.

This vast agricultural proletariat of nearly four million, or half the people, eked out an existence by doing day labour for the magnates for a few pence, or share-cropping for a negative income of debts. With so large a force of dirt-cheap labour, there was no reason for the magnates to improve farming and at best the average Hungarian acre produced only eleven quintals of wheat compared to the average of thirty quintals from the much less fertile Danish acre.

The magnates ran the government as a private preserve by the device of an open ballot with gendarmes standing by to record if the peasants voted right. They permitted the formation of a Socialist party in the towns on condition it kept away from the peasantry where the landlords' majority lay. Other restrictions so hemmed in the Socialists that they became ineffective and trade union membership fell from 800,000 in the hopeful months after World War I to 100,000 before World War II.

The magnates, through their control of parliament and the administration, performed the miracle of making the poorest people bear most of the nation's taxes. When poor peasants did not or were unable to pay, the landlord's gendarmery not infrequently visited their homes while the men were in the field, beat up the womenfolk and took away personal possessions to meet the periodic bill of perhaps a few cents. When mass discontent became vocal, the gendarmes sometimes stacked hay around peasant homes in a dissident village, poured paraffin on it and burned down the whole village. The most notorious recent case was in 1926 when Count Pallavicini razed the village of Doc; but the procedure was applied in several less well known cases later.

In the 1930's a change came about in Hungarian government and the magnates had to share their power with another group—Hungary's home-grown Fascists. The origins of the important new co-rulers were as follows: although Hungary is rich in minerals, the magnates frowned on industry and commerce as ignoble occupations. They did, however, realize that in modern

countries industry and commerce must somehow be fostered. So they invited the Jews in and allowed them a virtual monopoly in these pursuits.

In the year 1880, which is a turning-point in Eastern European history, America began turning out surplus grain and exporting it to Western Europe and the bottom fell out of the grain business in Eastern Europe; the agrarian depression has never really ended there since. Many of Hungary's landed gentry sold their depressed farms and moved to the towns to hunt for occupation. They entered the relatively dignified government service. But by the end of World War II it was apparent there were not enough government jobs. So finally they buried their pride and took to the professions and to business and industry—only to find them already overcrowded by the Jews.

A new form of middle class discontent arose. The sons of landed wealth, with their feudal outlook, became bitterly anti-semitic, not only because the Jews were so numerous, but because the independent Magyar lawyer or doctor could not compete with a Jew with his longer training.

When Nazism blossomed in Germany in the 1930's, a large part of the new Hungarian middle class coalesced into Nazi and semi-Nazi parties, became a real force and claimed a share in state power. The magnates finally had to grant it to them. From the time of General Goemboes' ministry they ran Hungary together. With domestic policy dominated by anti-semitism and foreign policy by imperial chauvinism, Hungary was an ideal partner for Germany, and the Reich throughout the war beamed on Hungary as 'Germany's First Ally'.

The marriage of Hungarian Nazis and magnates was never a happy one. The old nobles and the new upstarts detested one another. But their basic aims were the same and, smiled on by the Reich for that reason, they won for Hungary more crumbs from Hitler's conquests than any other ally of the Axis: a big slice of Slovakia and all the Carpatho-Ukraine in the dismemberment of Czechoslovakia after Munich; all of Transylvania from Rumania; the Banat area from Yugoslavia; the tacit promise of colonies in dismembered Russia. Hungary's size was nearly doubled between 1938 and 1941.

While Hitler was winning the war, the Regent of Hungary, Admiral Nicolas Horthy de Nagybanya, blithely promised the Führer that Hungary would man the Carpathian defence range should the Russians turn the tide and break into Europe. Events changed his mind. Hungarian troops went into action beside the Wehrmacht at Stalingrad and were never thereafter heard of. The Russians actually did turn the tide. So Horthy reneged and asked the Russians for peace.

Furious at the unkind cut from his favourite satellite, Hitler invaded the country and established an outright Hungarian Nazi régime without the magnates. The Russians invaded and in a few weeks of bitter fighting Hungary was laid waste. Early in the Russian invasion, in the fingernail paring of the country first liberated by the Soviets, six Hungarian underground parties assembled and constituted a government under General Miklos. Although the leaders did not know it, this was the beginning of a searing, all-embracing revolution which was to change Hungary in four years more than she had been changed in the past nine centuries.

* * * * *

Hungary has burst into the world's headlines on two dramatic occasions since the war. The first was in May 1947, when M. Ferenc Nagy, the democratic Premier of the government and leader of the country's far and away most popular political party, was forced to resign office while on vacation in Switzerland. From exile he watched the amazing disintegration within Hungary in a few days' time of his party, the Smallholders, which had won nearly 60 per cent of the vote in the general elections. The second occasion was in February 1949, when the Prince Primate of Hungary and one of the most powerful individuals in the country, Cardinal Mindszenty, was sentenced to life imprisonment on a charge of treason. The two events marked the effective beginning and what appears to be the culmination of the smoothest transition to 'People's Democracy' effected by any of the East European countries.

Of all the new Communist lands, I have chosen to tell the

story of Hungary first because it provides the model answer to the question, 'How do you create a Soviet satellite?' Without mass upheavals and threats of civil war as happened in Czechoslovakia; without mass murders and actual civil war as happened in Poland; with relatively few arrests and very few executions, Hungary has made a bigger leap towards Communism than all her neighbours. From being the most nearly feudal land in Europe, the country has become about the most confident of Communist dictatorships. From being the detested non-slav pariah among the countries of the Russian orbit, her progress to Marxist purity has been such that Hungary is now looked upon with a certain envy by her slav neighbours and is spoken of as the possible successor to exiled Yugoslavia as the leading satellite in the Cominform. How was it done?

Russian occupation and the ever-present threat of Russian force has been, it need hardly be said, the decisive factor in all the satellite transitions to Communism. In Hungary, as elsewhere, Russia has proceeded to harness the satellites to her for ever more by economic and political measures.

The economic strategy has been to tie a country's economy to that of the Soviet Union so that the bonds will remain tight when occupation is ended. The surest means has been reparations. By presenting a country with a large reparations bill to be paid in kind over a long period of time, Russia is in position to dictate what industries shall be developed in the country and how much of the national wealth shall be invested in them. When the reparations period ends, it would be extremely difficult and expensive for any of the satellites to turn back to supplying the differing needs of Western markets. The Western Allies, having no bill of damages, demanded no reparations from Hungary. Russia, with Yugoslavia and Czechoslovakia, presented Hungary with a bill of 300 million dollars worth of goods to be paid over eight (extended from six) years.

In Hungary, Russia applied an additional measure. Quite legally, and with Allied consent, she took over as her own all formerly German-owned industries in Hungary. They amount to 5 per cent of all Hungarian industry. That is not excessive as around 25 per cent of all Hungarian industry is foreign-owned,

and the Russian share just about equalled the Swiss share of Hungarian economy. But the Russians doubled their control by a shrewd deal: they induced the Hungarian government to join the same proportion of Hungarian-owned industries to the Russian-owned industries, forming joint-stock companies with the stock split fifty-fifty between Hungary and Russia. Now, since most of the Hungarian industries involved were nationalized, there was a sprinkling of Hungarian Communists on their boards. Added to Russia's 50 per cent control, the Communist votes gave the Russians a majority in the control of the joint industries. Actually, then, Russia had extended her control not to 5 but to 10 per cent of Hungarian industry—from nothing, she effectively directed a proportion equal to nearly half the foreign-owned assets in the country. The Western Allies protested bitterly at this deal, but the agreement was signed, the *fait was accompli*, before they could do anything about it. Moreover, it was perfectly legal.

These tactics for economic control have been pretty uniform throughout the satellite area. Among non-enemy satellites, long-term trade treaties have had the same result of tying economy to Russian markets, as have reparations among the ex-enemy satellites. The distinction of Hungary's transition has been rather in the realm of political measures tying her to Russia. In the other defeated satellites, Russian intervention has been direct, crude, dictatorial. In Hungary, Moscow left the job mainly to the native Hungarian Communists, with the seldom expressed threat of Soviet force to back them up and only an occasional prod to smooth their way. Their progress to power has been truly a work of cynical political genius.

Their feat is all the more remarkable because the Hungarian Communists re-emerged after the war under dire handicaps. First, they had absolutely no popular support in the country. After World War I, Hungary had been subjected to the four-months' Communist dictatorship of Bela Kun, and when the Horthy régime restored the old order, it had reason to be the government in Eastern Europe most alert to Communism. Its torture chambers tore out native Communism root and branch between the wars. Second, the Hungarians are a very

anti-semitic people and most of the Communist leaders who returned from Moscow happened to be Jews. Third, the Communists were inevitably held responsible for the depredations of the Russian occupation forces—bad everywhere, but, it is generally conceded, worse in Hungary than elsewhere, for the Russians detested Hungary as the 'Prussia of the South'.

Against these disadvantages, the Hungarian Communist Party had two considerable assets. One is Matyas Rakosi; the other Ernoe Geroe. Rakosi, the egg-bald chief of the party, is a man of parts, holds his press conferences in six fluent foreign languages and is considered even by his enemies to be one of the half-dozen or so shrewdest political strategists in Europe. Geroe is a wire-haired sleepy-eyed industrial genius who would have been lost to Communism forever, had someone given him a Capitalist factory to manage in his youth. (The factory would have been a highly profitable enterprise.) While Rakosi took over the job of undermining the old order with feline cleverness, Geroe proceeded to build up the new economy and truly made it hum.

Rakosi's first move on re-entering Hungary was to get himself a party to lead. He did so by opening wide the membership lists to anybody who would join, no questions asked about the past. He shut his eyes to the fact that an abnormally large proportion of those who joined were Hungarian Nazis desperate for protection.

With something resembling a solid support under his feet, Rakosi adopted the policy of 'If you have five enemies ally yourself with them'. He pursued a policy of appeasement almost to excess. In the first provisional cabinet of thirteen men he demanded but two cabinet posts for the Communists—agriculture and commerce—leaving the spectacular and important positions like police, foreign affairs, defence, the premiership, to other parties. He supported a stalwart non-Communist to preside over the 'National Council' or provisional parliament.

The Communists made a special effort to cultivate the mighty, conservative Catholic Church. They agreed in the land reform to let the Church keep a large proportion of its land, and thus to remain the largest land-owner in Hungary. To the discomfort of the Social Democrat Party, they agreed to retaining

compulsory religious education in the schools. Finally, they set Communist Youth brigades to work rebuilding damaged churches.

Except in the police force they were conspicuously lackadaisical about carrying out a purge in a country ridden with Fascists and reactionaries. The old bureaucracy was retained in government service almost to a man. As late as the elections of 1947, only some 300,000 Hungarians were disqualified from voting on suspicion of having had Nazi affiliations. The proportion of disqualifications was the same in the elections of democratic Belgium where there were certainly far fewer Nazis than in Hungary.

Their most winning demonstration was to put no obstacles in the way of completely free and democratic elections at the end of 1945. They had proposed to the other parties running a single coalition ticket as was done in the other Soviet controlled countries. The other parties objected, so the Communists yielded and accepted competing lists. The elections were a model of democratic freedom. Eastern Europe has never had anything like them before—or since.

The elections marked the end of the first phase of Rakosi's policy. His tactics paid him a modest dividend of 17 per cent of the votes, a bad second place in the parliament to the great Smallholders Party with its 57.5 per cent of the votes. Rakosi now gradually moved over to the policy of arranging to 'incite four of your enemies against the fifth'.

After the elections the coalition of the chief parties was resumed in the new cabinet. But this time Rakosi was less modest in his demands. He insisted that the Communists have the police ministry, for the first time hinting that he might call on his big Soviet brother. The hint sufficed; the Smallholders granted the Communists the Ministry of Interior.

Simultaneously the policy of building up Hungary's post-war economy began; Geroe was brought into the cabinet as Minister of Transport. The Communist Minister of Agriculture having won friends among the poor peasants by directing the great land reform, Geroe now went to work to win the industrial workers. In an amazingly short time Geroe had rebuilt half the

thousands of shattered bridges in Hungary and all its badly damaged roads. Not by subterfuge but simply because he knew how to make things work better than anybody else, he came to control the whole Hungarian reconstruction effort. Among his methods was that of coaxing the last ounce of effort out of workers by a system of bonuses and piece-rates which yielded Hungarian Labour some of the best incomes it had ever earned—for some of the hardest work it had ever done.

Rakosi, meanwhile, went to work mole-like to undermine the dominant Smallholders. The coalition cabinet consisted of Smallholders, Communists, Socialists and the Radical Peasant Party. He succeeded in inducing the last two parties to join him in a loose 'Left Bloc' within the coalition. Together, the three parties represented a force supported by some 40 per cent of the people. The purpose of the Bloc, it soon appeared, was to agitate with more effect against the dominant Smallholders Party, which was accused of harbouring reactionaries.

The Left assault on the Smallholders was not arbitrarily timed; it was directly related to developments both internal and foreign. The Smallholders were traditionally the party of the middle-class peasants—farmers with twenty-five acres and a cow. Since the war it had become the haven, too, of the urban middle class. Now, in the autumn of 1946, the middle classes of both town and country suffered a severe blow and their anger was likely to grow articulate and embarrassing to the Communists if their only outlet for political expression—the Smallholders Party—were left intact.

What happened was the wildest inflation any nation has ever suffered in history. Ruined by war and faced by the necessity of paying Russia heavy reparations, the Hungarian government financed its way by printing paper money by the bushel. In May 1946, prices doubled at the rate of twice a week. Postage stamps for letters to England cost 26,000 million pengős (before the war the pengő was equal to a shilling). The savings of the urban middle classes dissolved. To get food they even had to barter away their possessions to peasants who refused to take inflated money. On 1 August 1946, the government finally carried out a currency reform, exchanging pengős for a new

currency unit called the *forint* at the rate of 400,000 million to one. In the conversion the Communists managed to force into operation a new scale of wages and prices which in its effect amounted to a sizable social revolution. Middle class incomes were reduced severely, while working class wages were doubled. To pay the higher wages, the prices of town goods which the peasants had to buy were increased greatly. The middle class of both town and country were furious at the drop in their status, and began to put pressure on their only political instrument—the Smallholders Party—to take a stronger stand against the Left. The Communists decided they had to break this political instrument.

Foreign affairs contributed another motive for the Left assault on the Smallholders. Though the Left Bloc had begun building its case against the ruling party long before, it was not until after Western Europe's winter crisis of 1946-7, followed by the Truman Doctrine, that they set out to destroy the party. For the Smallholders were a democratic party after the Western model. It was conservative, believed in free enterprise and wanted Western economic aid. There was no doubt that if its power had remained intact after the end of Russian occupation, it would have followed the example of France and Italy, discharged the Communists from the government and entered the Western bloc. This had, at all costs, to be prevented by the Left Bloc.

How were the Communists able to get their more democratic allies, the Socialists and the Radical Peasants, to join in the effort to destroy the Smallholders? The answer is that the fears of the Leftist parties regarding the Smallholders were not entirely baseless. Among its other components the Smallholders Party was riddled with dispossessed old feudal reactionaries who joined it because it was the nearest thing to Conservatism left in Hungary. While the leaders of the Smallholders—men like Premier Nagy—were indubitably good Western-type democrats, it is doubtful that they could have held on to control of their party, grown unwieldy and heterogeneous, if after the Russians departed the Left Bloc were put out of the government. The history of Eastern European politics is a long story of well-

intentioned peasant parties winning strength only to be gobbled up by the old rulers. The Left parties remembered the blood-bath that followed the return of the reactionaries after World War I. This time they feared it would be worse and they were determined not to let it happen. So they prevented Rightist dictatorship—by handing over Hungary to Leftist dictatorship.

At this point, the strange unconcern of the Communists for purging the country begins to make sense. Left at large, the dispossessed landlords and hard-bitten dismissed officers had flooded into the ranks of the Smallholders. Encouraged by the leniency of the purge, they had begun to create their romantic, fantastic plots. Holding a monopoly on police power, the Communists had but to sit back and give the Smallholders enough rope to hang themselves with; to look on comfortably as the plot proceeded to thicken. Late in 1946 the Communist police began making arrests. By spring 1947 they had woven the plot around every figure of importance in the Smallholders Party and were able to destroy the strongest force in Hungarian politics with only a couple of hundred arrests and one execution.

The story of the Hungarian plots is extremely confusing, and the Communist evidence is very highly suspect. It seems clear, however, that there were two 'plots'. One was genuine if rather unrealistic and fantastic, but all too typical of the Hungarian minor nobility. Some discharged officers constituted a 'Committee of Seven' to organize an underground government and an armed force to overthrow the legal government as soon as the Russians had departed, and to restore the old Horthy régime, or a facsimile of it. Several parliamentary deputies of the Smallholders Party were involved. All made written confessions which they repeated later in a public court.

The other 'plot' can only by a stretch of the imagination be called by that name. Apparently the Smallholders' leaders, quite independently of the first plot, had discussed discharging the Communists from the cabinet after the departure of the Russians. They would then govern by their own majority and pursue a course friendly to the West as outlined above. This it was their perfect democratic right to do.

The Communist police, it appears, deliberately confounded

the two plots and, with the aid of the Russians, roped the Smallholders' leaders into the real plot by one of the most cynical incidents of the post-war period. Unable to get evidence against them by other means, the Russian occupation police arrested the secretary-general of the party, Bela Kovacs—the Hungarian Communists had sought to arrest him but could not in view of his parliamentary immunity—and later produced a confession signed by him. In this he admitted being part of the conspiracy and also involved the Smallholders' Premier, Nagy. Other paper confessions produced by the Communists in Eastern Europe may deserve some credence when their authors are allowed to appear in court and orally substantiate what they have written. But the odoriferous rat in this case was that Kovacs was never seen again. With no trial and no further explanation, the Russians eventually left the country without revealing what had happened to their prisoner. In the circumstances only one conclusion is credible: the strange 'confession'—phrased like a *Pravda* harangue, a tone Kovacs never used in his speeches or newspaper articles—was extorted from him and he was killed to prevent an oral denial later.

But his 'confession' was sufficient for its purpose. While Premier Nagy was on holiday in Switzerland he received a message from his fellow party leaders advising him to resign and not to return, which advice he accepted. The party was forced to purge its ranks of reactionaries, a process which amounted to a wholesale liquidation of its deputies and a reduction of its parliamentary majority. Those deputies who remained unsullied by the plot strove to show their 150 per cent loyalty to the Russians by becoming almost more communistic than the Communists. In new elections in August 1947, the great party of the middle classes of town and country collapsed. Its share of the national vote fell from nearly 60 to 15 per cent. This remnant became a loyal member of the Left Bloc and the Communists were supreme in Hungary.

The rest of the political story of post-war Hungary is an anti-climax. The international situation worsened, enabling the Communists to exact an even greater demonstration of loyalty from their fellows in the new Communist-led coalition govern-

ment. By this pressure they were able to induce the Socialists to purge their ranks of 'rightists' and fuse with the Communists in a big 'Working People's Party' (a fusion, someone aptly remarked, like the fusion of Jonah and the Whale).

The other two parties of the coalition, Radical Peasants and the now reduced Smallholders, were so subservient that their support was automatic. Outside the coalition, however, the elections of 1947 had still left a sizable opposition. The Smallholder vote was now split among three new parties whose creation was allowed by the Communists as a sort of safety valve. One by one, by one means or another, the three were hamstrung or dissolved as 'treasonable'. By 1949 Hungary's political transition to People's Democracy was complete.

There remained one powerful, non-political institution of the old order around which opposition could effectively rally: the Church. At the end of 1948 the Communists took it into their gunsights and let go.

Once again, the assault on the Church was not arbitrarily timed. Events suggested it. Tito had been forced out of the Cominform by Moscow, and one of the prime charges against him was his leniency towards the peasants. Moscow wanted faster progress towards collectivization in Eastern agriculture, everywhere divided into uneconomically small farms by the great post-war land reforms. Hungary took the hint and proceeded to measures of preferential taxation and goods distribution to induce the peasants to join the co-operatives. The peasants, particularly those of the middle class ('kulaks' as they are already being called in the Eastern newspapers), distrust the co-ops intensely, fearing that they are the first step towards *kolkhozes* and the end of private ownership of farms. Around the Church this middle class apprehension might easily have crystallized into a formidable opposition. The Communists decided that to prevent the growth of peasant resistance organized from the pulpit, the social power of the Church had to be broken and its manner made docile.

The case of Cardinal Mindszenty, the Prince Primate of the

Hungarian Catholic Church, on whom the Communist offensive concentrated, was one of the most fantastic episodes of Europe's post-war record. Not the least fantastic was the West's reaction to it. The arrest and trial of Cardinal Mindszenty aroused more violent protest west of the Iron Curtain than anything that has happened in the East, except the *coup d'état* in Czechoslovakia—but the protest was, alas, more hysterical than rational. The case remains the classic example of the Western press grossly overstating its case and thereby grievously weakening it. It is also a classic example of the odd truth that the blindness of old guard reaction in Eastern Europe has been one of the Reds' first assets in their process of communizing the area.

The bulk of the Western press presented the issues in spotless white and impenetrable black. Cardinal Mindszenty was depicted as an immaculate warrior for mankind's freedom against the darkest evil that ever smothered it. The case is not as simple as this. It is impossible honestly to depict the Hungarian Church as an under-dog battling for its rights. The whole of Hungarian history shows it to have been an upper-dog battling for its privileges. Let it be said that nothing in these remarks reflects on Catholicism as a religion. But insofar as it is a social and political institution, the Catholic Church must be subject to the same criticism as all other social and political institutions. Now, for centuries the magnate governments have helped the Church to maintain a near monopoly of influence on the minds of the Hungarian people (who are 70 per cent Catholic), and a tremendous influence on the functioning of Hungarian social and political institutions. As the *Times* commented, during all those centuries 'the Catholic Church was seldom on the side of the Hungarian people'. Almost invariably it threw its tremendous weight on the side of the magnates—with whom indeed the hierarchy, as the country's first landowner, enjoyed identical interests. It is illuminating to recall that when between the wars the aged prelate, Monsignor Janos Hock, was thrown into prison by the magnate government for preaching pro-democratic sermons, not a word of protest was uttered by the Hungarian hierarchy to which Bishop Joseph Pehm, later Cardinal Mind-

szeny, belonged. Nor, for that matter, were there any diplomatic or press protests from the West.

After the recent war Cardinal Mindszenty followed established tradition all too closely. He was coldly opposed from the outset to the setting-up of a Republic and at one point did not even answer its request for a declaration of loyalty. He criticized the land reform as aiming to 'victimize a social class'—the big landowners—which was of course true, but it was pretty hard to find moral arguments against it in view of what the magnates had done with their economic power in the past.

He refused to allow the introduction of new schoolbooks to replace those used under the Horthy régime as for example the extremely chauvinistic history books which were a direct provocation to Hungarian children to hate their neighbours. I have seen some of the new history books and they were not Radical or Marxist, but in the sober, factual tone of the texts used in American or British schools. When the government introduced a new biology textbook into the public schools, the Cardinal wrote a pastoral letter saying, 'The book shows man not as a creature of God, but represents the thesis, long since abandoned by serious Science, of derivation from monkeys. . . . Therefore we forbid it to all Catholic parents, educators and pupils as a sin to accept and use this book. . . . Throw [it] . . . in the fire!'

The crying weakness of Mindszenty's case, and probably the key to his otherwise mysterious moral collapse in the ensuing court trial, was simple: the Cardinal was too firmly ensconced in the last ditch to move up to the front lines, where a successful fight would have been possible. He entered the greatest battle of his and the Church's life in Hungary bearing a rusty feudal lance—and that pointed in the wrong direction—against the serried rows of streamlined Communist artillery and a well-prepared strategy.

The world and Cardinal Mindszenty assumed he was fighting for religious freedom. In fact, the issue never arose. The Cardinal allowed himself to be manoeuvred into the position of fighting for quite the opposite: to maintain the near monopoly position of privilege enjoyed by the Catholic over the Protestant and

Jewish Churches. Thus the government went into the fray with more popular support than it could otherwise have hoped for: the bulk of the 30 per cent of Hungarians who are non-Catholic was joined by a considerable sector of the poor peasants who had obtained land in the land reform.

The specific issue was the government's bill to 'nationalize' the schools. The government had a strong case. Of that half of Hungarian schools which were Catholic many were in bad physical shape and, as state property, would be repaired by the government. The teachers were poorly paid, and the government promised to raise their salaries 25 per cent to the prevailing level of public school teachers. The textbooks were also to be changed, for which there was a crying need.

The government also promised to keep the former Catholic teachers in the nationalized schools and to continue compulsory religious education (thus keeping Hungary one of the few countries in the world where religious education is still compulsory). The Church's seminaries were not to be touched, and the Church would continue to receive a government subsidy for twenty-five years to come. Protestant and Jewish Churches accepted these conditions and signed an agreement with the state. Mindszenty refused even to negotiate on any question, unless nationalization of schools was dropped from the agenda of any discussions. So, the government passed its bill and took over the Catholic schools without the Church's consent.

The heavens did not fall in on the government. In fact, a good many Catholic priests, at least two Bishops and one Archbishop (of Eger), politely indicated their disagreement with the Cardinal's last-ditch stand in a front-line war and favoured negotiation with the government. In this atmosphere the government felt secure enough to take direct steps against the increasingly inflammatory Primate who could easily become the focal point for all the discontented middle peasantry. On 28 December 1948, the police arrested Cardinal Mindszenty on charges of high treason, espionage for foreign states and currency dealings on the black market. Anticipating arrest the Primate had penned a last note to his Bishops telling them to disregard any 'confession' issued in his name by the police during his incarceration,

for it would certainly have been extorted from him by force.

When the Cardinal was next seen, in court in February 1949, the metamorphosis which has stunned the world had taken place. The stubbornness and fire had gone. One of his first actions was to rise in court and disavow his last note which had asked the Bishops to disbelieve any confession: 'I want now to state that I see things differently from when I drafted the letter and I want to say . . . that I regret my error. I want it to be considered that that letter is null and void.'

He proceeded to plead 'partially guilty' and in fact, in his own voice and in apparently good physical condition, substantiated all the government's specific charges against him: that he had expected a war which would overthrow the Communists; that he had planned to restore the Hapsburg monarchy; that he had supplied the American Legation in Budapest with 'secret' information; and that he had brought large dollar sums into the country and sold them on the black market.

The prelate who had breathed defiant fire at the government now proposed that the Church negotiate a settlement with it, and offered to 'withdraw from the exercise of my duties for a time' if that would smooth negotiations.

In his final speech at the end of the trial, he said coherently and in a strong voice, 'I did not want to come into conflict with the laws of the State. And if I erred this once, this I admitted yesterday in this court without any mincing of matters. I regret it. I regret it to-day, too, and am sure, while remaining faithful to basic principles, I would do certain things differently in the same situation to-day . . . I brought the love of my Church to this courtroom, and I beg for this love for the Hungarian State to which I have shown obedience here.' A few days later, on 9 February 1949, the court found Cardinal Mindszenty guilty and sentenced him to life imprisonment. That was all. No stir in Hungary. The battle of the centuries between the Giants of the Mighty Catholic Church and the Mighty Communist State was ended, and the Communists had won. Not with a bang.

Almost as absurd as the vindictive sentence was the widespread hysteria with which the case was followed in the West.

Newspapers expected the trial to be a clash of Titans and geared the benefit of every doubt to the Cardinal. They decided he would be tortured before he got into what turned out, on an eye-witness's account, to have been a rather well-heated and spacious cell. It was decided that his written confession was a forgery—until the Cardinal appeared in court and substantiated every word of it for several days in the presence of reputable Allied correspondents. The newspapers sought to describe a martyr, but the Cardinal remained a rather amiable and conciliatory fellow-Hungarian to his accusers throughout the trial. It was decided that he had been drugged; one paper whispered the name of a mysterious truth potion, *actedron*, which turned out on consulting a pharmaceutical dictionary to be a fancy name for benzedrine, which you can buy at any chemist's, and it won't make you tell either truth or falsehood.

It seems obvious that Cardinal Mindszenty was neither drugged nor tortured. As *Time* said, 'No drug known to Western science could account for his repeated "confessions".' There was absolutely no sign that he had been tortured; and if he had been, no one who knows the gristly fibre of the man can believe he would have yielded to it.

I have no better grounds for knowing what really happened than anyone else. But I have a theory which I believe makes some sense. Cardinal Mindszenty went to prison keyed up to fight an epic battle for religious freedom. When he got there, however, his accusers refused to challenge him on that high issue. The question of the Church's freedom to propagate its religion was never raised. The accusers produced instead some far more mundane charges, which they were able to prove by the Cardinal's own papers and letters. (There is absolutely no reason to believe the charges were false. The Hungarian exchange rates are so ridiculous that very nearly everyone has dealt some time or other on the currency black market; if Mindszenty did not hope and perhaps also plan to replace the Communist government, it would be contrary to his whole past; the letters to the American Legation, signed by the Cardinal, were produced in court—though they contained little that could actually be called secret information). An honest man, the

Cardinal could not deny the charges, so he confessed both in writing and orally in court.

But sallying forth on a white charger in full armour, only to find an opponent who refuses to draw and prefers to fight the duel as a game of darts, is disconcerting and deflating. With the Cardinal in a more sober mood, the government doubtless raised the matter of relations between Church and State—a quite reasonable case, as was noted in connection with the schools above, and giving the Church the same status it has in America and Britain. This, be it noted, was the first time Church and State talked face to face; hitherto the Cardinal had refused contact. After hearing the government out, and with some forty days on his hands for solitary meditation, the Cardinal decided he had been wrong not to negotiate. So when he went to court he admitted as much.

To pursue the figure used above: when the Communists had beaten him at darts and had him in a pacific mood they proceeded to hit him on the head with a mallet and put their potentially most dangerous opponent into prison and out of the way for the rest of his life.

There is nothing illogical in this thesis, whereas every alternative explanation I have heard has made little sense.

No one comes out of the Mindszenty case without loss of credit—neither the Cardinal and his fire-eating Western supporters nor the Communists who, having won their point, could have shown leniency, accepted the Cardinal's offer of conciliation and thereby pacified the Catholic people.

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It was perhaps confidence as much as fear that prompted the timing of the Hungarian Communists' assault on the Church. Their progress in raising the standard of life of the people in few short years had been remarkable.

Upon liberation Hungary was a destitute country, most of its industrial assets having been destroyed in the fighting, or removed by the retreating Nazis or by the advancing Russians. For nearly two years the country was bled white by the necessity

to feed the Red occupation forces and pay reparations. Yet, at the end of 1948 when Cardinal Mindszenty was arrested, industrial production was soaring above pre-war levels and the standard of living for the mass of the people was higher than it had ever been in Hungarian history. Mining and metallurgical industries were producing 37 per cent more than 1938, the machine industries nearly 70 per cent more, the chemical industry 23 per cent and the textile industry 10 per cent more. Ernoe Geroc's Three-Year Plan, aimed to be finished in August 1950, was, it was confidently estimated, actually going to be finished by the end of 1949—seven months early. In October 1948, all industrial real wages were running between 15 and 25 per cent higher than before the war.

It was no doubt a factor in the timing of the assault on the Church that after three years of miserable harvests—due to bad weather and to the ruthless land reform—1948 produced a bumper crop, grain yields advancing 20 per cent over the previous year in wheat and nearly 100 per cent in maize. After years of tremendous deficits, in 1948 for the first time the budget showed a big surplus.

The shift of social power had been crude and drastic, alienating in the process those who were dispossessed—but probably winning for the government the support of a majority of the smaller peasants and workers on whom the new state was thereafter based. By a decree passed after the assault on the Smallholders Party, all factories employing over 100 workers were nationalized, virtually eliminating the capitalist class in Hungary. The middle class was struck a stunning blow by the revaluation of prices and wages which accompanied the conversion of currency at the end of the inflation. Still to-day, as an index, some of the leading civil service jobs pay a salary of only £10 a month, while a skilled worker can, by adding piece-rate bonuses to his regular wages, earn several times that.

There has been a parallel development in the countryside. The land reform took 6,400,000 acres of land from the magnates and wealthy gentry, thus virtually destroying them as an economic factor. With few exceptions the maximum individual holding is now reduced to 140 acres. The confiscated land was

divided up among 600,000 poor peasants. That being completed, the government is now involved in what is in effect an offensive against the rural middle class. The land reform divided up the soil into uneconomic parcels, and now, to make farming economic, the government is pushing co-operative agriculture—collective cultivation of many parcels by joint effort of all the peasant owners. The middle class peasants who can run their larger farms economically in their own private interests are extremely resistant to joining the co-ops. Wherefore the government has prejudiced incomes against them, increased their taxes and requires them to deliver a relatively much higher proportion of their crops to government agencies at low official prices, cutting deeply into the quantity they may sell on the more profitable free market.

Moreover, the co-ops are being developed as the main channel for distributing town goods. Farmers who are members may buy goods in the co-op store at lower prices than those who remain outside and must buy in private shops. Even if the better-off farmers break down and join the co-ops they will have little say in their administration. The co-ops, destined to become the ruling institution of rural economy, are the administrative preserve of the 'proletarian' peasants. A recent law requires that four-fifths of the directors on the boards of local co-ops must be 'working farmers' (*i.e.* farmers who do most of their own work without hired labour, or farm-hands who work for others), and only one-fifth may be better-off farmers who use a preponderance of hired labour. The urban parallel to this has been putting the direction of nationalized industry predominantly in the hands of the trades unions.

The existing administrative positions of power have already largely been transferred to the same classes. Only 30 per cent of the old police force remains; the new 70 per cent consists almost entirely of persons of peasant and working class origin. This is a factor of tremendous importance mainly in the countryside, for the peasant proletariat hated and feared nothing in the old order so much as the landlords' ruthless gendarmery. Now, the rural gendarmery consists almost entirely of the sons of the poor peasants themselves.

While the civil service has been retained in its old composition, there is little doubt that in the future it will gradually be 'infiltrated' from the same source. Of 7,000 students enrolled in the government's new schools to train civil servants in 1948, no less than 6,000 were of working class or peasant origin.

All other phases of education show a similar shift in favour of the lower strata. Before the war only 3 per cent of the students in the universities were of lower class origin; to-day more than 50 per cent are. The proportion will doubtless increase. To increase facilities for higher education the government has induced peasant students to build their own so-called 'People's Colleges' with grants from the government. In 1946 the People's Colleges enrolled 120 students, in 1947 3,000 students; and in 1948, 10,000 students. Primary education in the countryside has been greatly expanded by converting mansions of dispossessed landlords into schools.

The tone of life in Hungary has changed. The peasant has lost his demeanour of chronic servility. Chauvinism has ceased to dominate the conversation of café politics, yielding place to talk of internal development.

For my own verdict of popular sentiments in Hungary, I substitute that of a *Times* report published in April 1948: 'Listening to the wealthier peasants, to some of the middle classes, and to those both fairly and unfairly dispossessed, one would think that there was no one behind these governments at all. Listening to the poorer peasants, to their sons educated free in the new colleges, to young boys and girls going out to build railways, sow fields, bring in harvests, and to most of the workers, one would think that the whole country was enthusiastic for them. Support is growing rather rapidly in spite of three of the worst droughts within memory, and a bumper harvest would probably bring a wave of conversions.'

After this article was published, Hungary did enjoy a bumper harvest; and the government felt it was strong enough to arrest Cardinal Mindszenty.

On a Sunday in the summer of 1947, I drove through the Hungarian countryside with an interpreter and took a look at rural Hungary, where 60 per cent of Hungarians live and work.

In one town which was the centre of a prosperous farming district of middle-class (fifty acres) peasants, I stopped and talked to about a dozen fathers of families, sunning themselves on the town square, dressed in what is virtually the Hungarian peasant uniform: black suits, black felt hats and high, shiny black boots. It was the easiest interview I ever undertook, for their souls were heavy as storm clouds and at the first show of interest they unburdened themselves. They were being ground under, they said, between high prices they had to pay for town goods and the government's decrees forcing them to pay their taxes in kind. (They would have preferred to sell on the free market and pay taxes in money.) They could not get farm labour any more—most labourers had their own plots due to the land reform—without paying high wages. 'Before the war,' one farmer reminisced, 'farm hands were happy to get three good meals for a day's work.' They had apparently not heard of the restrictions on free speech for a crowd soon gathered round us and they began shouting their arguments at me. A young policeman stood on the middle of the square and a woman shook her fist at him—he was the son of a good for nothing farm-hand, she told me, and a thorough rascal. Would any of them consider joining the co-ops, I asked? They answered flatly 'No! No Kolkhozes for us.'

None of them had gained anything from the land reform, so I asked of them the name of a village where peasants had won farms in the reform. They directed me to a village not far away. My luck was good, and I arrived just as the village co-op was beginning its Sunday meeting. The members met in a house that had been transformed into a community centre with a stage and some crudely painted scenery covering its wings. Of about fifty farmers many were barefoot, only about ten wore characteristic high black boots. The chairman let me ask questions. All but about ten had received farms in the land reform—from the divided estate of the Archbishop of Eger. How did they feel about the change of fortunes? They were very content, especially, one old man said, that the gendarmery had gone, and he told me of a meeting with the gendarmery's rifle butts in his youth. 'Now,' he said, 'I am afraid only of death,' whereupon the assembly laughed.

They got down to business. The issue, I gathered, was that only the upper ten had horses to plough with. The farmers with new land had nothing except a ramshackle tractor inherited from the division of the Archbishop's estates. The forty wanted to increase co-op taxes and use the proceeds to buy petrol for the tractor. The ten wanted to cut taxes.

Here was a political issue as grave and as clean-cut as any affecting wider governments and greater nations. It was settled logically by vote. The result was forty to ten. The tractor got petrol. Afterwards we drank a local opal-coloured wine and discussed politics. I did not put any questions of political theory, for they would not have been able to understand if I had suggested that their government was not the perfect democracy.

CHAPTER XVII

RAPE WITH PASSION

“Why don't you be reasonable?” everyone asks. “Be reasonable with the Germans,” says one. “Be reasonable with the Russians,” says another. No! We will not be reasonable. If we were reasonable there would not be a Poland.’

—A POLISH COLONEL TO KINGSLEY MARTIN

IN A EUROPE where so many nations have dropped out of the great power class, Poland is perceptibly rising to something near that status. Its unfathomed coal reserves are said to be greater than those of the Ruhr, and since the war Poland has replaced both Britain and Germany as Europe's first exporter of that basic fuel. Her new seaports already handle half the trade of the Baltic Sea—the other six Baltic nations share the other half—and incidentally bring rich Swedish iron ore near and make its transportation dirt cheap. Plans are now afoot to integrate Poland's growing heavy industry with that of Czechoslovakia and, with Swedish ore, to make Poland the industrial core of the Eastern bloc, a mighty new Ruhr behind the Iron Curtain.

There is poetic justice in Poland's rising fortunes, for no nation has suffered so much. The first misfortune of the Poles is having settled on the great northern plain of Europe, the busiest thoroughfare on the globe for armies and armed hordes. The plain offers no natural topographical borders, and waves of Slavs invading the West or waves of Teutons invading the East have changed Poland's shape and extent nearly every generation of her independent life. ‘It has been very much like having the Grand Central station for a bedroom’, a Polish friend said. Four times in history she has been carved up and shared out among her big neighbours. After the third partition the nation ceased to be for 125 years until reconstituted after World War I.

It is hard to say whether it has been good or bad that, as a result of this experience, the Poles have developed an uncommonly obdurate nationalism not equalled in chauvinistic

Eastern Europe. Without it, as the Polish colonel observed, Poland would have ceased to be a nation long ago. With it, however, Poland has been an extremely difficult country to get along with. It is true, as Bernard Newman wrote, that in this spirit Poland would never have accepted Munich as did Czechoslovakia. But it is also true that Poles are just as unwilling to accept good compromises. Throughout the inter-war years Poland lived on inflammatory 'spit-in-your-eye' terms with every single one of her neighbours.

Incapacity to compromise has made Poland's internal life as hectic as her foreign relations. It was accentuated by the fact that for over a century Poles have grown up under three vastly different dominations—Russian, Austrian and Prussian—and have developed three different ways. When in 1921 Poland adopted a democratic constitution it had no chance in the stubborn wrangling of over two dozen different political parties. Eventually, Marshal Pilsudski set aside the constitution and made himself dictator.

As inter-war East European dictatorships went, Pilsudski's was a rather beneficial tyranny. Somewhat less of the national income was consumed by the ruling landlords, colonels and Church; and somewhat more was invested in developing an industry. Under the Pilsudski régime, for example, 15 per cent of Poland's national income was invested, compared to only 4 per cent in Hungary. The Socialist party developed a modest strength (Pilsudski began politics as a Socialist but got over it without permanent scars) and the country set up the rudiments of a social security scheme. Illiteracy was lowered from around 50 per cent to around 35 per cent. Government remained, however, rabidly reactionary; it actively fostered anti-semitic outrages and was more flamboyant in its chauvinism than any nation in Europe until Hitler set the world record. The standard of life for the peasants of eastern Poland was the lowest in Europe—which is saying something—and though the government spent 50 per cent of its budget on the army and the police, it was not able to prevent Poland from suffering more industrial strikes than any other country in Eastern Europe. The fundamental reason was that most of that handsome investment to build

industry came not out of the pockets of landlords and colonels but out of the standard of living of the people.

Words and figures can only indicate, not describe, Poland's purgatory during World War II. Germany and Russia divided Poland between them. From their half the Russians deported an estimated 1,500,000 Poles to Siberia, few of whom have been heard of since. The Nazis set out quite frankly to exterminate the Polish people. The Nazi gauleiter of western Poland, Arthur Greiser, said in a speech, 'God has helped us to conquer the Polish nation, which must now be destroyed. . . . In ten years the fields of Poland will be heavy with stacked wheat and rye, raised and harvested by Germans, but not a Pole will remain.'

The two greatest murder factories in history, the Nazi concentration camps at Auschwitz and Maidenek, were both in Poland. At the latter, Germans boasted that efficiency was such that 10,000 human beings could be murdered and cremated within twenty-four hours. Over 6 million Poles were the raw material for this hideous industry. By the end of the war 220 of every 1,000 Poles had been killed. For comparison, the Russians, next in line, lost 40 per 1,000, the British 8 per 1,000, the Americans 1.4 per 1,000.

Poles were forbidden by the Germans to own land or houses. Polish doctors, teachers and dentists were rounded up and killed for no other crime than that of being Polish doctors, teachers and dentists. In that large third of Poland directly annexed to Germany, Poles were forbidden to marry, as a means of stopping the birth rate. Schools were closed and all education was forbidden in order to brutalize them. Food rations were kept down to 900 calories, a third of the minimum for normal health, not because of scarcity but in order to destroy the Polish physique. In material damage, Polish losses were second only to the Russians with £156 worth of destroyed capital *per capita*. (Next were Yugoslavia with £150 and Holland with £130.)

The Polish capital, Warsaw, is the worst smashed city on earth, far surpassing Berlin and Hiroshima for that macabre distinction. When the Germans first assaulted it they poured bombs and shells into it without regard for military ends, but

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simply, as I heard Ribbentrop testify at the Nuremberg trials, to begin the process of erasing the centre of Polish life and government from the map. During the war the Nazis liquidated the entire Jewish population of the Warsaw Ghetto and razed that jammed square mile to shoulder level. After the uprising of the underground in 1944 and its glorious battle of sixty-five days the Nazis went to work with system. They drilled holes in every upright structure, inserted tons of dynamite and blew the city up. Until recently more of the city belonged to rats than to humans. About 150,000 corpses are still said to be buried under the acres of rubble.

No nation ever underwent so drastic an uprooting process. In addition to six millions killed, nearly two millions deported to Russia and over a million more deported to Germany to become slave labour, war and underground war sent millions more scurrying for refuge from one flaming village to another. When the war was over, Russia claimed and held that half of the country she had won in the German-Russian share-out of 1939. By way of compensation, Poland was given a big chunk of eastern Germany, bringing the Polish frontier to the Oder and Neisse rivers, within seventy-five miles of Berlin. In effect, the country had been shoved bodily westwards as if by a giant hand. Now the people followed: Poles from the Russian-held part were moved to central Poland. Poles from everywhere were moved to the new western territories won from Germany.

All the stabilizing institutions of civilization were disrupted: the family, the local environment, property. The habit of surviving by means of cheating, stealing and killing was ingrained by hideous experience. Even if Poland's politicians had been united on plans to reconstitute the state, it would have been hard to restore peace and order. But they were not agreed. To the chaos and violence was added an explosive issue which rent Poland in a struggle which only diplomatic nicety prevented the world from recognizing as outright warfare.

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Over the blood-drenched soil of Poland an irresistible force

rolled headlong into an immovable body. Russia demanded security from invasion on the north European plain which Poland dominated, and whence Russia had been so often invaded. The Poles demanded their independence which in the context of Polish traditions inevitably meant hostility to Russia. The rights and wrongs of this thorny problem raise one of the most complicated moral issues in contemporary Europe, for both were right, and wrong. I can only state the cases for both sides and leave the reader to judge for himself.

Between the wars Poland was the largest country and the buckle of the *cordon sanitaire* around Russia. Governed by the irrational Polish colonels she was invariably hostile to Russia. In Russia's period of weakness after her revolution and civil war, the colonels (in 1921) went empire-building in the Soviet Union, captured the Ukrainian capital of Kiev and attempted to annex the Ukraine, for which there was not a particle either of provocation or justification. Even after the Russians drove the Poles back, the colonels held on to and incorporated in Poland a vast area inhabited mainly by Russians and Ukrainians, though the Western Allies had proposed that they move back to the 'Curzon Line' which more nearly traces a racial boundary between Russia and Poland. Throughout the inter-war period Polish animosity to Russia was pronounced, and there was no reason to believe that Polish imperial ambitions in Russia had been other than postponed.

Now, in World War II, the Russians were by way of being victorious and driving the Nazis back into Europe across Poland. They felt they had an opportunity to force their will on Poland, make it 'friendly' and block the northern access to Russia. If unused, this opportunity might never return. That Russian aims were defensive rather than aggressive is testified by Mr. Stanislaw Mikolajczyk, one-time Premier of the Polish government-in-exile during the war, who has better reasons for distrusting the Russians than anyone else. In his recent book, *The Rape of Poland*, Mr. Mikolajczyk writes, 'In the morbid suspicions of the Kremlin, the plains of Poland had become a smooth highway over which the armour of the West might some day roll. Thus much of our nation must be incorporated into the

U.S.S.R., and the rest made into cannon-fodder to resist such an advance.¹

The pre-history of the Russian effort to 'convert' the Poles began in July 1941 after the Nazi invasion of Russia, when Poland and the Soviet Union grudgingly buried the hatchet, resumed diplomatic relations and became formal 'allies' against the Reich. Russia forthwith placed her main claim on the Polish government seated in London: that Russia be allowed to keep that area of eastern Poland, roughly up to the Curzon Line, which she had occupied in the Nazi-Soviet share-out of Poland in 1939. Russia's claim seems highly just. The area is predominantly peopled by Ukrainians and Russians. Poland had seized it from Russia by force in 1921. But the London Polish government refused even to entertain the thought. The Big Three tried ardently to induce the Poles to accept. Mr. Churchill said in a public speech, 'I cannot feel that the Russian demand for reassurance about her western frontiers goes beyond the limits of what is reasonable or just.' When the Big Three talked of giving Poland some German soil in compensation, the Poles were not opposed; but they would keep the predominantly Russian soil too! This in addition to maintaining their claim on that part of Czechoslovakia which Poland seized after Munich. The Russians can be forgiven for believing Polish chauvinism was incurable, and Polish imperial ambitions greater than ever.

There were other grounds for being suspicious of the London Polish government. In his book, Mr. Mikolajczyk relates that the exile government, of which he was Premier, was often accused of harbouring warlike intentions against Russia. He quotes Churchill as saying to him, 'You must understand this, Mr. Mikolajczyk, Great Britain and the United States will not go to war to defend the eastern frontiers of Poland . . . therefore I urge you to agree to the Curzon Line as the eastern frontier of Poland.' He quotes Roosevelt, '. . . You Poles must find an understanding with Russia. On your own you'd have no chance to beat Russia, and let me tell you now, the British and Americans have no intention of fighting Russia.' Later, Churchill said to him, 'I talked to your General Anders the other day, and he

¹ Stanislaw Mikolajczyk: *The Rape of Poland* (Whittlesey House, 1948)

seems to entertain the hope that after the defeat of the Germans the Allies will then defeat Russia. This is crazy!' In anger, Churchill said again on another occasion, 'We shall tell the world how unreasonable you are. You wish to start a war in which 25 million lives will be lost!'

The point about these accusations is that Mr. Mikolajczyk repeats all of them, and not once in his book does he answer them or disavow them. One can hardly resist the impression that the London Poles were indeed thinking in these terms. If this impression was so firm in the minds of the Western Allies, it could certainly not escape the sensitive Russians.

Moscow attempted until 1943 to negotiate with the London Polish government regarding the boundaries. Then she began to take her own steps. A 'Union of Polish Patriots' was formed in Moscow. A division (which later grew into an army corps) of Polish troops in Russia was constituted and attached to the Union, which thereafter gradually evolved into a 'provisional government' for Poland in competition with the London Polish government. After that, force of arms was to be the only arbiter.

The basis of Polish hostility towards Russia was no less well founded. Of the three dominations Poles had been subjected to in the century and a quarter before 1918, that of Russia had been far and away the most oppressive, and the Poles could not forget it quickly. When the Russians shared Poland with the Nazis, in 1939, the Poles considered it a stab in the back. Then, in their part of Poland the Russians promptly removed around 1,500,000 Poles to Siberia, where on all accounts they were miserably treated, and whence most of them never returned. When, in 1941, Poland and Russia became allies against Germany, the Soviet government agreed to release all Polish troops held in its prisoner-of-war camps, so that they might form an army to join in the war. But a large proportion of the prisoners did not answer the roll-call. Where were they?

In the spring of 1943 the Germans were able to feed Polish suspicions. The Germans announced that they had discovered the mass graves of 10,000 Polish officers in Katyn Forest near Smolensk. An international delegation of physicians, chosen by

the Nazis and invited to Katyn by them, signed a statement indicating that the officers had been murdered while the Russians occupied the area. The Russians promptly denied it and accused the Nazis. The issue is doubtful—but not to the Poles who remain convinced that it was Russian workmanship.

When the London Polish government proposed that the International Red Cross send a team to Katyn to investigate, the Russians, who have had bad relations with the Red Cross, denounced the Polish government and broke off diplomatic relations with it. This was sufficient to convince the Poles of Russian guilt for ever more.

On top of this, there occurred an especially bitter event which shocked the rest of the world nearly as profoundly as it did the Poles. When the Russians had driven the Nazis into Poland, and in 1944 were within a few miles of Warsaw, the London government's underground army rose up and tried to wrest the city from the Nazis from within. The Red Army, whose radio had appealed to the underground to rise and fight, now sat back on its haunches outside Warsaw and waited out the sixty-five days until the heroic Warsaw fighters were beaten and had to surrender to the Germans. During the fight the Russians gave almost no aid to the Warsaw rebels and refused to grant landing fields behind the Russian lines to British and American planes which brought them aid. The Russians excused their behaviour by saying they had reached Warsaw by a long, swift offensive, had outrun their supply lines and were forced to wait and consolidate before attacking so great an objective. They called the Warsaw commanders 'irresponsible adventurers' for beginning the fight without getting in touch with the Red Army to co-ordinate activities.

There seems little reason to believe that military considerations entered into the motives either of the Warsaw fighters or of the Red Army. The Warsaw underground was commanded by a 'colonel' of classical format—General Bor-Komarowski, who doubtless aimed to get a hold on Warsaw so that, when the Reds entered, they would have to grant his forces partial administration of the capital, a good beginning for retaining positions throughout Poland after the war. The Russians in all

probability preferred that the rightist underground bleed itself to death, as it promptly did. The battle of the Warsaw underground against the Nazis was in fact the first big military skirmish between Russia and the colonels for control of post-war Poland. The Russians won, but by a hideously cynical means which turned all Poland against them.

A last act of Russian perfidy occurred when the Allied Big Three attempted to agree on a government for post-war Poland. The Russians had brought their Union of Polish Patriots and its army corps back into Poland with them and set it up in the Polish town of Lublin, where its name was altered from the 'Lublin Committee' to the 'Lublin Government'. America and Britain sought to induce the Russians to broaden the government to include elements of the London Poles. Britain induced sixteen leaders of the Polish underground, attached to the London government, to come out of hiding and negotiate with the Russians. They did so, but were promptly arrested by the Russians, imprisoned, put on trial and sentenced to imprisonment in Russia!

Thereafter the followers of the underground chiefs not only remained in hiding, but launched outright war against both the Russians and all the hangers-on of the puppet government transported into the country from Moscow. (Formally, the underground was dissolved in July 1945, but actually some 15,000 of its members continued resistance.) Eventually, the Polish underground was joined by wild Ukrainian nationalists known as the 'Benderovci' and its political cause was diluted with a high degree of sheer banditry.

The Russians and their puppet government retaliated with an unmitigated reign of terror. As in Hungary, the returning Communists opened their party and police ranks to all comers. A large proportion of out-and-out brigands were enrolled. The Red Army and the Russian MVD, or secret police, joined and largely led them. Poland, bled white by the war, continued for two more years to bleed in a sporadic, terribly brutal warfare with nothing resembling a moral cause on either side.

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The conflict permeated post-war politics and poisoned them. The London Polish government remained stonily resistant to British and American persuasion to compromise with the Lublin government and to join it in coalition. Finally, the Premier of the London government, Mr. Mikolajczyk, resigned and agreed to join the Lublinites. He did so on Russia's general assurance made at Yalta that her aim was the creation of a 'free, independent, democratic Poland', and on the specific assurance that 'free and unfettered elections' would be held. On this basis, Mr. Mikolajczyk was certain that his Peasant Party would win a majority support over the Lublin bloc—led by unknowns and in Polish eyes appearing as puppets of the hated Russians—and thus rule the country.

With these perfectly natural assumptions, Mr. Mikolajczyk was dreaming dreams. His return to Poland made him the central victim in one of the ugliest chapters in the history of post-war Europe, and one which had a tremendous influence in arousing the Western powers' distrust of Russia. Although Mikolajczyk undoubtedly enjoyed the support of the majority of the Polish people, he was shoved into a minority position in the coalition government. Every obstacle was put in the way of the re-organization of his Peasant Party, and its press was murderously censored by the Communists. His provincial party officials were intimidated, beaten and murdered by the security police. A long and gruesome record of repression reached a climax in the elections of January 1947. In the weeks before the election, tens of thousands of his supporters were arrested, 142 of his candidates were locked in prison throughout the campaign and 130 members of his party murdered. In ten sizable provinces of the country, where his support was strong, the Peasant Party was simply disqualified and not allowed to participate at all. At the counting of the votes his party was allowed only thirty-two supervisors in all the 5,200 polling stations. After the elections, Mikolajczyk claimed to the foreign press—which had become his only outlet for expression—that his party had actually won 74 per cent of the votes, but the published result gave the government bloc led by the Communists 327 seats in the parliament to Mikolajczyk's 24 seats. Even if Mikolajczyk's

estimate of his support was exaggerated, anyone acquainted with the overweeningly anti-Russian sentiments of the majority of the Polish people would know that the pro-Communist vote could not have been nearly as large as claimed in the official result. The elections had clearly been cooked according to an old East European recipe.

Mikolajczyk clung on bravely but hopelessly in Poland, his party slowly disintegrating beneath him, until the late autumn of 1947. In early autumn I interviewed him in his office in Warsaw and noticed a medal bearing what appeared to be the image of St. Christopher, the patron of travellers, visible at his throat through his open collar. I asked if it meant that he was going to take a trip. He smiled and answered, 'It might be'. In October he fled to Germany, then to Britain and finally to America.

If national independence were the supreme issue of our time, we could end the record of post-war Polish politics here with a clear verdict of guilty against the Russians. But national independence in our time is not nearly enough. Poland could never be a healthy nation until two other conditions had been satisfied: first, changes had to be made inside Poland; above all the medieval grip of the parasitic, anti-semitic colonels had to be broken. Second, Poland simply had to learn to get along with Russia, her Slav neighbour, or else go to war or remain constantly and uneasily on the verge of it.

Mikolajczyk was unfortunately not the man to do the two jobs. He is 150 per cent Pole. If he has more than one Pole's share of courage, he also has more than one Pole's share of hatred for the Russians and obstinacy towards compromise with them. He is a conservative and sought no basic changes in the decadent Polish society. If parties were called by their dominant characteristics, his would have been called the Nationalist rather than the Peasant Party.

As the most conservative party in Poland his party, immediately on his return, was inundated by the 15,000-odd landlords dispossessed in the land reform, and by the anti-semitic middle classes. Mr. Mikolajczyk admitted, when I talked to him in 1947, that they had joined him, but added, 'I cannot be responsible

for all those who support me'. On its substantial fringes, there is little doubt that his party in the provinces was linked to the rightist underground.

The stirring account of his oppression by the government in his recent book is unfortunately only half the record. It reads as would a newspaper report that said, 'A certain Mr. William Conn, while standing in Madison Square Garden the other night, heard a bell ring and was suddenly assaulted and beaten by a large brown man,' without revealing the essential facts that it was a prize-fight and that Billy Conn assaulted the 'large brown man' in return. Nowhere in his book does the Polish peasant leader mention the fact that virtual civil war was raging in Poland. He relates that over 100 of his party members were killed by the police but not that 900 Communist and Socialist politicians were killed in the previous year by the rightist bands, some of whose local leaders were doubtless associated with the Peasant Party. In the week before the elections alone thirteen Communists were murdered.

I have no doubt that if Mikolajczyk had been granted freedom during the 1947 elections, his party would have swept the polls. But equally, I do not doubt that he would have ceased to rule the country before five years were out. As happened the last time the Peasant Party came to power in the 1920's under the stronger figure of Wincenty Witos, the old guard would either have taken over the party from him, or discarded it and established themselves by a *coup d'état*. Their foreign policy would certainly have been a violent anti-Russian chauvinism. With blocs forming up for the Cold War, the Russians would certainly have invaded Poland.

In essence, the political picture of post-war Poland is one of Russia carrying out a preventive invasion rather than a later remedial invasion. If we are logical rather than moral, it would seem that until there is world government and an automatic end to all power blocs, Polands will have to learn to get along with Russias, no less than Greeces with Britains and Americas.

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The title of Mr. Mikolajczyk's book, *The Rape of Poland*, is as

accurate a figure of speech as one can think of to describe what the Communists did to Poland. But if the metaphor is extended into what has happened since, it reveals a strange state of affairs. Communist violator and the violated people have become resigned to, and to a surprising degree even fond of, one another, and are now living together on rather cordial terms. The binding factor is their illegitimate issue—the New Poland, a surprisingly well-constructed, precocious and lively infant. It is unpleasant to have to appear to justify violence in this way, but in this book I am recording facts, not wishes. As good an index as any of what has happened has been Moscow's insistence that the leader of the Polish Communist Party, Mr. Wladyslaw Gomulka, be ousted both from his position in the party and his job in the cabinet: Gomulka developed too strong a pride in what the Polish people were accomplishing, was accused of becoming 'nationalist' and growing friendly and lenient towards 'bourgeois' elements like the peasantry. Another index was the tour of investigation made in Poland in 1947 by a group of financial men, capitalists all, from the World Bank. They were enthusiastic at what they saw and returned to recommend Poland as an 'excellent risk' for a loan. Uncle Sam, getting deeply involved in a Cold War with Russia, changed their minds for them, and the loan was not granted.

I have by implication above compared the Russian assault on the dominant right-wing in Poland to the British assault on the dominant left-wing in Greece. Both were interventions in smouldering civil wars aimed to protect vital great-power interests, and in both cases it was foreign intervention alone that decided the issue. But there is an essential difference. In Poland, a puppet government was installed which was full of men with ideas. The Communist Minister for Industry, Hilary Minc, was a first-class administrator in pre-war Poland. During the war, when he fled to Russia, the Soviets thought him so able that they gave him a lecturer's chair in a Soviet university—teaching economic planning in the land where economic planning began. Of the work of Wladyslaw Gomulka as Minister for the Western Territories (formerly eastern Germany), I shall have something to say shortly.

The Polish civil war, unlike that in Greece, dissolved in a constructive national economic effort. An amnesty and an offer of pretty good jobs brought the underground out of the forests and the southern mountains, and into industry. Likewise, the great Polish exile army in Britain, on which the London exile government had counted heavily, dissolved for the same reason. For nearly two years the soldiers in Britain resisted going back to Poland. Then letters from home broke their resistance. Around the corner from my flat in London, the street on which the Polish Consulate is located was packed daily throughout 1947 with Poles in uniform applying for permission and transportation to return home. Polish miners who lived and worked long pre-war years in Germany and France answered the call to return home by tens of thousands. Of Poland's three million Jews, only 80,000 were left at the end of the war. These packed up and started to leave the scenes of their horror and go to Palestine. In passing through the new western territories they found life humming, plants crying for labour, and racial tolerance. Many of them unpacked right on the spot and stayed to build themselves new lives.

You can't beat something with nothing. Mr. Mikolajczyk tried, as so many others have, and with the same result. At first his party was frustrated by brutal political repression. In the end, when he left the country, his following was deserting him because it was genuinely drawn away by the government's programme. Mr. Mikolajczyk offered nothing except opposition to it. Farm credit was being granted on better terms than Polish peasants had ever known. A good harvest was for the first time not accompanied by collapsing prices; the government bought it at the old scarcity prices for export abroad. Requisitioning of grain was virtually stopped in 1947. Abundance was such that at the end of 1947 rationing was abolished and the Ministry of Food closed down. In 1948 the Polish peasantry was growing modestly prosperous—to such an extent that Moscow accused the Polish government of pampering it.

Sterile peasant life has indubitably been enriched. The co-ops bring town goods to the country without the intervention of middle-men, and therefore at lower prices. The co-op, with its

reading rooms, travelling cinemas, lectures and weekly dances is seriously competing with the parish church as the centre of rural social life. In 1947, for the first time in Polish history, the Church found it necessary to advertize in the daily press for students for its seminaries due to a sharply reduced number of candidates for the priesthood. In Poland as in all Eastern Europe so very little needed to be done to win the common people that it is nearly criminal that earlier governments so long neglected to do it, thereby leaving the Communists to reap the credit.

The standard of life in Poland remains very low. While Hungary has distributed its rising production in wages and consumer goods, the Poles have re-invested a much higher proportion in the creation of the 'Polish Ruhr'. None the less, income is geared to effort, and productive workers are paid bonuses in coupons allowing them to buy their goods in state shops at much reduced prices. Perhaps as important has been the growing awareness among workers and poor peasants that they have a voice and meaning in at least those local phases of government that most affect their lives—the unions in the administration of factories, the peasants in the administration of co-ops.

Extended education had reinforced the awareness. In 1938, Poland had 36,000 university students, mostly from the upper and middle classes. Although Poland's population has fallen from 35 million to 24 million, the number of university students at the present time is nearly double the pre-war figure; it is now 68,000, most of whom come from the lower orders of society.

This host of incentives has performed marvels of industrial productivity unequalled elsewhere in Europe. Poland's Three-Year Plan, scheduled to make production 151 per cent of pre-war by the end of 1949, was all but completed in 1948. For a country so badly crushed, the 1948 production figures in key industries are staggering: coal production was 178 per cent of pre-war, electric power 187 per cent, steel 118 per cent, production of freight cars 2183 per cent!

The most important material element in Poland's success has been the acquisition of east German territories in compensation for the big area beyond the Curzon Line ceded to Russia. The

exchange reduced Poland's area to 80 per cent of what it was before the war, but added tremendously to her natural wealth. The assets of the areas lost to the Russians have been valued at £900 million. Those gained from Germany have been valued at £2,250 million. The new areas contain rich coal deposits and modern steel mills. Their soil is immeasurably richer than that of the areas given to Russia. Although Poland's area has fallen 20 per cent, she now produces 20 per cent more grain than before the war. The acquisitions have quintupled the length of coastline available to Polish shipping on the Baltic and given her several excellent new harbours.

When the Poles took over these areas they were badly damaged by war and the German 'scorched earth' retreat. The bulk of skilled labour and peasantry had fled. The cabinet minister for the areas, Mr. Gomulka, proceeded to 'polonize' and rehabilitate them with vigour and ruthlessness. Before the war the areas were inhabited by eight million Germans and one million Poles. To-day there are but 100,000 Germans left, and the rest have been replaced by six million Poles. The speed with which the areas have been brought into production despite the ruthless readjustment of populations and a still prevalent shortage of labour, is indicated in these statistics of the progressive cultivation of the soil. In the spring of 1945 the Poles could sow only one-fifth of the area, in 1946 they brought one-third under cultivation, in 1947 two-thirds, and in 1948 100 per cent. The rehabilitation of industry has also progressed at a breathtaking pace. In five years the Poles will probably be turning out a multiple of the amount the Germans produced from these areas.

Poland's influence in world economy has grown with her domestic strength. Three decades of hostile relations with Czechoslovakia were ended when the Poles handed over a large section of the harbour of Stettin to the Czechs as their own national port. Economic commissions of the two nations now meet regularly to co-ordinate their industrial effort, and there is talk of abolishing entirely the economic frontier between them. There is already completely free movement of labour in the industrial border districts.

Poland is replacing Czechoslovakia as the Eastern bloc's economic bridge with the West. She has two incomparable bargaining counters wherewith to win trade pacts with the West: a surplus of food for which Western European countries need not spend their precious dollars; and a surplus of coal which is scarce as gold all over the West. Her coal export trade has grown so tremendously that British trade experts have expressed fears lest Poland, before long, should knock out the old champion in the European market. Early in 1949, Britain signed a trade pact with Poland for over £250 million exchange of goods, the biggest East-West trade pact since the war, by which Britain replaces Russia as Poland's first customer. Poland now has sizable trade agreements with most of the West European countries and is looking to South America for more.

Poland's future appears brighter than any in Europe. On the horizon there is only one wisp of cloud, and that is the party line as dictated by Moscow. In 1948 and early 1949 there has been a happy civil peace in Poland. But one does not yet know the full import of the Soviet attack on Tito for the sin of 'nationalism'—and its Polish counterpart, the dismissal of the conciliatory Mr. Gomulka from his position as cabinet minister and chief of the Polish Communist Party. If it means that a new period of repression of 'enemies of the proletariat' is in the offing, it may cause grave trouble in Poland. The peasants are at present highly co-operative with the government. The Church early in 1949 acquired a new Primate, Archbishop Stefan Vyshinsky, a forty-seven year old man whose first message to the laity was conciliatory. 'I am neither a politician nor a diplomat,' he said, 'I am not a man of action, nor am I a reformer. I am your spiritual father.' Likewise what remains of private enterprise has got on well with the government. In the first year of Poland's rule of the former German territories there were 800 privately owned plants. The government gave them freer rein than elsewhere, and to-day the number is 1,300. And with this growth production also increased.

If repression in obedience to Russian orthodoxy does not set in anew—and if war does not come—there seems absolutely

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nothing that can stop Poland from becoming, not in the long run but very, very soon, a nation with a high standard of living, where the instruments of dictatorship will no longer be needed as a substitute for popular loyalty to the state. Democracy would seem a strange fruit to issue from a mating of two terrors, but in Poland it is not impossible.

CHAPTER XVIII

RAPE WITHOUT PASSION

'The odd thing is that the Czechoslovaks do not want a free election to change their government or reverse its policies. They want a free election to satisfy themselves that they can have a free election.'

—*The Economist*

ON 10 MARCH 1948, in Prague, there occurred a personal tragedy which revealed the feelings of an entire people more eloquently than reams of copy on what they were actually saying and doing. The tragedy was the death of Foreign Minister Jan Masaryk, the son of the founder of the Czechoslovak Republic. His crumpled body was found in the early dawn outside the Czernin Palace where he had lived and worked. On a table in his bathroom a bottle of sleeping tablets was found with the cap off. On his bed was a small sheaf of telegrams, including one which is alleged to have read: 'I appreciate your problem but must condemn your action.' The coroner's verdict was suicide by leaping from a third floor window of the Palace.

There have been many reports since that Masaryk did not jump but was hurled out; that it was not suicide but murder. Most of these reports have been ill-founded and merely sensational. Some, like an article by O. H. Brandon in the *Saturday Evening Post*, based on an interview with Masaryk's doctor, have been sober and quite convincing. But there is still no conclusive evidence one way or the other.

Until there is, I shall accept the official version that it was suicide. It fits the dilemma which I know was eating away Masaryk's heart. And it fits the people of Czechoslovakia as I saw them a fortnight before Masaryk's death during their revolution against no oppressor, their overthrow of no reaction, their rape without passion.

Masaryk, like the Czech people, acquiesced in the seizure of power by the Communists—but do not condemn him or them

until the whole story is told. He even lent resigned support to it. When, during the cabinet crisis of February 1948, the Communists held a one-hour nation-wide strike to show their potential strength, Masaryk led his foreign office employees in a show of solidarity with the strikers. Shortly after the seizure of power he gave an interview to the correspondent of the French newspaper, *L'Ordre*, in which he said, 'I have always been with the people, and I am with them now. . . . There were people in this country who thought it was possible to rule without the Communists. . . . I have always been passionately opposed to this idea.' On March 6, four days before his death, he accepted at a public ceremony a decoration bestowed posthumously on his great father by the new Communist-dominated government.

But he was utterly miserable. Masaryk's trouble was the trouble of his people. They were the only people in Europe who belonged organically both to East and West. Their very vitals were one with those of both worlds. Their ingrained political tradition and their economy were an integral part of the West. Their social traditions and their geographical requirements of defence and survival were an integral part of the East. They could not give up either without a tearing of the flesh and a bleeding of the spirit.

Before the Cold War forced the nations to choose sides, Czechoslovakia drew her nourishment from both worlds. She was a synthesis of them, an example of values of East and West combining and compounding without loss. Her people's religion was predominantly (60 per cent) Roman Catholic, their political sentiments predominantly (51 per cent) Marxist. Her political system was pure Western Democracy, her social system was Socialism (over 60 per cent of industry was publicly owned). She was the affirmative answer to the eternal question: can a society undergo radical social change without sacrificing parliamentary democracy? She was the white hope of our time.

Left alone, Czechoslovakia would certainly have succeeded in her experiment of compounding the French and Russian Revolutions. But the world around her began dividing on the very issue she was compounding, and not long after the end of the

war she felt the tug. When foreigners made the inevitable remark about their country serving as a 'bridge' between East and West, the Czechs rejected the image with the remark: 'A bridge is something that men and horses walk over'.

In the summer of 1947, when I was in Prague, Masaryk invited me to the Czernin Palace for a drink and a talk (he had made so many broadcasts for CBS that he was considered almost an honorary reserve staff member), and he poured out a full heart. 'If only it were possible,' he said, 'to cut the planet into two parts and let them drift apart in space; that would solve the problem.' I asked which side he would be on, and he answered, repeating a maxim of Benes, 'We do not have a free choice. Czechoslovakia does not lie between East and West. It lies between Russia and Germany. I would have no choice. I would go East. But it would kill me!'

When the Communists forced the choice, the Czechs went East, with virtually no show of resistance. As with many wounds, the awful throbbing pain did not begin until the shock had passed. Days after the *coup* the shame and indignity of losing the privilege of speaking their minds and choosing their rulers by free vote set in. For Masaryk the pain was too great. When he died, Czech spirit began to wither.

The Czech crisis, sealed by Masaryk's death, originated in the Cold War. The best description of what happened was written nearly two years before it happened. As one of a team of British Labourites who visited Czechoslovakia to prepare a report on its happy and unique synthesis of socialism and democracy, Sheila Grant Duff wrote in 1946, 'In the long run the Czechoslovak Republic cannot survive as an independent and democratic state unless a real measure of agreement and mutual confidence is reached between the three great powers. If relations between East and West deteriorate, if the Soviet Union really has to look to her defences, her first defence in Europe is Bohemia. For Russia, as for Germany, Bismarck's old saying is correct, "The master of Bohemia is the master of Europe". Russia will allow the Czechs to be masters in their own home

only so long as this does not constitute a danger to her own safety.'¹

After the Truman Doctrine and the Marshall Plan, Russia decided that her safety was menaced by an America growing imperial abroad to prevent depression at home. The Communists had been ousted from the coalition governments of France and Italy, those governments had moved to the right, accepted American aid and there was talk of their joining a Western military bloc under America's auspices. In this light, Russia and the Communists surveyed the situation in Czechoslovakia, the master of the Bohemian mountains, one of the best military lines in Europe.

Czechoslovakia was ruled by a democratic coalition government led by the Communists, who had won 38 per cent of the vote in the general elections. With the Social Democrats' 13 per cent of the vote, the two Marxist parties could constitute a 51 per cent majority in the country. However, they continued in an all-party coalition with three moderate parties which together held the other 49 per cent of the vote.

This all-party government had ruled with great success for two years. But in the summer of 1947, an upsetting thing occurred. All Europe was affected by a bad drought. It hit Czechoslovakia hardest of all, with forest and field fires sweeping the country and destroying the crops. Food was terribly short. To buy abroad the minimum necessary to feed the people, the country had to export all the consumer goods destined for the domestic market. Czech prosperity sagged badly.

It is axiomatic in politics that the government in power receives both the blame and the praise for natural events over which it has no control. The Communists in the Czech government certainly lost prestige as a result of the economic situation; not drastically perhaps, but enough to deprive the Left of its majority. Elections were to be held in the middle of 1948. If the Communists lost votes and ceased to be the dominant party, they would also lose their right to control the key ministries of police and army. The Communists were worried.

¹ Sheila Grant Duff *et al.*: *Six Studies in Reconstruction* (The Fabian Society and George Allen & Unwin Ltd., 1946)

The new situation also caused uneasiness in the ranks of the moderate parties in the coalition. They had chafed when the Communists insisted that Czechoslovakia had to refuse Marshall Aid. American funds would have been a welcome help in the country's reconstruction. Now, after the drought, foreign aid was urgent. The moderates indubitably discussed among themselves the possibility that if the Communist vote fell in the coming elections and they acquired a majority, they could form a government without the Communists and join the Marshall Plan.

The Communists foresaw a repetition in Czechoslovakia of what had happened in France where the Communist Party, the biggest in the country, had been excluded from the coalition and had entered on a long, slow decline of power. To Moscow, this would have meant that the Bohemian mountain line would gradually be absorbed in the Marshall bloc. It was therefore decided to take action to impose a Communist hold on the country before the elections.

In an effort to force a crisis the Communists brought one provocative measure after another before the cabinet. For example, they demanded the nationalization of all businesses with over fifty employees. There was no compelling economic necessity for this. Sixty per cent of the nation's industry had already been nationalized, and when the job had been completed in the middle of 1946, the Communist Premier, Klement Gottwald, had said in a speech, 'The government takes this opportunity to declare that it regards the drive for nationalization of production as finished'. There was a number of other measures of similar tenor, but the moderates did not bite.

Finally, the Communists obviously and flagrantly began packing the police force. In February 1948 they appointed Communists to eight high posts in the police. This time the moderates had to bite. At a cabinet meeting they mustered a majority to condemn the Communist action and called for the cancellation of the appointments. At the next session of the cabinet the Communists had paid no attention to the majority order, so the moderates demanded an explanation. Premier Gottwald said the matter was not on the day's agenda and he

refused to discuss it. Whereupon, on 20 February 1948, the twelve moderate members of the cabinet handed in their resignations to President Benes. That was precisely what the Communists had been praying for. Now they went to work.

The moderate party leaders must be blamed for being incredibly poor tacticians. Their aim was clear: by withdrawing from the cabinet they would force it to dissolve. President Benes would then call a new general election within a month as he was entitled to in such a case. The moderates could thus appeal to the people before the Communists had time to pack the police entirely and prevent free elections. If the moderates could increase their collective vote at the polls by a mere 2 per cent (from 49 to 51 per cent)—or if they could induce the Social Democrats to join them—they would have a majority and could form a government without the Communists.

Their first incredible oversight was their neglect to induce the Social Democrats in the cabinet to resign at the same time. The Socialists were susceptible to persuasion. Lately, they too had shown concern at the Communists packing the police and had voted their pro-Communist party chief, Zdenek Fierlinger, out of office. But they were not approached, so during the crisis they did nothing—*i.e.* they remained in the cabinet. Thus, though twelve members resigned, thirteen members remained in the cabinet. They were a quorum. The Communists could go on governing the country.

Even with a quorum in the cabinet, President Benes could, in the circumstances, have dissolved the government. But the second amazing oversight of the moderates was their failure to approach him before they resigned, in order to make sure that he would do this. They merely surrendered control without guarantees or plans. In the middle of the ensuing crisis they saw with horror what they had done and tried to negotiate their return into the cabinet. But it was too late. Gottwald had his mighty party machine rolling to crush them for ever.

The Communists' aim was to fill the vacant cabinet seats with 'friends' who would give them full authority to purge the nation of opposition, communize the country and translate all future elections into familiar 90 per cent plebiscites. But first,

they had to induce President Benes to accept the resignations of the twelve. He had not yet done so and was most reluctant, for among them were his lifelong friends and collaborators. The President had to be worked on.

I flew to Prague and for the next five hectic days walked streets glazed with four inches of ice, trying to find a pattern in the dizzy, confusing pace of the Communist campaign. It was not until I got away a week later and was able to piece together my notes that I saw what had happened. For pure craftsmanship this *coup d'état* was stunning.

On February 21, the day after the twelve offered their resignations, the Communists emptied every plant in Prague and poured a flood of 200,000 human beings into the Old Town Square for a demonstration. They passed a resolution demanding that the President accept the resignations, with a thinly-veiled threat that otherwise they would paralyse Czech life with a general strike.

On February 22, in Prague, the Communists met a monster 'Congress of Workers' Councils' from factories all over the country and issued a programme of what they would do if the President allowed them to re-form the government—a highly attractive programme ending in lower prices, higher wages and tax relief for farmers. Once again, the Reds were putting up something to beat their opponents' nothing. But, it was emphasized, these fine measures could not be put through unless the President allowed Gottwald to form an amenable cabinet. The Congress sent the President a resolution flatly threatening a general strike unless he did.

On February 23, the Communist police discovered a 'plot' by the moderate party leaders to overthrow the government by force, de-nationalize the factories, revoke land reform and break the alliance with Russia. Now, I am not among those who condemn all the East European 'plots' as frame-ups. Reaction is blind and bitter in Eastern Europe, and many of the plots have been genuine. But not this one. The Czech non-Communists are not of the same ilk as the light-operetta reactionaries of Poland and Hungary. To entertain thoughts of armed overthrow in a land where Communists ruled both police and army

would have been madness. Moreover, it is too much to charge men who had not even thought beyond their noses in this political crisis with laying still more complicated plans. To date, to my knowledge, the Communists have not produced any solid evidence associating the moderate leaders with a plot of any kind.

However, the plot allegation gave the government an excuse for calling troops into the streets, cordoning off key buildings with police armed with tommy-guns and generally investing the cabinet crisis with a sense of drama and urgency. President Benes was now faced not only with a threat of strike, but with a threat of bloodshed unless he yielded.

On February 24, Gottwald announced that on the following morning the issue would be forced. He would present Benes with the new cabinet list and ask him to accept it along with the resignations of the twelve. The rest of the day of the 24th the Communists set their great machine rolling to make certain the President would decide properly.

First, the opposition newspapers were shut down. Either paper-mill unions refused to deliver them paper, printers' unions refused to set their type, or transportation workers refused to distribute the finished newspapers. At a moment of extreme confusion the people had only one version of events—that of the Communists.

Second, 'Action Committees' had been hastily formed in every factory, office and shop in the land. These were now ordered to take over their places of work to secure them against a supposed assault by the plotters. They were also ordered to take over every town, city and regional government and to begin purging 'traitors'. If President Benes refused his assent now, it would have been only a formal embarrassment: effectual power was already in Gottwald's hands.

Third, that evening the streets of Prague became alive with demonstrations of marching workers. Out of every alley and by-way they poured into Wenceslas Square, which is not a square but a long, extremely broad street. I stood on the top of the hill at the end of the street and watched this flood of humanity surge slowly upwards, fifty or sixty abreast, carrying

enormous red flags, chanting slogans and bursting into a thunderous *Internationale* at the end. It was stirring, overwhelming, frightening. Out in the suburbs, it was reported, arms were being distributed to the workers. The report was proved true: the following day tens of thousands of armed workers were to march in an endless parade through the centre of the city.

This massive display had its effect. That same evening of the 24th the moderate parties cracked. Fifteen parliamentary deputies from each of the two leading non-Communist parties, and ten from the third, hurried to Gottwald and offered their co-operation. He agreed on condition that they purge their parties of 'hostile elements'. They agreed, and the purge began immediately.

At the Social Democratic headquarters a *coup d'état* occurred. While I stood outside the building, five truckloads of armed workers drove up and invested the building, locking its grilled gates and forming a cordon around it. They claimed to be left-wing members of the party. A few hours later the wobbling Socialist leadership was convinced: it issued a statement identifying itself without reserve with Gottwald's aims. What happened inside the building, no one outside it knew.

President Benes had little choice when Gottwald appeared before him with the new cabinet list next morning. All power—police, army, factories, shops, offices, transportation, press, radio, and municipal, regional and central government—was at Gottwald's command. Moreover, all the parties, under their new leaderships, unanimously supported him. The limp, sick old man accepted the resignations of the twelve, and the new cabinet of Gottwald. He said to the Communist Premier, 'I have considered the crisis a long time and seriously. I have seen that any other solution would deepen the crisis and lead to a sharp division of the nation, and eventually this could lead to chaos. You want to conduct state affairs in a new way. You want a new form of democracy. My wishes are addressed to you and to the nation that this new way may be favourable for all.' The crisis was over. The *coup* was legalized.

That afternoon there was a big demonstration in Wenceslas Square where Gottwald spoke. That night there were parades—

this time of the workers, armed with factory-new rifles. The loudspeakers on the lamp-posts blared speeches and music. In this atmosphere, I walked up Wenceslas Square to the radio station for my midnight broadcast. It was the last time a Westerner was allowed to use Czech radio facilities.

When I returned two hours later, the streets were empty and loud with silence. The loudspeakers were being dismantled from the lamp-posts. The tommy-gun guards had disappeared from radio building and street corners. The sense of urgency had been switched off as neatly and quickly as it had been turned on four days before. Next morning when I flew back to London, Prague was completely quiet. People went about their business with every-morning expressions. There were a few policemen, unarmed, directing traffic, but no more. You felt you had dreamt it all. It was an eerie sensation, and I was glad to get away.

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Some questions remain to be answered. Why was there no show of resistance save that of a handful of easily-dispersed students one afternoon? The Czechs are an inordinately brave people and proved it under the Nazis. Moreover, there are more ways of expressing resistance than by a show of force. When the Nazis marched into the country, the Czechs wept as they lined the streets, and cursed their oppressors openly. While walking the streets from dawn till dusk for all five days of the crisis, I saw no single person weeping, nor, in fact, any expression of anger. The walls remained clean of chalked slogans for or against the *coup*. Why did Masaryk lend his support to the *coup*? Why did President Benes, having legalized the Communist *coup*, not then resign if he was opposed to it? If it was bloodshed he feared, then bloodshed became impossible after the Communist grip was complete. Still, he remained the responsible head of the Communist-dominated state for months. Why did the Czech moderate parties collapse so easily? Some of their forty-odd deputies, who rushed to support the Communists, were indubitably weak men. But many were men of high principle.

One was a respected Catholic priest, Father Plohjar, who became Minister of Health in the new Gottwald cabinet. How can one explain the support given the new government by a universally respected Protestant theologian like Dr. Hromadka, Dean of Theology at Charles University?

The answer to the singular behaviour of the Czech people doubtless lies in their deep-rooted past. I shall emphasize only three features of it, essential to understanding present-day Czechoslovakia.

First, Czechoslovakia is unique in having almost no proprietor class. Her feudal rulers were killed off by the Austrians in the Battle of the White Mountain in 1620. Then, for three centuries, the owners of her wealth were Austrians, Germans, Jews and a few Czechs.

When, in 1918, the Czechs became independent, the bulk of the Austrian owners were removed. In World War II the Germans killed off the Jewish owners. At the end of the war the Germans fled. Since most of the Czech owners had collaborated with the Nazis in order to maintain their positions, the new Czech government confiscated their possessions.

At the end of this process 60 per cent of the capital wealth of the country was ownerless. All Czech and Slovak parties agreed to nationalize it, not because of any social doctrine, but simply because there was nobody to claim it.

My point is that resistance to the Communist tenet of confiscation must come from circles with a strong interest in private ownership of capital. The strongest resistance is likely to be in those societies where ownership is strongest and most firmly entrenched. By the same token, it is likely to be weakest where capital ownership is weakest. With most of the Czech people having little vested interest in capitalism, it was unreasonable to expect them to lay down their lives to fight a party with a social principle of which, in fact, they tended to approve.

A second cardinal feature of Czechoslovakia, which has a vital bearing on the crisis and on her evolution, is her composition. Like Italy, Czechoslovakia consists of two distinct peoples. Czechs and Slovaks are one in race alone. Nine centuries ago Slovakia fell under the rule of the feudal Hungarians and

remained repressed, primitively agrarian, poorly educated and undeveloped. The Czech parts—Bohemia and Moravia—grew up under much more progressive Austrian rule which developed their resources into a thriving, modern, industrial supply plant for the Austro-Hungarian Empire. Moreover, while the Hungarian rule in Slovakia destroyed local initiative, the easy-going Austrians let their Czech subjects develop as a natural consequence of their industrial economy into strong liberal-democrats.

When these two vastly different peoples were merged into an independent nation in 1918, an almost inevitable thing happened. I have stressed the point before: an agrarian economy linked to an industrial economy is almost doomed to be exploited by the latter. (Italy is the rare exception because the feudal rulers of South Italy were able to win a predominant voice in government; Slovakia had no feudal rulers after her release from Hungary) It happened to the Southern United States after the American Civil War. Molotov kept Eastern Europe out of the Marshall Plan for fear of the same consequence. It happened in inter-war Czechoslovakia despite the good intentions of the Czechs.

The Slovaks became restless at their subordinate relationship with the Czechs between the wars, and a movement for autonomy that gradually became Fascist in nature grew up in Slovakia. The clergy was conspicuous in its leadership. The Hlinka Guard, the Slovak Fascist storm troops, was named after a Father Hlinka. When the Germans broke up Czechoslovakia after Munich and granted Slovakia 'independence', the national *Führer* was also a priest, Father Tiso.

After World War II the Czechs determined to exert themselves to bridge the gulf separating them from the Slovaks. They transferred industries wholesale to Slovakia in order to modernize the country. Although Slovaks constitute only 30 per cent, or less than a third, of the national population, over half of the national budget for economic construction was devoted to Slovakia. To secure political peace, Slovakia was given its own parliament. And in the central parliament in Prague, it was agreed that any measure affecting Slovakia would have to be passed

not only by a majority of all the deputies, but also by a majority of the Slovak deputies.

With this freedom and autonomy for Slovakia there is no doubt that tendencies towards Fascism were not checked there after World War II. The Slovak court judges resigned rather than try the quisling, Father Tiso. They protested violently when he was sentenced to death. The post-war record of Slovakia has been notorious for its very real plots against the government.

Thus, when the Communists, in the crisis of February 1948, produced the 'plot' to blacken the moderate parties, it was not entirely incredible. If it was hard to believe in fantastic plots to unscramble the land reform in Bohemia and Moravia, it was none the less quite possible that there was such a plot in Slovakia. And it was just possible that the Slovak reactionaries had managed to rope in a few Czechs. There was just a shadow of a doubt in the matter—enough of a shadow to make Czechs reluctant to disbelieve the story of the plot entirely, and to make them reluctant to show resistance to the Communists who promised to frustrate the plot.

The third and most important factor that worked in the Communists' favour was the bitterest experience the country has ever suffered—the sell-out at Munich in 1938. When Neville Chamberlain abandoned the nation as a 'faraway country' and a 'people of whom we know nothing', the stock of the West as an ally dropped to nothing. There is no sentimentality or bitterness in the Czech attitude. Munich meant, soberly and realistically, that Czechoslovakia was not a British or Western interest; so there was no point in looking to the West in the future for support against Germany. The Czechs realized that the Bohemian mountains are not a part of Western defence, but that they are a part of Russian defence. Their security, therefore, lay with only one great power, and that was the Soviet Union.

In 1945 the departing German troops shouted over their shoulders, 'We will come back!' and the Czechs believe firmly that they will try. When Mr. Churchill, in 1946, made his famous speech in Zürich suggesting the revival of Germany and her inclusion in the Western Bloc, the Czechs clung to their

alliance with Russia more strongly. Thus when the Communists, in the crisis of 1948, accused the moderate leaders of aiming to break the Russian alliance and turn to the West, they broke the last resistance of the mass of the Czech people, of the parliamentarians and of Masaryk and Benes. For to abandon or even question the Russian alliance is to the vast majority of Czechs tantamount to national suicide.

The behaviour of the Czech people in their crisis must be considered against this background. In the circumstances there was little heart for resistance to the Communists and their demands for socialized economy, their story of a plot against the Republic and their championship of the allegedly endangered alliance with Russia. The Communists were shoving against an open door, forcing a choice that was predetermined, if choice had to be made.

But if there was no visible anger or deep sorrow in the streets of Prague during the crisis, there was also little laughter, even among the men who marched behind Communist banners. Democracy was dear to the Czechs, and perhaps more deeply rooted in them than they thought. It is of some significance that the constitution of the old Democratic Republic was written in Chicago. Gratitude for America's democratic support still makes the Wilson Station and Roosevelt Street proud landmarks in Prague. So strong were the roots of free institutions in the country that she alone of all the nations east of Switzerland and south of Scandinavia resisted dictatorship between the wars, and survived Nazism with all parties agreed on a democratic programme, her free flag flying. A few days after the end of free politics, the pain of torn-out roots set in with vengeance.

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Czechoslovakia, the only modern democracy yet subjected to Communist treatment, has lost in the process her potential industrial leadership of the Eastern Bloc and has become its lowest-spirited unit. Her humiliation was evident when the new government finally held the promised election, in June 1948. Only one list of candidates was presented. It received, according

to official results, 90 per cent of the votes in Bohemia and Moravia, which is extremely unlikely, and 86 per cent in Slovakia, which is flatly impossible.

The spirit of the people has left its mark on economic affairs. The Czechoslovak Two-year Plan ended in October 1948. The outcome was given very little publicity and detailed results were issued only piecemeal. The government's verdict was that it was 'satisfactory on the whole', but it was admitted that some industries failed to reach their targets. The Plan was about the most modest of that of any Eastern country, aiming to raise production to 110 per cent of pre-war. The cool treatment of its results by the press indicates it is the only one, also, which failed.

Now a Five-year Plan has been launched, but it has lacked, so far, the high messianic spirit in which the little Two-year Plan was launched. During recent months, Czech Communist leaders have plied the press with speeches raising Cain with the workers for not working. The new Prime Minister, Anton Zapotocky, said absenteeism was running at the rate of 15 hours per worker per month—which adds up to 750 million working hours per year and has been costing the country £35 million worth of production.

It is another indication of what has happened to production that in the first quarter of 1947 Czechoslovakia drew £660,000 worth of imports from Russia, whereas in the same period of 1948 she had to have £11.6 million worth of her necessities from Russia. By the end of 1948 the state of economy was such that Premier Zapotocky and all the leading members of the cabinet packed up and went to Moscow to beg for a big loan. They got a large loan of gold to buy exports from the West, but the sum was not announced.

At home, productivity of labour has now become a problem of critical proportions, and the government has had to proceed more ruthlessly than it probably would have liked against its working class supporters. Wages were officially reduced to force workers to spend more time at the bench to earn their keep. There is now even talk of reducing holidays. Czechoslovakia is the only Communist country where this has happened.

Many other and stronger measures were taken against non-co-operation and falling production. A bill for the 'Protection of the Republic' was passed. It set up courts with 'lay assessors'—Communist workmen—sitting beside the judge on the bench to try people for acts which 'might tend to disrupt the People's Democratic structure of the state', including warmongering, spreading of alarmist reports, or 'misuse of spiritual offices' by the Church. A commentary on the bill by Dr. Cepicka, the Minister of Justice, indicated its main intent was to get some labour out of spiritual opponents. For all people found guilty were sent to newly founded labour camps where the aim, he said, is 'to educate by work those who by their way of life, their actions and their attitude towards the People's Democratic state, have shown that they do not want to subordinate themselves to one of the main principles of the constitution, by which every citizen has not only the right but the obligation to work and contribute to the good of all'.

In early 1949 another drastic measure was taken. Four years after the war, rationing remains stricter in Czechoslovakia than in any other country in Europe. It was announced that ration cards would go henceforth only to the 'useful workers'. Others, people who still owned their small shops or leaned on savings and worked only part-time, had to buy on the new free market, where many goods are sold at extremely high prices. The object is to create a new influx of labour into industry.

Political troubles have increased several fold. Trials of ever fresh 'plotters' against the state have been very nearly continuous and have involved some of the highest and most respected men of the former democratic republic, including lately General Pika, the former deputy chief of staff, and twenty-seven other generals. There has been a steady flight of people from the country. By December 1948 the flood included seven former cabinet ministers, more than fifty members of the Czech parliament, twelve generals who fought side-by-side with the Allies during the war and over 10,000 ordinary civilians. Several thousand more have been caught trying to flee. Within twelve months of the February revolution, 70 per cent of the country's diplomatic corps abroad was missing, having

either resigned in protest against the *coup* or been recalled home.

It is too early to pass a final judgment on the Czechoslovak version of People's Democracy. But to date, its results have been outstandingly meagre and spiritless. To people who have known and lived by it, it seems that this thing called Western Democracy is not, after all, an excuse for the enslavement of the people. It is the highest political dignity Western man has achieved, and its real value becomes apparent only when it has been sacrificed. As a friend of mine, a Czech Socialist, said to me not long ago in unconscious paraphrase of the quotation at the head of this chapter, 'I would never vote against the left. But I want to vote, and freely, just to know that I can do so. That is the trouble.'

If Premier Zapotocky really wanted to know what is wrong with Czech production, one could easily tell him. The Czech people are not mean, lackadaisical, lazy or non-co-operative. They are suffering from what Jan Masaryk died of—a broken heart.

CHAPTER XIX

THE FIRST AND THE LAST

BULGARIA AND RUMANIA were the first of the satellites to be graduated in the school of Russian Communism. Finland is the only state in the Soviet orbit where the process has still to begin. With a brief look at Albania, smallest of the satellites, I shall deal with them in one chapter.

The Balkan peninsula gets its name from a range of mountains in Bulgaria, and quite appropriately Bulgaria is the most Balkan of Balkan nations. Bulgaria is a little more predominantly peasant (80 per cent of the population), a little more backward, a little more impoverished, a little more corrupt and her politics have been a good deal more explosive, than the rest.

The first weakness of all the Balkan lands has been leadership. At the end of the last century, when five centuries of Turkish misrule came to an end, there was a complete lack of a leader class and the raw, home-grown aspirants that arose were remarkable for being more predatory than they were constructive and nowhere was this more conspicuous than in Bulgaria. With few other urban occupations available, politics became about the most lucrative profession and inevitably became overcrowded, with more than 4,000 candidates competing in elections for the 270-odd seats of parliament. The pressure of candidates and their retainers on political jobs was so terrific that between the wars Bulgaria enjoyed the distinction of having the bloodiest and most violent political record in Europe.

The normal means of changing governments was by gunfire. The record for individual political assassinations was set in 1924, with 200 of them, or a little better than one every two days. Mass political killings were, of course, greater in extent. In 1923 the army officers slaughtered over 2,000 peasants in the spring and 10,000 more in the autumn. In 1925 a whole government was killed in a single blow: the bulk of the country's leading politicians were assembled in Sofia Cathedral attending

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the funeral of the late—assassinated, of course—Prime Minister, when a bomb, laid by Communists, went off in the building. In the explosion 123 political leaders were killed and 323 others badly wounded. The police promptly rounded up all the Communists available, summarily killed 300 of them according to the official record and several hundred more off the record. That— is Bulgaria.

In foreign affairs, Bulgaria is distinguished mainly by her unerring capacity for joining the wrong side in wars. She has fought and lost a host of them in modern times. By an odd coincidence, the lost war which was destined to have most influence on her development was the shortest of them all.

Though Bulgaria was a base and satellite of Nazi Germany in World War II, she did not declare war on Russia. Communism has always been very strong in Bulgaria. Until they were suppressed in 1923, the Communists constituted the second strongest party in the country. When free elections were allowed in Sofia in 1932, the Communists won a clear majority of the vote—only to see the elections declared null and void. The first party of the country, the Agrarians, was likewise very radical and pro-Russian and for much of the period between the wars was in intimate alliance with the Communists. King Boris thus refused to declare war on Russia for fear of a popular revolt. But he did declare war on Britain and America.

As the end of the war approached, a strange situation prevailed. Although Bulgaria was to be within the Soviet sphere of Europe, Russia would not be invited to the peace conference determining Bulgaria's fate, for the two countries were not at war. On 5 September 1944, with the Red Army on the Bulgarian frontier, Russia remedied the oversight and declared war. Within six hours the Bulgarian government went to the Soviet Legation in Sofia and asked to surrender. The Soviet Ambassador was astonished, for word had not yet reached him that the two countries were at war. Eventually Russia offered terms which broke the government, and the underground coalition called the 'Fatherland Front', led by the Communists, assumed power. With the Front the Russians made an armistice.

The Bulgarian Communist revolution that ensued was one

of the most ruthless in Eastern Europe, carried out with frank Russian intervention and less than usual concern for the niceties of world opinion. The occasion for brashness was the easy overthrow of the mighty ELAS movement in Greece south of the border by the British Army and the Greek officer caste. Russia feared that something very similar could occur in Bulgaria, for the conditions for it existed: the Bulgarian Communists were not nearly so well established as ELAS had been. To the Bulgarian officers' caste, the *coup d'état* was a normal political instrument. The strongest political party in the country, the Agrarians, had changed its nature across the years and grown from a radical peasant party into one led mainly by the urban middle class and representing the more substantial conservative peasants. It was now led by G. M. Dimitrov (not to be confused with the Bulgarian Communist chieftain, Georgi Dimitrov) who was cool to the Soviet and warm to the British, having just returned from long exile in Cairo under British protection.

The purge of Bulgarian life was, as a result, swift and ruthless. A Communist Minister of Justice set up irregular 'People's Courts' to try violators of the Communist Minister of Interior's law for the 'Defence of the Fatherland', which defined as crimes 'statements which might impede economic life . . . creating mistrust in the government . . . spreading opinions which harm relations with a friendly state'. With these terms, the Communists had an instrument for arresting almost anybody for almost anything.

War crimes trials were of nearly epic size. In a single trial, held before the war was over, there were sentenced and executed: all three regents of the realm, eight personal advisers to the late King Boris, two former Prime Ministers, twenty-two former cabinet ministers and sixty-eight former deputies of the parliament! In a single act, 4,000 government officials in Sofia alone were removed from their jobs.

The officers' caste was mowed down as with a scythe. Some 3,400 officers were summarily dismissed from the army. General Stanchev, who had led the revolt that brought the Fatherland Front to power, and 200 other senior officers who had been

decorated with high Soviet military honours before the ELAS incident in Greece, were imprisoned. The War Ministry and the General Staff were put under two officers who were Bulgarian by birth but had been Soviet citizens and officers of Stalin's Red Army for the past decade.

Nonconforming leaders of the big Agrarian Party and of the small Socialist Party were arrested and imprisoned on charges of plotting against the government. The Agrarian leader, G. M. Dimitrov, took refuge in the offices of the American mission in Sofia and was later allowed to leave the country under American protection.

By January 1948 Bulgaria was not simply in Communist hands; it was directly in Soviet hands. A new Politbureau of the Communist Party of Bulgaria was chosen. Its seven members included Georgi Dimitrov, the old Communist hero of Goering's Reichstag fire trial and lately chief of the Comintern in Moscow, now Prime Minister of Bulgaria (after some twenty years in Soviet Russia, he re-adopted Bulgarian citizenship two days before the elections that made him Prime Minister); his brother-in-law, also lately a Soviet citizen and now Deputy Prime Minister of Bulgaria; General Damyanov, former professor at the Moscow military academy and now Bulgarian Chief of Staff; and General Vranchev, a Red Army officer, now Bulgarian Minister of War. Altogether five of the seven men who ruled Bulgaria had been for the past decade or more, citizens—of the U.S.S.R.!

For all its political sins, the Bulgarian government introduced highly constructive social policies. It has done more than any other Balkan government to break down the invisible but hitherto impermeable barrier between town and country that has existed all over Eastern Europe. In the past, fortunate sons of well-to-do farmers who have escaped to the city, have tended never to return to the drab, impoverished countryside. National wealth has been sucked into the city and none of it has returned in any form to the country. Sofia, like most Balkan cities, has suffered a locusts' plague of half-employed intellectuals—doctors, lawyers, teachers, etc.—while the countryside has decayed for lack of the services they could perform. Now the

new Communist government has organized brigades of townspeople—students, civil servants, barbers, shoemakers and in fact people of just about every urban occupation—and given them ‘targets’ of so many week-ends a year to spend in the country working for the peasants, nursing the sick, teaching, and so on. Crude cottage hospitals have sprung up in the villages. Medical students are granted their degrees on condition they spend their first two years’ practice outside the towns. As a result of measures like this the appalling infant-mortality rate among peasants (the average Bulgarian farmwife, it is said, bears ten babies in her lifetime, but five never reach the age of one year) has fallen steadily each successive post-war year. Co-operatives—always a strong institution in Bulgaria long before World War II—have spread rapidly over the countryside. New industries have been established to absorb some of the tremendous surplus of farming population. Statistically, Bulgaria claims the greatest increase of industrial production in all Europe since the war. In 1949 she was producing, according to official figures, 74 per cent more than before the war. At the end of 1948 the government introduced a Five-year Plan which aims to more than double present industrial production by the end of 1953.

In the opinion of the outside world Bulgaria’s constructive achievements have been cancelled out by the government’s ruthless political course, particularly by the trial of Nikola Petkov in 1947—the country’s one appearance in post-war world headlines. Although Petkov’s background was about as far removed from the peasantry as is possible in Bulgaria (the son of a former Bulgarian Prime Minister, he was educated in Paris and moved mainly in urban intellectual circles), he counted as leader of the left-wing in the Agrarian Party. He had been one of the founders of the Fatherland Front, and had co-operated loyally with the Communists in the war-time resistance movement. When G. M. Dimitrov fled the country, Petkov became leader of the Agrarians. By then, however, ruthless Communist tactics had alienated him and he went into opposition. Despite harsh repression, in the elections of October 1946 his party won 1,300,000 votes, one-third of the total vote cast.

In a country under a searing reign of terror, his bravery was almost incredible. Typical of his speeches in a Communist-packed parliament was this, made at the end of 1946: 'You are ruling the country by sheer terror, intimidation and brutal intervention in the internal affairs of the other political parties. The concentration camps are full again, the concentration camps against which we, the Fatherland Front, fought so hard. . . . Who is responsible for this? It is you, the Communists, who are trying to eliminate all your allies in spite of your promises to work for a democratic government.'

Once when dictator Dimitrov made his customary accusation that the Agrarians were 'foreign agents', Petkov leapt to his feet and said, 'I will not allow you to go on talking like this. Let me remind you that I have never been a citizen of a foreign country, nor have I ever been in foreign service. . . .'

Dimitrov: 'I was a citizen of the great Soviet Russia. This is an honour and a privilege!'

Petkov: 'You became a Bulgarian subject two days before the elections. This was officially announced from Moscow.'

Dimitrov: 'I'll teach you a lesson soon.'

On a later occasion, Dimitrov shouted to Petkov and his followers in the parliament, 'Stop interrupting our speeches and stop obstructing the government! You will burn your fingers and you will lose your heads!'¹ That was what, in fact, happened.

Petkov was arrested in the parliament itself on 5 June 1946. In July and August, 1947, he was tried on charges of plotting with the officers' caste to overthrow the government by force. The three judges of the court and the two prosecutors were all well-known Communists. Petkov's witnesses for the defence were disallowed. The evidence against him was extremely flimsy, based in one provable case on statements exacted by physical torture from Peter Koev, his colleague of the Agrarian Party. (Koev was elected as an Agrarian deputy to parliament while he was in prison. He was released and thereupon made a statement revealing that a 'confession' had been forced from him by torture. At the time he was still too sick to attend parliament but got Petkov to read out his statement. Later,

¹ Michael Padev: *Dimitrov Wastes No Bullets* (Eyre & Spottiswoode, 1948)

Koev was arrested again and used as a witness against Petkov in the latter's trial.) On evidence of this nature, Petkov was sentenced to death, and was hanged on 23 September 1947.

Throughout the trial Petkov steadfastly denied guilt. Three weeks after his death the government produced a signed 'confession' he was alleged to have made. It contradicted everything he had said in court, and its language was the fantastic jargon of the Communist press. It included this sentence, 'International imperialistic reaction exploited these activities of mine in order to fight against the interests of Bulgaria and her *glorious* protector, the *great* U.S.S.R.' A pamphlet in English, distributed by the Bulgarian propaganda ministry, contained a photostat of the confession in Bulgarian and an English translation of it. In the translation the italicized words were deleted as a little too much for the foreign public to believe. The only conclusion possible is that the confession was a clumsy, almost unbelievably cynical forgery.

I have now, I think, heard everything. Recently when I told an acquaintance of mine, who is a Bulgarian diplomat, of a projected trip to Yugoslavia, he stopped me with honest horror frozen on his face: 'Not Yugoslavia! Why, that place is a *dictatorship!*'

* * * * *

The Rumanians were about the most reluctant satellites in the Soviet orbit. The reason is not, alas, that they are good democrats; it is that they include perhaps the greatest percentage of plain, unregenerate, home-grown Fascists of any nation east of Germany. Rumania was constituted after World War I mainly as a bulwark against Bolshevism. For that reason alone, large slices of four neighbouring lands were cut off and annexed to her to reinforce her strength as the only non-Slav state on Russia's frontier south of the Baltic. Her population was doubled by the additions.

For this, Rumania repaid the West by overfulfilling its target for anti-Bolshevism. The government was unmitigatedly brutal

in stamping out not only reds but also pinks, and, in fact, people who were just a little too flesh-coloured. Fascism and anti-semitism were encouraged in the universities and the students eventually gave birth to the Rumanian Fascist movement, the Iron Guard. Student life was spent largely in roaming about the country hunting for victims to beat up—Jews and peasants who engaged in politics. When the Dean of the University of Jassy suggested that the students give more time to studies and less to travelling pogroms, they murdered him for doing so.

The social crime of Rumania's inter-war rulers was greater than that of other Eastern European governments, not because they were worse rulers but because God and Versailles gave them so much to do better with. The country wallows in natural wealth. Its soil is a continuation of the Ukrainian 'black earth' belt, the most fertile in the world. It has plenty of mineral resources including the richest oil fields in Europe. Yet, three-quarters of the peasantry, who are 78 per cent of the people, lived in inordinate rural squalor.

The Rumanian peasantry had the highest infant-mortality rate in all Europe. Agricultural machinery *per capita* was half that of backward Bulgaria, only one-third that of Poland. Rumanian farmers had the least livestock per holding in Europe. Here is a table of produce per hectare of the two chief cereals in the principal agrarian countries between the wars:

	<i>Wheat</i>	<i>Maize</i>
Denmark . . .	29.2 quintals	—
Bulgaria . . .	11.9 „	12.8 quintals
Hungary . . .	11.8 „	18.5 „
Yugoslavia . . .	11.0 „	16.9 „
Rumania . . .	9.1 „	9.8 „

With the most fertile soil on earth, Rumania stood at the bottom of both lists! The contrast of rural poverty with Bucharest—'the Paris of Eastern Europe'—tells what was wrong with Rumania: the proceeds of her great natural wealth went into the city, and there into a very few pockets.

During World War II, Rumania was Germany's outstanding ally, supplying more combat troops and conquering more territory for the Axis than did Italy. Rumanian armies fought

deep in the Soviet Caucasus and the country annexed a large slice of the Soviet Ukraine, including the city of Odessa, as a Rumanian colony. The area was thoroughly plundered of everything mobile and mass executions were carried out on the German model. When the Russians drove into Rumania they returned the compliment, minus only the mass executions.

In a country devoid of principles, the Russians proceeded with less regard for them than elsewhere. The government of General Radescu which had made peace with the Russians was broken by Communist intimidation and force, backed by the threat of intervention by the Russian Army in occupation. Power was assumed by a Communist façade called the 'National Democratic Front'—a 'coalition' in which fourteen cabinet seats out of eighteen were held by Communists, with the large, bluff, Rumanian big businessman, Petro Groza, as the non-Communist Premier.

When, later, young King Michael dismissed the Groza government, the Russians simply ordered the Groza government to go right on governing, passing its acts without the King's signature. A brief whispering campaign was launched to the effect that if Michael persisted he would be deposed and his sister placed on the throne. That was sufficient to make Michael realize who ruled the country, and he re-instated the Groza government. His decision was made easier by the inclusion in the cabinet, at the behest of America and Britain, of two members of the anti-Communist opposition. Thereafter the course of events rapidly ran true to type: the opposition cabinet members were forced out of it; plots were discovered and the opposition was crushed; the King was forced to abdicate; the small Socialist Party was induced to fuse with the Communists, and to-day Rumania is a tight Communist preserve, still nominally led by Petro Groza, but in fact by Anna Pauker, the German Jewess who was formerly the Rumanian representative on the Comintern.

The only new departure has been the nearly complete absorption of Rumanian industrial economy by the Russians. Before the war, half-a-dozen Western European countries owned rights to 90 per cent of Rumania's rich oil industry. During the war, the

Germans took over this and much of the rest of the country's natural assets. In their turn the Russians took over all German-owned property. As in Hungary, they matched their new holdings with those of Rumanian companies in fifty-fifty joint-stock enterprises. Rumanian economy is to-day more closely integrated with the Soviet Five-year Plans than that of any of the other satellites. Even the new Rumanian constitution is a nearly exact replica of the famous Stalin Constitution of the Soviet Union.

Social and economic development has not differed from that in the rest of Eastern Europe. Production is moving steadily upwards, though more slowly than elsewhere in the area. The urban standards of life have fallen, but in the countryside they have definitely improved. New factories are making a more sensible use of resources in a country which used to raise the best wheat in the world but had to import its macaroni, and nourished the fattest pigs but had to import ham. In the first eight months of 1948 more road mileage was constructed than in the last ten years before the war. Most Rumanians are still unreconciled to their Soviet masters, but if present trends continue they may gradually change their minds, as people have begun to do in Poland.

It is very easy to criticize the course of the Communists in Rumania, but it is very hard to think of any constructive alternative. Free elections would have been an invitation to Fascism here more than elsewhere. The West placed much hope in old Juliu Maniu, the democratic leader of the Rumanian Peasant Party, whom the Communists eventually arrested. But Maniu was, in fact, the lone democrat in his anti-semitic, unreasoningly anti-Russian and intensely chauvinistic party. Maniu shone in opposition before and during the war, but was destined to shine only as a critic; he never produced any positive plans to replace those he criticized. When he was installed in power between the wars, he and his party followed the familiar Rumanian pattern: nothing was done to mitigate the squalor of the peasantry; his party 'fixed' the ensuing elections with the same abandon the others had shown when in office; he countenanced the police slaughter of strikers in the Iu Valley; corruption suffered no let-up under his régime. Professor Seton-Watson,

listing the persons responsible for Rumania's utter failure as a nation between the wars, lists old Juliu Maniu second only to the fantastic, operatic Dictator-King, Carol. After World War II, at the trial of Rumania's war-time quisling dictator, Marshal Antonescu, Maniu appeared as a witness, and after giving his testimony went to the dock and shook Antonescu's hand. More tolerant people than the Communists would have refused to stand for that.

* * * * *

Albania is a social fossil. Until recently the tribe was the dominant unit of social organization, and it still is in the highland fastnesses. Until 1926 the only laws were the codes of 'Lek', the ancient law-giver, which prescribed the rules for vendettas, declared that women and strangers might not be attacked, and that a woman could become the 'man' of the family if all the menfolk were killed off; but after that promotion she might not marry.

The country is about the most backward in Europe, a sort of 'Lost World' cut off from the rest of Europe by mountains. It is mostly rock, and most of the people live by sheep farming. For a tiny country, the size of Vermont, it has a fair smattering of minerals which are now beginning to be exploited.

When the remnants of the Turkish Empire in Europe were shattered in the Balkan wars in 1913, the great powers decided that Albania—settled by a people racially distinct from their Slav, Italian and Greek neighbours—should be a separate nation. In 1924, Ahmed Zogu, a scion of the local Moslem gentry, made himself dictator of the country, then President, then King as Zog I. Zog introduced modern laws, banned polygamy, had a host of dialects amalgamated into an Albanian language and began a modest exploitation of the country's resources with Italian capital. In 1939, Mussolini extended Italy's economic domination into politics by invading the country. During the war the Albanians became infected by the Yugoslav partisans and formed strong pro-Communist guerilla bands in the mountains under the Communist, Enver Hodja, a former school-teacher.

After the war the thirty-seven-year old leader, now General Hodja, formed a Communist government, and in November 1945 it was recognized by the Allies. Hodja's main problem, after purging the entire civil service, was finding enough literate men to form a cabinet, for three-quarters of the people cannot read or write. He did not succeed: his first post-war cabinet, it is said, contained but two literate members. Immediately after the war he signed an agreement for a customs union with Yugoslavia, and Albania became a virtual economic appendage of the neighbouring Communist state.

Being the smallest Eastern Communist country, Albania naturally became twice as Communist as the rest. The British lion was bearded. In October 1946 two British destroyers, sailing between Albania and the Greek island of Corfu, off the Albanian coast, were blown up by mines and forty-four British seamen were killed. The British accused the Albanians of laying the mines. The Albanians responded that they did not lay them and besides, Albania had the 'right of legitimate self-defence'. The British swept the mines and were able to show that they were not war-time left-overs, but had been laid within six months before the explosion. In April 1949 the International Court of Justice at The Hague handed down a decision in favour of the British.

When the Tito heresy happened, Albania was the loudest denunciator of the ally her newspapers had been applauding with high praise only the week previous. Her press called the Yugoslavs 'notorious anti-Marxists' who were using 'Fascist methods to promote the Capitalist exploitation of Albania'. The Tito experts were ejected without ceremony and economic relations broken off. 'Titoism' remained strong in Albania, however, and Hodja had to dismiss and arrest six cabinet ministers for harbouring the crime.

To-day, Albania is virtually isolated, with both her land neighbours, Greece and Yugoslavia, at loggerheads with her, and her nearest sea neighbour, Italy, now indifferent. Her relations with Western nations are about as bad as can be, only France maintaining a diplomatic mission in the country. For supplies she is solely dependent on Russia and the sea route

through the Dardanelles and the Aegean. However, the Russians are making a special effort to keep up supplies, for Albania is Communism's nearest base to the sea-lanes of the Mediterranean.

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Finland is the last outpost of Western traditions in the East of Europe, the only country within the Soviet orbit which still enjoys a relatively high degree of national independence. The reason is not far to seek. By keeping hands off Finland, Russia was able to keep Finland's Scandinavian neighbours—Sweden, Norway, and Denmark, covering access to one-third of the Soviets' western frontiers—neutral in the Cold War. Since early 1949, when Norway and Denmark abandoned neutrality and joined the North Atlantic Bloc, the future of Finland's independence seems far less secure.

Finland is the sixth largest country in Europe, but one of the poorest in natural resources. Over 30 per cent of the country is lake and marsh, and most of the rest is forest. Only 6 per cent of her total surface is arable. But after long association with Scandinavia (Finland was under Swedish domination for five centuries), the country is highly progressive and moderately prosperous. Although its population—not four millions—is smaller than that of Chicago, Finland has made a habit of beating everyone except America at Olympic games. The people are highly literate, and one in every 420 Finns gets a university education (compared to one in 890 in Britain). In 1906 Finland became the first country in the world to have a single chamber legislature and to allow women to vote. Ever since that year the Social Democrats have been the first political party in the land.

Although always the largest party, and frequently with a clear majority over all other parties together, the Socialists have not always been allowed to rule. Finland has, in fact, lived in a curious political twilight between extreme radicalism and extreme reaction. During the Russian Revolution the Finnish reactionaries, with the aid of German troops under General von der Goltz, overthrew the Socialist government and massacred 15,000 of its supporters—an enormous blood-letting for a

country of so few inhabitants. For the rest of World War I the country became a German principality under a German prince.

After World War I the Germans were thrown out, and eventually the Socialists were permitted to resume their rule. But this was allowed by the well-organized reaction (Baron von Mannerheim's 'White Guard', and a new force in the country, the 'Lappo' movement, which was frankly Fascist and became pro-Hitler) only on the understanding that things did not move too far left in domestic policy, and that anti-Sovietism remained the keystone of foreign policy. Throughout the period between the wars this strange combination directed Finnish life: progressive legislation by the Social Democratic government, punctuated frequently by excesses of the Lappo movement (including on one occasion an invasion of parliament and the kidnapping of two Socialist deputies) against which there was no legal recourse.

When World War II broke out and Hitler turned westwards, Russia decided, while time remained, to adjust things in her own favour in Eastern Europe. The three minuscule nations just across the Baltic from Finland—Estonia, Latvia and Lithuania—were forced to sign mutual defence pacts with Russia, allowing Soviet troops to enter their lands and take over military bases. Thereafter the countries were totally absorbed into the Soviet Union by 'plebiscite'. Russia then turned to Finland and proposed similar terms: a mutual defence pact, the granting of military bases to the Red Army and the cession of some Finnish border territory to the Soviet Union. But Finnish progressives, remembering the fate of the three little Baltic states, united with Finnish reactionaries in refusing. So Russia manufactured a border incident and invaded.

In fairness, the Russian case deserves to be stated: when they assumed power in 1917, the Soviets forthwith and without pressure granted Finland her longed-for independence from Russia. In the interests of Finnish economy they yielded her the Petsamo nickel mines, which had not been a part of the Duchy of Finland, and seemed anxious to establish good relations with the Finnish Socialists. But Finnish reaction took over and, though it eventually allowed the Socialists to resume power, never yielded up its control of the Finnish Army or of ultimate direction of foreign

policy. The officers remained on friendly and intimate terms with Germany under Hitler, and bitterly anti-Soviet, and their long-range guns were established within twenty miles of Leningrad, Russia's second city containing as many people as all Finland. With an eventual Nazi attack on Russia almost a certainty, Russia did what perhaps any great power would have done under the circumstances.

After a bitter winter war in which, man-for-man, the Finns far outshone the Russians, the Red Army won and forced its conditions on Finland. The price the Russians paid was making it no longer a possibility but a certainty that Finland would join in the German crusade against Bolshevism in 1941. In justice to the Finns, the temptation must have been irresistible. They had been attacked by the Soviets without provocation and deprived of some of their richest industrial areas. It was logical to expect, after the poor showing of the Russians in the winter war against Finland, that the German assault on the Soviet Union would last but a few weeks. It was nearly impossible to expect the Finns not to join in for the limited and honourable aim of winning back their own soil (whatever the aims of the officers). They did so—and never made a rasher misjudgment.

The Russian peace terms for defeated Finland were harsh. Russia annexed the Leningrad border region which contains 20 per cent of Finland's industrial and agricultural wealth, and in the north the Petsamo nickel mines which were her richest mineral resource. The Red Army was granted a virtually permanent lease of the peninsula of Porkkala—adjoining Helsinki, the capital—as a military base; the Finns were required to pay Russia £75 million in goods as reparations over a period of six years.

The only Russian effort so far to attach Finland to the Eastern Bloc has been a lawful one: Russia has demanded reparations of a character that has forced Finland to construct a whole new heavy industry producing ships, cables and machinery. When the reparations period is over, Finland will have an industrial white elephant on her hands, unless she goes on manufacturing for the Russian market. For the rest, the Russians have been correct and even lenient. The reparations period was extended

from six to eight years. In the middle of 1948, when reparations were half paid, the Russians reduced their remaining demands by half and remitted some fines due to delays in past deliveries. Russia also waived £3 million worth of claims on former German-owned property in Finland and made the country a sizable 'grain-loan' in the thin months of 1947.

In the circumstances, Finnish recovery has been excellent. Finland is ahead of schedule in her reparations deliveries. Although her imports have now risen to 90 per cent of pre-war, she is able to pay for them and is one of the few countries in Europe with a favourable foreign trade balance. The malady of inflation was remedied by the simplest of processes: people took their money to the banks and the notes were simply cut in half with scissors to reduce the amount of money in circulation!

The surface of politics has been often ruffled but not yet roiled. There have been two general elections and several local elections, all apparently carried out in complete freedom—as indicated, among other things, by the fact that the Communist bloc's vote has fallen in successive elections.

One mild flurry occurred when Russia accused the Finnish government of proceeding too slowly with the purge of anti-Soviet politicians. The complaint was endorsed by Britain and America. But no action was taken when the purge continued to move slowly, and two of the main leaders in the war against Russia were even released. In 1948 there occurred another flurry: the Socialists accused the Communist Minister of the Interior, in what was then a coalition cabinet, of packing the police, and removed him from the cabinet. The Moscow press was acidly critical, but no stronger pressure was put on the Socialist government and its decision was allowed to stand.

In March 1948 the Finns thought their time was up. Stalin invited them to send a delegation to Moscow to discuss a mutual defence pact. This, on the heels of a Communist coup in Czechoslovakia, looked as if they were in for it. However, the pact finally negotiated was lenient and did not affect Finnish independence. The Finns were allowed to include in the pact a declaration of their neutrality in the Cold War.

Most Finns appear to be resigned to their status as a twilight

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zone between East and West, with a Communist Sword of Damocles hanging ominously over their heads. But there are signs that the old nationalists are not so resigned. Police raids in 1947, it was officially announced, turned out enough hidden arms to equip some thirty-four battalions. There are still raw materials for plots in Finland, and Russia can uncover them at any time. Finland, longing for years to be a unit with her Scandinavian fellows, is now uncomfortably dependent on at least one of them as never before. Her fate depends entirely on the attitude Sweden assumes in the Cold War.

CHAPTER XX

THE GREAT SCHISM

'Every Communist Party must obey the Communist Party of the Soviet Union unconditionally. If any party thinks it can win power without our help, it is dreaming.'

—N. A. VOZNESENSKY¹

'The national independence of the people of Yugoslavia is the condition for their way to Socialism and their progress in general.'

—STATEMENT BY THE YUGOSLAV COMMUNIST PARTY

TO SUM UP, four years of 'People's Democracy' have probably yielded Eastern Europe a solid net gain. If the Communist régimes have been indistinguishable from their predecessors in political repression, they have been, at least in the social and economic spheres, an outstanding success. Czechoslovakia is the one exception which explains the significance and the limitations of the general rule.

Except in Czechoslovakia, the potentialities for social expansion in Eastern Europe awaited only a constructive leadership. The job did not call specifically for the Communists. It could have been carried out by any combination of parties willing to undertake two constructive measures: first, the abandonment of chauvinism in external affairs in favour of co-operation with foreign neighbours: second, the education of the masses for social responsibility and the consequent employment of their unutilized energies for social development.

It was only in Czechoslovakia that these primitive conditions did not need correction. There, chauvinism had long since been abandoned; constructivism at home and co-operation abroad were already well established national traditions. There, the masses already shared in the responsibilities and rewards of government. There alone, People's Democracy came not to liberate but to imprison the spirit, and there alone it has so far been a failure.

Elsewhere in Eastern Europe the standards of the masses

¹ Edgar Snow: 'Will Tito's Heretics Halt Russia?' (*Saturday Evening Post*, 18 Dec. 1948)

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have risen steadily and seem destined to rise further, barring war or a severe turn of the repressive screw from Moscow. National wealth is increasing with industrialization. It is being fairly distributed, for the first time the barrier between town and farm is breaking down and a little new lustre has been given to the dull life of the countryside. While the upper and middle classes continue in opposition, there are many signs that among the majorities—the 70 to 90 per cent who are peasants and workmen—people are beginning to grant willing support to governments that were unpopular a few years ago.

One of the most interesting phases of the great mutation has been the fact that the bringers of change have, themselves, been altered in the process. In the long inter-war years, out of power, under repression in their homelands, the East European Communists seldom had qualms about taking their orders from Moscow. Russia was the Communist Fatherland and their only hope of ever acquiring power in their own countries. Now, in power, leading national construction, enjoying considerable success and beginning to win the favour of their peoples, they have developed a very natural respect for their own independent judgment and a certain warmth of feeling for the common people—mainly peasants—who served their plans. It became very hard all of a sudden to take orders from a foreign power now that they had their own Communist 'Fatherlands'. It made it all the more difficult that the foreign power was a very backward country ruled by leaders too long cloistered from the rest of the world in their crenellated citadel, suffering from too much intellectual inbreeding in their hierarchy, too long grown accustomed to the privilege of ideological dictation and too often proved to be grossly misinformed about what goes on in the broad world beyond the Kremlin.

Without abating one jot of their fanatical Communism they began to doubt if Moscow knew best how to shape *their* institutions towards the achievement of the goal, and began to chafe at being spied on by Russian agents in their countries.

Moscow had apparently felt the perceptibly cooler winds blowing across her western frontier long since, perceived the rising pride in national achievement and noted the tendency to

conciliate the peasants—the ‘rural bourgeoisie’. With the Cold War developing, Moscow had to get rid of the soft spots in her Bloc and regain control. Blunt orders from Moscow, as delivered before the war, might have caused resentment and defections. The orders had to be cloaked as resolutions of an international organization, arrived at by consent of all its members. Thus, in October 1947, the *Communist Information Bureau* was formed in Belgrade.

Apparently the national parties were called into line one by one by the voice of Moscow disguised as the Cominform. One by one, with some swallowing of pride, they confessed to sins and promised to do as directed—until Yugoslavia’s turn came. For Yugoslavia the dose was too stiff. It was too difficult for men who thought they had done so much for Communism on their own, with little aid from anyone, to confess to sins they did not find sinful. They refused to recant.

In rebelling, the Yugoslavs gave expression to the suppressed urges of many other satellite Communists, and smaller revolts flared briefly throughout the area. Gomulka, chief of the Polish party, was accused of ‘Titoism’ and even after his sins were bared before him he persisted in his thesis that Poland must proceed to Communism her own way, and not as directed from outside. He was removed from leadership of the party and ousted from the Polish cabinet. Markos Vafiades, the Greek Communist commander, likewise clung to the heresy and was made to disappear. Every party in the Eastern Bloc had to undergo a large-scale purge of ‘Tito-ites’.¹

At the moment all the parties, save that of Tito, have been brought back into line. But there are many signs that they are not happy about it. The challenge to Moscow’s command of world Communism will remain as long as Tito continues to stand apart. It is a dangerous challenge, for in the Far East a new nation, the most populous in the world, is by way of going

¹ Since this was written, the Titoist epidemic has spread. Traicho Kostov, the number two Communist of Bulgaria, has been dismissed from party and cabinet; Laszlo Rajk, once minister of interior and later foreign minister of Hungary, has been dismissed and imprisoned; General Kochi Xoxe, the number two Communist of Albania, has been executed for the crime of Titoism. These are only the most eminent sinners; each probably represents a large portion of rank and file opinion.

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Communist. If little Yugoslavia can defy Moscow and rule itself, certainly Mao Tse Tung will not allow his great country of 400 million people to be governed by fourteen men in an isolated citadel 6,000 miles away.

Yugoslavia is a land of fascinating people, with an uncommonly dramatic past. But Yugoslavia's greatest drama is probably that which still lies ahead.

* * * * *

Yugoslavia is too widely thought of as just one more little Balkan country. In fact it is larger than Great Britain or the mainland of Italy. Its soil is more fertile than that of either. It is richer than Britain in most raw materials except coal and richer than Italy in nearly all raw materials.

In the fourteenth century the Turks invaded the Balkans, occupied the southern half of what was to be Yugoslavia—mainly Serbia—and froze time still for five centuries. Meanwhile, the northern half—mainly Croatia and Slovenia—fell to the Austro-Hungarian Empire. When, after World War I, the two halves were united, what was meant to be a federation of equal states actually became a 'Greater Serbia' under King Alexander Karageorgic and his Serb army caste, police and bureaucracy. Throughout the inter-war years hatred rankled between the nationalities of this badly welded nation.

The inflammatory nationalist question was based on an unhappy social framework. Turks and Austro-Hungarians had eliminated the native south Slav ruling classes. To fill the vacuum, King Alexander constituted himself a sort of one-man ruling class. He dominated the national economy and was far and away the biggest domestic investor and profiteer. In addition to a tremendous income from investments he paid himself one of the highest salaries of any monarch in the world—£250,000 a year. In 1928 he ended the quasi-parliamentary régime of Yugoslavia and became dictator of political life as well. When he was assassinated in Marseilles in 1934, a Regency was established under his vapid brother, Prince Paul. What ruling class there was consisted of an extremely corrupt bureaucracy and officers'

caste living largely on graft paid by foreign firms seeking mining concessions in the country.

The effectual rulers of the country were foreigners. Unable and unwilling to collect taxes from those who could pay, the government lived on loans from foreign banks. The economic assets of the country were mainly foreign-owned. For example, 98 per cent of the rich copper and lead mines and the timber and cement industries were owned by foreign firms. Foreign concerns also owned most Yugoslav banks and controlled 75 per cent of the nation's entire banking capital.

The national economy consisted predominantly in the removal of the country's natural wealth to foreign countries with little effort to found native industries to develop or manufacture it into finished goods. An example of how mercilessly the country's wealth was plundered is that of the French firm which bought cheaply a handsome concession for mining copper. The copper contained gold. The ore was dug up and sent to France, where the gold was extracted and found to be worth the price of the whole concession. Thus the firm got the copper completely free of charge. Then the copper was worked into simple consumer articles and shipped back to Yugoslavia for sale at high prices. The Yugoslav people were robbed at both ends of the deal. A similar situation prevailed in connection with foreign concessions for mining lead, which contained silver.¹

The people was severely repressed. Illiteracy remained absurdly high—60 per cent in Serbia. When the great Croat, Dr. Stampar, attempted to set up village health centres to show peasants ways of avoiding some of the simpler ailments of poverty, he was hounded from the country. Seventy-five per cent of the people were peasants living on plots of earth too small to support themselves, much less produce a surplus for marketing. Agriculture inevitably remained backward, with one plough for every two farmers, and one cart for every three. To survive, most peasants lived in a permanent state of indebtedness.

In such circumstances Yugoslavia was a happy hunting-ground for Communism. Contrary to a widely held belief, Tito was no sudden war-time apparition, nor Communism an alien

¹ John Morris: *Yugoslavia* (St. Botolph, 1948)

thing. The first Yugoslav Constituent Assembly in 1919 contained fifty-eight Communist deputies—the largest freely elected Communist representation in any parliament outside Russia. The considerable peasant regions, Macedonia and Montenegro, voted in the overwhelming majority for the Communists. In addition to the outright Communists, the great Croat Peasant Party was a mighty fellow-traveller. Its famous leader, Stepan Radic, idolized Lenin, went to Moscow to visit him and to declare his support for the Russian Revolution. Even after the Communists were suppressed, their following continued to grow among the students and teachers of the universities. It is important to note, however, that it was purely a *home-grown* Communism. Cut off from Moscow by the native police repression, growing mainly in back-water rural areas far from urban tutelage, the party developed its own shape. It was very frequently off the party line, and on one occasion Moscow had to send a special emissary to give it a violent purge. The emissary was a certain Comrade Walter, alias Tomanek, alias—Tito.

For a generation the Yugoslav state ruled without popular support. When the collapse came there were no regrets. On 25 March 1941, the government, without warning the people, had signed its name to Hitler's anti-Comintern pact. As one man the people rose in anger and overthrew the Regency, bringing the boy-prince, Peter, to the throne. There was not a single act of resistance to the overthrowers, or of support for the dead régime. Ten days later the Germans invaded the country, and ten days after that the generals surrendered.

For fifty generations no Yugoslav peasant had lived his span without seeing foreign invaders. With the Nazi invasion the people did what they had always done, armed themselves with shotguns, knives and pitchforks and climbed into the mountains. They did it spontaneously, at no one's orders.

A vast, inchoate army of human discontent and anger sought a leadership. Any intelligent individual or group could easily have analyzed their longings and answered them, harnessing this great raw material into a mighty force. They knew they wanted to fight the hated Teuton conqueror. Though it was inarticulate, they also longed for some degree of participation in

their government, an end to the ugly, sterile national squabbles between Serbs and Croats and a better standard of life that it should not be too difficult to provide from a country with such an abundance of natural resources. Not one of these demands involves Communism; but only the Communists offered to fulfill them, and therefore won the people over.

Doctor Matchek, leader of the great Croat Peasant Party which should have led the nation to rebirth, sat in Nazi-governed Zagreb and twiddled his thumbs, waiting for the day of liberation when his people would call him to power. The other contestant for power, Colonel (later General) Mihailovic, War Minister of the London exile government of Yugoslavia, likewise sat out most of the war in the mountainous Sandjak, waiting for the Americans and the British to come and restore power to the Serb officers' caste and the old guard of greater Serbia. Meanwhile, the Communists took over the people, built an army on a shoe-string and began fighting the Nazis. In the areas they liberated they encouraged villages to do things they had never done before: elect their own mayors and councils, make their own local laws, set up their own schools. Later they propagated a post-war programme for a federal Yugoslavia with equal rights for all its regions.

It was not long before the Communist-led partisans, later called 'The Army of Liberation', had in fact liberated all of western Serbia from the Nazis. At this time, in the autumn of 1941, they signed an agreement with Mihailovic and his Serb regular troops, renamed the 'Chetniks', to defend the area together against a gathering German counter-offensive. But Mihailovic signed with dread misgivings: the Liberation Army had grown too big, too fast; and it talked too much politics to the peasants. When the Germans attacked, Mihailovic without warning withdrew his troops from the common front, baring the flank of the partisan force. Then, in tacit alliance with the Germans, he ordered his own troops to attack the flank. The underground movement in Serbia never recovered from the blow. Tito's partisans gathered up their remnants and moved north to the mountains of Bosnia to launch the liberation from there

After that, Mihailovic entered into personal contact with the Germans, the Italians and the quisling government of his fellow member of the officers' caste, General Nedic, in Belgrade. From them he obtained funds, arms and 'legalization'—*i.e.*, his troops would not be attacked by the Germans but would be allowed free movement throughout the land. In return, he spent most of the rest of the war ordering his troops to fight Tito's Army of Liberation. These facts are attested to by dozens of photographs of, for example, German and Italian officers reviewing Chetnik troops, by a trunkful of orders and letters signed both by Mihailovic and his officers, and finally by the personal testimony of Mihailovic and his officers at their post-war trial.

Indubitably the best evidence as to who was 'right' in the famous quarrel between Mihailovic and Tito was the reaction of the people themselves. The Germans—plus the Italians, the Croatian Ustachi, Nedic's Serb troops and the Bulgars and Mihailovic's Chetniks—carried out seven large-scale offensives to destroy the Tito army. After each offensive the Liberation Army grew in numbers and strength. Each conflict between Mihailovic's Chetniks and the Tito army brought a reduction in the numbers of Chetniks—through desertions to Tito. Mihailovic had to resort to enforced conscription; the Tito army did not resort to conscription until the last months of the war.

By the day of liberation the Army of Liberation numbered 800,000 troops and was the largest native Allied force on the continent of Europe after the Russian Army. It had at one time tied down forty Axis divisions—nearly as many as the Western Allies faced on all the Western front in the last months of war. When General Reinecke's Wehrmacht headquarters was captured, a tabulation of German losses in the Balkans was found: 24,000 Germans killed and 12,000 missing (which in the Balkans means dead), most of them in Yugoslavia. That is three times the deaths the great Allies inflicted on the Germans in all the long North African war.

But the military effort was probably the lesser half of the partisans' effort. Wherever they moved in occupied Yugoslavia they fertilized discontent and a political rebirth occurred. Village councils joined into regional councils. A free Yugoslav state

grew up organically within occupied Yugoslavia. In 1942, representatives from every region of Yugoslavia gathered together in the liberated area of the mountains. Under the presidency of old Ivan Ribar, who had been first President of the Yugoslav Constituent Assembly in 1919, they formed a sort of underground national parliament, which came to rule much of the country effectively beneath the surface of Axis occupation. When the liberation came, there was little hiatus; the underground network came above ground and, under the benevolent protection of the invading Russian Army, assumed open rule of the country. It was, in a word, a revolution—the only genuinely popular revolution produced by World War II.

The Tito government's only domestic political problem thereafter was an imaginary one. General Mihailovic continued to maintain a phoney army for almost a year after the war. Several newspapers in the West published glowing accounts of the Chetniks' brave guerilla war against the government. The American Army paper in Germany, *Stars and Stripes*, decorated its account with studio-perfect photographs of this great guerilla army, well-fed and resting in its mountain haunts between scorching sallies against the Tito government's troops. A short while after these photographs were published a posse of Yugoslav gendarmes accidentally ran across a handful of ragged men—eleven of them all told—literally starving in a forest clearing. One of them owned up to being Draza Mihailovic, and this was his 'army'. They were arrested and Mihailovic was tried, found guilty of treason and executed.

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Four years of merciless guerilla warfare, with opposing armies continuously sweeping backwards and forwards, transformed Yugoslavia into one of the worst devastated countries. The extent of the damage may be gauged by the fact that it was equal to one-third of the destruction suffered by all the West European Allies (Britain, France, Belgium, Holland, Luxembourg, Denmark and Norway) together, and amounted to forty-seven times Yugoslavia's pre-war national income. Nearly two million

people were killed (out of sixteen million), and their average age was twenty-two—just the age-group most needed for reconstruction. Over three million people were made homeless. Where there had been one plough for every two farmers before the war, there was now one plough for every twenty farmers. An UNRRA chart of nutrition areas showed half the country to be within the 'starvation' zone.

One year later Yugoslavia was far on the way to reconstruction. Almost before the ruins stopped smoking, 85 per cent of the destroyed railway bridges were up again and the railway system, three-quarters destroyed in the war, was carrying 80 per cent of its pre-war traffic. No one had starved. Another year later I toured a large part of the country and found villages that had been erased from the map totally rebuilt.

The outstanding quality of the New Yugoslavia was a boisterous spirit, and this—with her allotted share of UNRRA goods—was almost the sole raw material with which the amazing reconstruction was carried out. The personnel of authority had changed totally during the war and the state apparatus was manned by a large proportion of just plain kids. The average age of policemen I saw on a long tour must have been about twenty—all of them peasant boys drawn directly from the partisans. The average age of the officer class could not have been much over thirty, and certainly very few of them would have risen to the rank of sergeant in the old Yugoslav army. The new bureaucracy was creaking with square young pegs stuffed into round holes, but ebullient eagerness made up a good deal for what was lost in efficiency. I have heard estimates that one-quarter of the whole reconstruction effort was done by these children and by peasants in voluntary labour brigades after the day's work, at week-ends and during vacation.

In what Doreen Warriner calls the 'heroic' rather than the 'rational' tradition, the government in 1946 introduced a Five-year Plan to end all Five-year Plans. Industrial production was to be raised over 300 per cent. Between 35 and 40 per cent of the national income would be invested in it. Now, peasant Hungary could afford to invest only 11 per cent of her national income in her Three-year Plan. Poland, with an effort, invested 20 per

cent. America, with more surplus capital than any nation on earth, invests but 20 per cent. Yugoslavia, one of the most backward of the Eastern countries, with the least capital, was out to make up for five centuries of stagnation in five years.

The same ebullience characterized Yugoslavia's course in foreign affairs. For a while it looked as if Tito were out to slay the Western imperialist dragons as he had slain the Germans—all by himself. To my knowledge, three 'ultimatums'—the sharpest diplomatic exchange short of war—have passed between nations since the end of World War II. It is a measure of Yugoslavia's spirit that she has been the target of two of them.

At the end of the war Tito's partisans occupied the port of Trieste and seemed determined to hold on to it despite a great-power agreement that the disputed port would be jointly occupied by Britain and America. It took a virtual ultimatum and some threatening language from the British commander, Marshal Alexander, to move the Yugoslavs out. After moving out, Marshal Tito made an angry speech which seemed to attack all the great powers—including Russia who had agreed to the occupation arrangement in Trieste—an incident which caused considerable trouble between Russia and her favourite satellite, though the world did not hear about it then. Later, at the Paris Peace Conference, the Yugoslav delegation got hopping mad at the settlement to make the Trieste area an international city belonging to neither Italy nor Yugoslavia. It angrily announced that Yugoslavia would refuse to sign the peace treaty—apparently forgetting again that the agreement to internationalize Trieste was made also by Russia.

The climacteric event in Yugoslavia's defiance of the West came in the autumn of 1946. American military transport planes flying between Vienna and Trieste were cutting the corner of Yugoslav territory which prevented them from flying in a direct line. One day Tito's airmen forced one of the planes down. Shortly after they shot down another and all the occupants of the plane were killed. For that there was hell to pay. America sent Tito an ultimatum demanding immediate restitution and the admission of an American investigation team into Yugo-

slavia to find out exactly what had happened. Although the threat was a peaceable one—America would carry the incident to the UN Security Council and ask for ‘action’—the world experienced a tense twenty-four hours, until Tito gave in and accepted the American terms. One can imagine that there were sighs of relief and a mopping of brows in the Kremlin. Yugoslavia was tied by a network of military alliances with her Eastern brethren. If Yugoslavia got embroiled in a conflict, it is probable that half a dozen other Eastern states were under an obligation to enter it with her.

The first serious indication to the outside world that all was not harmonious behind the Curtain came in the summer of 1947. For having won his own revolution Tito enjoyed high prestige among the satellites. They began joining him in far-reaching mutual arrangements. Albania became a virtual protectorate of Yugoslavia. A pact was signed with Bulgaria, abolishing visas and setting up machinery to prepare a customs union. The Greek Communist rebels were provided with hospitals and training camps inside Yugoslavia with Yugoslav guerilla experts doing the training. Yugoslavia became the main support for the Greek rebel army, and the main influence on it; had the Greeks won their rebellion it is probable that their first gratitude would have gone to Tito, not to Stalin. In a word, Yugoslavia was becoming the natural nucleus of that old and quite logical dream, a Balkan Federation, a new sovereignty of thirty million people, a larger and potentially stronger entity on the continent of Europe than any other save Russia.

We know now that Russia watched this growth with misgivings. Tito had already shown an independence of mind, both in domestic and foreign policy, dangerous to Russia’s hegemony in the East. Now, when the Bulgarian Premier, Georgi Dimitrov, announced his new visa-pact with Tito, he also stated out loud in public what was in the mind of the two countries, Yugoslavia and Bulgaria. This, he said, was only the beginning; eventually the two nations would be one. Moscow’s reaction was immediate: a sharp editorial in *Pravda* slapped Dimitrov’s ears and roundly forbade the idea of a union. Dimitrov was forced to eat his words in public.

Russia moved for a showdown with her leading satellite. A few months after the Dimitrov episode the Cominform was founded. It was possibly to make the approaching dressing-down less obvious to Yugoslavia that the Cominform's headquarters were set up in Tito's capital. It was perhaps in deference to Tito's pride and to give him good examples that the others were called on the carpet first. None of this, however, availed. To the horror of world Communism, when Tito's turn was called he not only refused to recant, he even refused to attend the Cominform meeting to hear the recital of his sins. In June 1948 Russia expelled Yugoslavia from the Cominform in an angry proclamation. She evidently expected that this outburst would bring down the Tito régime and place the Yugoslav government in orthodox hands. It did not. In fact, 'Titoism', a new word in the Marxist lexicon, proved to be not an isolated case but a heresy of minor epidemic proportions throughout the Eastern Bloc.

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In July 1948, one month after Yugoslavia had been expelled from the Cominform, Tito had not yet fallen. The Russians apparently assumed that it was because the rank and file of the Yugoslav Communist Party did not know the facts. So they caused to be circulated 'underground' in Belgrade a brochure (bearing the imprint of the *Pravda* printing house) containing all the correspondence between Moscow and Belgrade that had preceded the break. Far from collapsing, Tito accepted the challenge and had the same letters published in a larger quantity of brochures and in several languages. To this incident we owe a fascinating glimpse into the arcana of world Communism more intimate than any before granted to ordinary mortals.

The letters indicate that the strain between Russia and Yugoslavia began almost immediately after the end of the war. Red Army troops that entered Yugoslavia at the end of 1944 apparently comported themselves no better there than they did elsewhere. Tito's sober, well-disciplined partisans were shocked and, having waited so long to join hands with the Russians, profoundly disappointed. The Politbureau of the

Yugoslav Communist Party invited General Kornjeyev, the chief of the Soviet military mission in Belgrade, to one of its meetings, and complained to him about the 'undignified manners of some Soviet soldiers and officers'. There is a difference of opinion as to the wording of the Yugoslav complaint. General Kornjeyev claimed that the Yugoslavs said that, 'Soviet officers had inferior moral standards to the British'. The Yugoslavs insisted that they said that, 'These incidents were unbecoming, the more so as it suited the reactionaries to use them against us and the Red Army'. In any case, Stalin was incensed at the 'insult' and the Yugoslav Propaganda Minister, Djilas, had to go to Moscow and tender him a personal apology.

A second incident occurred shortly after Tito had been forced to evacuate Trieste. In May 1945 he made his angry speech, referred to above, and in the course of it said, '. . . we demand a just termination of this war, we demand that everyone be master in his own house; we don't wish to pay the accounts of others; we shall not provide the cash to equalize the accounts of others; we will not be mixed up in the politics of spheres of interest.'

Now, when it is considered that Tito was ejected from Trieste because the great powers—including Russia—had agreed that the city be occupied by Britain and America; and that Russia agreed to this probably as a tacit *quid pro quo* in the general sharing-out of post-war spheres of interest—then Tito's attack becomes mainly an attack on Russia: Tito was angry at being forced to 'equalize' Russia's accounts by handing over Trieste.

The world had no inkling of it, but the speech came very near to bringing about a breach between Moscow and Belgrade at that early date. Stalin sent the Yugoslavs a note threatening to denounce them publicly. It took another abject apology to calm the Russians down.

Tito's continued obstreperousness towards the West over Trieste must have given the Soviets a good many embarrassing moments though they did not complain of it at the time. However, when the breach between the two finally came in 1948 the Russians recalled the episode of Yugoslavia's threat to withhold signature from the peace treaty with Italy at the Paris Peace

Conference of 1946. A Russian letter to Tito virtually accused the Yugoslavs of trying to start war, saying, 'Since all other means have been tried out, the Soviet Union, in order to hand over Trieste to Yugoslavia, would have had to start a war with the Anglo-Americans for the sake of Trieste, and thus conquer it by force of arms. It should have been known to the Yugoslav comrades that the U.S.S.R. after such a hard struggle in the past war could not enter upon a new one. Nevertheless, this case provoked discontent with the Yugoslav comrades.'

The Russians also took exception to remarks made in other speeches by the Yugoslav leaders who indicated that Yugoslavia had found a different way to Socialism from that Russia had followed. The Russians apparently began to do a good deal of under-cover work in Yugoslavia. Tito found he was being spied upon and put some of his secret service men to work shadowing the Russian diplomats and military and industrial experts in Yugoslavia. When the breach finally came, each side accused the other of spying on it, and both were almost certainly right.

Early in 1948 the breach widened. Tito discovered that two of Moscow's informants were inside his own cabinet—General Zujovic, the Minister of Finance, and M. Hebrang, the Minister for Light Industry. Both were dissatisfied at the planlessness of the heroic Five-year Plan and apparently complained to Moscow about it. In April 1948, Tito fired them both from the cabinet and the party leadership.

At the same time two other measures were taken to close Moscow's eavesdropping ear. First, Yugoslav bureaucrats were forbidden to give information to Russia's economic experts in Belgrade; if the experts wanted information they would have to go to the Yugoslav leadership to get it. Second, Tito asked Moscow to withdraw most of the Soviet military experts, because their upkeep was too expensive—their salaries were four times those of Yugoslav officers and three times those of Yugoslav cabinet ministers. Later, the Yugoslavs admitted there were other grounds than economy for their request, writing in a letter to the Russians, 'Some Soviet specialists have not always behaved as they should, and . . . this has caused discontent with some of our people.'

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On 18 March 1948, Russia took the first step in making the breach, by informing Tito that she was withdrawing *all* Soviet experts from Yugoslavia, for they 'are surrounded by an absence of comradeship'. On 20 March 1948, Tito answered the Russians, saying he did not believe the reasons Russia had given for the withdrawal and protesting his comradely feelings towards the experts. 'It would be our desire,' Tito's letter said, 'that the government of the U.S.S.R. should frankly state what the matter really is.'

The Russians complied a week later with a letter—this time not from the Soviet Foreign Office but from the Central Committee of the Soviet Communist Party in which they threw the charge back in Tito's face. It alleged that not only the Soviet experts, but the Soviet representative on the Cominform was being spied upon; that high Yugoslav governmental figures, like Kidric, the chief Five-year planner, and Rankovic, the head of the secret police, were slandering Russia in private circles as 'decadent' and 'reactionary'; that the Yugoslav Communist Party was not 'democratic' but a private preserve of the leaders (a reference, no doubt, to the ousting of Russia's two friends Zujovic and Hebrang), who did not elect officers but co-opted them and fired them at will; that the Yugoslav government left 'capitalist' elements—*i.e.* the peasants—in control of life in the countryside and neglected to give supreme power to the workers. Finally, it accused the Yugoslavs of knowingly harbouring a 'British spy' in the Yugoslav Foreign Ministry—one General Velebit. 'Thus,' the Russian letter said, 'it is understandable that as long as Velebit stays on the staff of the leadership of the foreign affairs of Yugoslavia, the Soviet government considers that . . . it is deprived of a possibility of having open correspondence with the Yugoslav government.'

This volley must have shaken Tito. It took the Yugoslav leaders two weeks to concoct an answer. When the answer finally came, it must have confirmed to the Russians all their suspicions. Far from accepting the charges, the Yugoslavs denounced them as based on 'incorrect, defamatory information'. The letter was strong with the sin of national pride. 'However much affection any of us may cherish towards . . . the U.S.S.R., in no way

should he have less affection for his own country.' Again: 'Nobody could read your words without being profoundly embittered and shaken by this manner of writing to a government representing a nation of 16 millions.' This was brand new language from a satellite to the Soviet Fatherland.

The same letter shot an invidious but well-aimed shaft at the other Soviet satellites. In a passage defending the Yugoslav Communist Party against the charges the Russians had made against it, the letter said the Yugoslav party was 'not only equal to but even better in organization than some other Communist parties that accept into their ranks anybody who wants to join'. Many Hungarian and Polish Communists, recalling the opening of their lists to Nazi-like characters at the end of the war, must have winced at this.

The Yugoslav letter rejected all the Russian charges and threw in one of its own against Russia: as early as 1945, one of the Russian experts in Yugoslavia, a Colonel Stepanov, had been touring the country recruiting Yugoslavs to spy on their own government: 'We are not willing to tolerate this any longer.' The letter ended with a bid to the Russians to send a delegation to Belgrade to try to clear up differences.

The Russians had never before been talked to like this by a subject branch of the party. On 4 May 1948 they sent an answer long enough to fill a brochure all by itself and full of just 'plain mad' writing. Some of the new charges they threw at the Yugoslavs made little sense: that friends and relatives of the Serb quisling, General Nedic, were being given good jobs in Tito's government; that the American Ambassador in Belgrade was 'behaving as if he were master in his own house' while the Soviet Ambassador was being treated like a 'bourgeois'; that the Yugoslav government was purposely keeping other 'British spies' than General Velebit in its foreign service.

It dug up all the long-buried complaints about Tito's 'spheres of interest' speech of May 1945, and several other speeches to which the Russians had taken exception. It denied recruiting spies, but did admit that Russian experts asked questions. 'It would be strange indeed to demand that the Soviet people who work in Yugoslavia should keep their mouths shut and never

talk to anybody or exchange ideas with anybody. The Soviet representatives are politically developed people and not just daily labourers.'

The letter ended with a proposal, in the tone of an order, that the Yugoslav Communists attend the next meeting of the Cominform in Bucharest and face the criticism. Tito and his deputy, Kardelj, sent back a jointly signed refusal. A few days later the Cominform issued its famous proclamation excluding the 'Turkish régime' of Tito from its Communist midst.

Knowing but little more than these letters reveal, it is very hard to sift the chaff from the grain in this dispute. About half the Soviet charges appear to be pure eyewash. The inclusion of charges like the reference to the American Ambassador's special privileges and the one about General Nedic's relatives can almost certainly be accounted for by the endemic Russian practice of overstating a case—a procedure which might impolitely be called lying, on the principle that the bigger the whopper the more likely it is to be believed.

When, however, the Soviet charges are cleared of all this incidental rubbish, it is likely that some of the important ones are entirely accurate.

It seems true for instance, that the Yugoslav Communist Party had, in a sense, 'submerged' itself within the Yugoslav 'National Front' of several parties. In the long, heroic, common struggle against the Germans, the Yugoslav Communists developed a distinct warmth of comradeship for those who fought with them—men like old Ivan Ribar, the Serb Democrat, and Vladimir Nozar, the venerated Croat poet, who could never be considered Communists. There is a vital difference between the way the Yugoslav 'National Front' was formed and the way the coalition fronts of the other satellite governments were constituted. The latter were formed from above by a few Socialist, Liberal, Peasant and Communist leaders. The Yugoslav front was formed from below by the rank and file of the parties. In their long underground effort the parties blended; inside the National Front it became hard to tell where the Communist

Party began and where it ended. Though the Communist Party clearly dominated the coalition, it did so by absorbing perhaps a majority of individuals who had no conception of orthodox Marxism and were motivated solely by warmth of wartime comradeship. It was next to impossible for Tito to follow the Rakosi formula and either isolate his partners in the coalition or weed out 'bourgeois nationalist' elements from his own party—even if he had desired to.

It is perhaps an index of how little interested the Yugoslav Communists had become in the theoretical purity of Marxism, over which Moscow loves to split hairs, that their official Communist Party magazine, expected to appear something like quarterly, actually appeared only three times in three post-war years. They were too busy making Yugoslavia Communist to indulge in theological chit-chat. It is also noteworthy that when Tito was called down for his Trieste 'spheres of interest' speech, his deputy, Kardelj, explained to the Russian Ambassador in Belgrade, 'In the party things have reached such a pass that the Central Committee [of the Communist Party], as an organized and political centre, has ceased to exist. We are meeting accidentally and we made accidental decisions. In fact, every one of us is left to himself.' Kardelj never denied having said this, so it can be taken as an accurate picture of things.

It seems also true that the peasants, not the workers, were the articulate governing class. The Yugoslavs later owned up to the fact that nearly half the Communist—the 'workers'—Party consisted of peasants. Only a little over a quarter were workers, with an almost equal number drawn from the urban intellectuals. This was as natural as could be: the proportions approximate those of the partisans who carried out the revolution.

What had happened in Yugoslavia seems clear. As was suggested earlier, there is nothing alien or forced about Communism in Yugoslavia. Throughout the inter-war period it developed strong roots among the poor peasants and the university intellectuals. Cut off from Moscow by the Serb police repression it developed its own special character of a Yugoslav Peasant Communism with strong national overtones. During the war it flourished,

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this time under Nazi occupation, and again without Moscow being able to direct or influence it. Nothing so convinces a man he is right as success, and there were few national successes in World War II to compare with that of the Yugoslav Peasant-Communist partisans. Confirmed in their unorthodox course, it was hard, if not impossible, to accept another nation's charge that they were wrong.

I do not mean to suggest that the Yugoslavs had ceased to be Communist. Indeed they were, if anything, more ardently so than the other satellites. Tito was the first to nationalize the bulk of his country's industry. The amalgamation of small peasant farms into co-operatives—the beginning collectivization of the land—proceeded as fast as technical considerations (mainly the supply of tractors) would allow. As we have seen, the Yugoslavs outdid everyone in hostility to the Capitalist West.

It is true that there was gross inefficiency in some of Yugoslavia's projects, and that in the Five-year Plan both the human and the economic resources of the country were over-estimated. But similar 'sins' were committed by the other satellites.

Yugoslavia was, as Russia charged, vociferously proud of her achievements. But moderate language has never distinguished the Communist states, least of all Soviet Russia. There is not the slightest indication that any of these 'sins' in any way threatened Yugoslavia with a return to Capitalism at home or that there was even the vaguest tendency, as the Moscow letters hinted, to desert the Soviet Bloc for the Western Bloc.

The point that finally emerges as the key to the dispute is: Yugoslavia was going to do the job herself, her own way, and Moscow's meddling was unwelcome. She was willing to be a fully co-operative partner in world Communism, but felt that her experience entitled her to be an equal, not a satellite.

It seems no less clear that Moscow was not much interested in the fluff she charged Tito with. A month before the Kremlin began castigating Yugoslavia for improperly directing her economy, it allowed the Russian representative on the *Cominform Journal* to write that Yugoslavia's political and economic

successes were such that they would enable her 'to begin to surpass England' before long. Russia's main concern was her slipping control over Yugoslavia and her desire to regain it.

It is interesting to compare the impact of the schism on the two parties to it. Yugoslavia had to purge the regional governments of Montenegro and Macedonia, two historically Russophile provinces. A couple of her less well-known ambassadors abroad resigned and joined the Cominform. The only high governmental personality who has defected since the breach of relations was General Arso Iovanovic, Tito's war-time chief of staff, who was shot by Yugoslav troops at the frontier while trying to flee to Rumania in August 1948. Altogether, Tito has claimed, only fifty members of the Yugoslav Communist Party had to be purged for favouring the Cominform line. In the Cominform countries, on the other hand, nearly every national party had to undergo sizable purges. Albania had to dismiss and imprison half its cabinet for Titoism. I have already mentioned such eminent rebels against Russia as Gomulka in Poland and Markos in Greece.¹

Evidently, Tito struck responsive chords all over the East. It is reasonable to assume that other satellites' leaders might have followed his example, had they possessed the same opportunities for revolt—their people welded solidly behind them, and Russia at a safe distance from their borders.

That raises the question: with the other satellites steadily winning the favour of their peoples, will they not in time feel strong enough to express their desire for independence and try to break their present relationship with Moscow? The answer is that they probably will, if Tito continues successfully to build a Communist state outside the Moscow-dominated Bloc. Moscow is thus caught in a race with time, to encourage Tito's collapse before the other satellites feel their feet planted firmly enough in their homelands to declare their independence. The

¹ A few months have altered the purge figures, but not the point made here. In June 1949, Tito announced that nearly 500 members of the Croatian Communist Party had been purged for 'Cominformism'. If the purge is proportional in other regions, this would mean a total purge of perhaps 2,000 for that sin. The same week in which Tito revealed this defection in his ranks, Rakosi of Hungary announced that 200,000 members of his 'Working People's Party' had been purged.

race is given urgency by the unexpectedly sudden rise of the Chinese Communist Republic in the Far East, for if it were to follow the example of Tito, the ideological empire of Soviet Russia could disintegrate.

To date, Russia has applied two weapons to break Tito. First, for several months after the breach, she relied on the force of propaganda. That seems to have had no effect whatever: Tito responded to Russia's climacteric *coup*, the publication of the exchange of letters, by himself publishing them for wider circulation. Then, in the autumn of 1948 the Soviets applied economic pressure. While keeping to the letter of trade agreements with Yugoslavia the satellites slowed down their deliveries and sent inferior materials. At the beginning of 1949 the pressure became overt: Russia reduced her trade with Yugoslavia by seven-eighths, and induced Poland to reduce hers by three-quarters. Deliveries of Rumanian oil, on which Yugoslavia has leaned heavily, have nearly stopped. The pressure has hurt Yugoslavia badly. She has had to buy petrol on the French black market at exorbitant prices, and the Five-year Plan is threatened by the lack of Russian and Polish industrial goods.

But it is doubtful if mere economic pressure will suffice. Even if Yugoslavia is forced to scrap her ambitious Plan, she has enough raw materials at home to continue a slow, more modest industrialization, and with her excellent soil can never be starved out by what is becoming a virtual blockade.

It is impossible even to suggest what the outcome may be, for in Yugoslavia, alone of all the countries I can think of, anything can happen.

Whatever the outcome, in relation to the Cold War the West appears to be the gainer. If Russia should resort to what may be the only means of removing Tito—assassination or war—it would probably turn even Communist stomachs the world over. Non-Russian Communists can approve of assaults on Fascists, the *bourgeoisie* and even the Liberal 'façades' of Capitalism. But the application of violence to a country that supports the Golden Dream of Marxism in every way could lay the ground for a defection next to which the Trotsky rebellion between the wars would be a pale shadow.

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On the other hand, if the Tito rebellion succeeds, it will almost certainly mark the beginning of the end of Communism as a weapon in the service of Russian foreign policy. It is cold comfort to the Capitalist system as such, for Communists will probably continue to undermine Capitalism within each nation. But in foreign affairs the West would have a much easier time getting along with a number of independent Communist states, acting in their individual national interests, than it does with a Communist empire harnessed to the fourteen Russians isolated in the Kremlin.

The current Cold War is distinguished from past periods of great international tension by a curious feature: nowhere on the globe do the hard material interests of the two parties to the tension come into necessary conflict. America has nothing Russia needs for survival. Russia has nothing America cannot happily do without. The Cold War is based entirely on psychological factors: mutual fears and suspicions, and ideologies. If war breaks out it will certainly be because of suspicions: one side attacking with the aim of forestalling a threatened attack from the other. Neither of the past two German wars was of this nature. Germany needed new territories to sustain her economy as it was organized, and there was no way of satisfying her need except by seizing territories from her European neighbours. She did not attack out of fear of being attacked, but did so deliberately and unilaterally after long, conscientious preparation and planning.

Now, if the bases for East-West suspicions could be removed, it is possible that the Cold War could be concluded by a *modus vivendi*. The Tito rebellion now presents the possibility of removing at least one basis of suspicion, by breaking up the Soviet imperial Bloc and putting an end to the aspect of Communism as a great Russian conspiracy. If the Moscow satellites were to follow Tito's example and declare their independence, it would not be absurd to conceive of the possibility of a long period at least of mutual sufferance between Communism and Capitalism, and of peace. Whether he intended it thus or not, Marshal Tito seems to be carrying a torch.

CHAPTER XXI

WHOSE CENTURY?

THE PRESENT state of Europe has many facets, innumerable angles of analytical approach. That which explains most, in my opinion, is the one dwelt upon in the opening chapter. To make some concluding generalizations, the four years covered in this book must be tied back into their longer historical context.

It should be apparent to everyone by now that since the turn of the century our civilization in general and its European source in particular have entered upon a general, long-term crisis of which these four years are but the latest episode. The crux of the matter, I suggest, is that European civilization is undergoing a pulsation not dissimilar to that which destroyed Feudalism and opened new horizons for progress under the broader principles of Commercialism. Now, once more, our institutions and ways of thinking have become outmoded, and this is the chief source of our present troubles. It is the misfortune of our age that technological progress has made social upheavals much more violent and destructive than those that marked the end of Feudalism. On the other hand, it is the good fortune of our age that Man has become more intelligent and capable of understanding the primitive forces besetting him and therefore better able to control and direct them than was feudal Man.

The basic difficulty seems to be that we are still striving, in a greatly changed Industrial Age, to live by the Commercial Principle created for a simpler day and entirely different circumstances. We are operating a powerful 1949-model locomotive with a pressure-governor created for last century's 'Puffing Billy'; and our society is subject to all the periodic sputtering stops and occasional boiler bursts which that anachronism implies. The market is no longer an adequate means for distributing the prodigiously increased production of the world's machinery. The profit motive in its last century purity is no longer an adequate governor for the economic pressures of a new time.

The clearest evidence that the market can no longer do the job is the obvious fact that it is not doing it now. Production is to a great extent being hoisted over the obstacle of the market to reach consumers by a host of artificial aids: subsidies and quotas, tariffs to defeat competition, deliberate limitation of production below the level of maximum efficiency to the level of maximum profit, government purchasing frequently at non-economic prices, unemployment insurance schemes to distribute purchasing power the market cannot distribute, international aid, arms programmes—and many other devices. If these crutches, wires, plasters and patches were removed to give way to free enterprise in free competition on the free market, world economy would jam and come to a full stop within a week.

But even with this elaborate, confusing scaffolding of props and supports, the system is unable to cope with the productivity of modern machinery. How else explain that, with occasional artificially-produced lows, figures for unemployment have increased steadily since the last century? How else explain the periodic stoppages of industry in trade depression? It would appear that the market mechanism, even when boosted by a thousand auxiliary motors, cannot distribute purchasing power to the people in sufficient quantity to absorb the produce of industry and maintain full employment; or cannot distribute the goods at prices within the reach of the people's purses. It is the first law of the Commercial Principle that when the market no longer yields a profit to the private owner of industry, he must reduce production and so cause unemployment, or stop production and contribute to depression, regardless of whether the people are in need of his produce. In our New Industrial Age, the market mechanism and the profit motive have outlived their usefulness to society.

These post-war years of full employment in most countries can in no sense be considered a turning of the tide or be taken to mean that the fault has been remedied. They are strictly abnormal, due in America to the application of some Socialist principles in war economy and to the distribution of enough purchasing power during the war years to absorb the produce of industry for several years thereafter. In Britain and most of

Western Europe it has been due mainly to the prevalence of a sellers' market. Most responsible economists agree that were it not for a further artificial inflation of purchasing power by doling out dollars to foreign countries and also for the current arms programme, unemployment in America would certainly have risen considerably above its present figure.

The maintenance of the system of private enterprise is not only becoming technically less possible; it is rapidly losing its last moral justifications. In every industrial nation, ownership of industry is becoming overtrusting and overconcentrated in few hands. The small and medium businessmen, who were the bulwarks of free competition, are being squeezed out. Concentration is at present very great and is constantly increasing. The tightening control of a nation's resources and capital in the hands of a few individuals not subject to popular review at the polls and inevitably motivated not by the general welfare but by the principle of private profit, is an unhealthy oligarchic phenomenon incompatible in the long run with democratic political institutions.

The crisis of Commercialism is sorely aggravated in the world to-day by that other anachronism, the division of the world into sovereign states. Each state to protect its domestic industry erects tariff walls against its trade rivals. The effect is inevitably self-defeating, for the world market, on which all depend as a supplement to the domestic market, is made still narrower and the general economic crisis is intensified. The strain of competition for profitable outlets furthermore tends to increase international tension and was one of the chief sources of the two World Wars of our time. Germany, constricted by the tightness of the market, traditionally bellicose, upset the precarious balance on both occasions and attempted to win outlets by foreign conquest.

If this analysis is correct almost all our present troubles can be traced, directly or indirectly, to the disharmony of the Commercial Principle with our New Industrial Age. To overcome them the twentieth century would seem to have a clear-cut, two-fold mission.

First, to bring institutions and psychology into line with the

requirements of our new productivity. The distribution of goods must be effected by a planned economy. The profit motive must be replaced by the incentives of the Welfare State. To do this it is inevitable that private ownership of natural resources and giant basic industries be replaced by community ownership. There is no reason why this should not still leave a large area of economy open to private businesses that are both economic and competitive. But if the job is to be done effectively, at least the giant combines and the basic industries like steel, mining, chemicals and transportation must become publicly owned and operated for community needs.

Measures of this order will sound too radical for application in America. There, the heyday of free enterprise is not so long past as in Europe, and popular sentiment is not ready for anything so thoroughgoing. The belief is pretty general that America has not yet exhausted the methods of 'Keynesian' economics—as applied by President Roosevelt and proposed by President Truman—to bolster private economy. But in Europe popular psychology is quite prepared for such measures. At the end of the war, parties recommending them won the overwhelming majority of the votes in most West European countries. Moreover, it is evident that their realization cannot much longer be delayed without detriment to European democracy.

The second half of our century's mission is to carry out this economic revolution without sacrificing our heritage. The finest part of our heritage is the political system of free liberal democracy with its free elections and the liberties of speech, thought, assembly and worship. Another is the free initiative of the individual which had its first flowering in the Machine Age and is responsible for our tremendous technological progress—the material basis that made political democracy and universal education possible.

Despite the Communist doctrinaires and the narrow conceptions of some conservative publicists, there is nothing impossible about combining the two halves of this mission. Czechoslovakia had within her borders all the requisites for establishing a predominantly Socialist economy without damage to her free political institutions and would certainly have succeeded in the

amalgamation of them but for purely alien pressures. Britain to-day appears to have the same requisites, as do the countries of Scandinavia.¹ It is noteworthy that the programme of the British Labour Party, scathingly condemned as radical four years ago, is now largely accepted by the Conservative Opposition as necessary.

There is no essential reason why nationalization should cramp individual initiative. Very little of the initiative which has revolutionized Western industry in the past generation has come from the Capitalist-owner of industry. It has come from his managers, technicians, laboratory research scientists and workers. They will be just as necessary under state ownership, and there is nothing to prevent rewards being scaled to the individual's achievement and ingenuity.

A very frequent objection made to the Welfare State is that it would involve the creation of a tremendous bureaucracy which would suffocate initiative by its notorious inertia. Bureaucracy, however, is not necessarily a consequence of state ownership. Bureaucracy is growing because society is more complicated and regardless of what kind of economic system we live under. In the past decade it has grown in Capitalist America at about the same rate as it has grown in Communist Russia. It is a sign of the times and we had better make our peace with the monster. The task is to give it traditions of efficiency and responsibility and to make it good rather than bad bureaucracy—but bureaucracy in whatever form has settled among us to stay.

Whatever the merits and demerits of the Welfare State and its planned economy, the main point is that it is coming by one means or another. The only question is how long it will take and in what form it will come.

It is the inherent inevitability of this great mutation that has made it impossible for me to take up a clear anti-Soviet attitude. A good deal of the Soviet economic and social analysis is

¹ Britain's growing economic difficulties in the summer of 1949 are being nearly universally described as evidence of the 'failure of socialism'. In fact, they are due to the faults of two capitalisms: British capitalism left the Labour Government with a heritage of neglected, trustified, non-competitive industry which the Labourites were not able to put in healthy condition fast enough to face the onslaught of a recession due to American capitalism.

shrewder and more to the point than much of the thinking about it that is going on in the West. For all their distorted vision, the Soviets have seen the clear fact that the survival of Capitalism is impossible in Europe. They have certainly brought to the common man of Eastern Europe a richer life. If they have not given him freedom by Western standards, they have created the only basis on which freedom can one day be won: by breaking the shackles of the hideous poverty and ignorance of the isolated Eastern countryside and providing new possibilities for development among those backward peoples.

It has been impossible for me, on the other hand, to take a pro-Soviet position, for the Soviet rulers remain victims of the mental delusions of their backward environment. Above all, they seem totally blind to the value of liberal democracy and civil rights and have destroyed them as 'shams' wherever they have found them.

The blind spot of the Russians is due to their never having known Democracy at home and their tendency to judge it from the worst possible example in the Western world—Germany before World War I. The prevalent Communist dogma on Democracy is derived from Lenin's book, *The State and Revolution*, where Lenin points out quite rightly that the semi-parliamentary institutions and the social welfare schemes of Kaiser Wilhelm's Reich were handed down by the rulers to deceive the people into believing they played a part in government which in fact they did not. The aim of the rulers was clearly to prevent the people from rebelling and taking real power into their hands. All this is very true of 'Democracy' in Germany. But it bears no relation to Democracy as evolved in countries like Britain, America and France. There, rights were not handed down from above but were won from below by the people in a century of struggle. In our Democracy the ballot-box is a real weapon and popular participation in government is deep-rooted. This the Russians have never understood.

So long as the Russians maintain their delusion that democratic institutions are valueless and may be scrapped, we have no choice but to contain and oppose them. Although we can agree with them that the condition of progress in the future is

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to end the economic restrictions of Capitalism, we cannot allow the only basis for the full emancipation of mankind to be destroyed in the process.

Back on this side of the Iron Curtain I have not been able to defend America's policies in Europe, for with all America's good intentions her policy-makers suffer from blind spots of their own. The chief among them is the conception that Democracy is a purely political phenomenon; that so long as a country has a parliament and two or more political parties the people are free. This is not necessarily so. If all the means of influencing public opinion and the behaviour of political parties are in the hands of an economic oligarchy, and if its control of national wealth enables it subtly to sabotage the legislation of a popularly elected parliament, Democracy is an imperfect process in constant danger of its life.

America has carried her imperfect conception of Democracy into Europe by means of the Marshall Plan. While using her vast influence to maintain democratic political institutions, she has also used that same influence to discourage direly needed social changes that alone will keep Democracy viable in the next generation.

But I have also found it impossible to adopt an anti-American attitude, for America has undoubtedly helped in her way to uphold political liberty in post-war Western Europe. In 1947 America helped to prevent Western Europe from succumbing to Communism. Her continuing influence to-day is probably saving many countries—like France and Italy—from succumbing to Fascism.

The need of our time is to blend the viable features of both worlds and cancel out their blind spots. Far from being impossible, the mission was actually by way of being begun at the end of World War II. It started in Western Europe. Reaction was discredited over the whole area. The dominant tone of the new governments was that of Socialist Democracy. Nearly every nation in the area had its war-time programme for nationalizing basic industries, for planning economy for the people's welfare while maintaining liberal democratic political institutions. In most cabinets Socialists, Communists and the

new right-of-centre Catholic parties worked together on this basis.

The world has not yet grasped the full calamitous significance of Western Europe's collapse in the winter of 1946-7. So far I have dealt only with the power aspect of the crisis: it was probably the most disturbing shake-up of the power-equilibrium that has occurred since the fall of Rome. Its result can be gauged by these facts: in 1939, five nations held the initiative in world affairs; they were Britain, Germany, France, Italy and Japan—four of them West European nations. By 1947, not one of these was any longer a great power. They had all in fact become gaping power vacuums. World initiative fell to two nations who had never held it before: America, hitherto isolated by her own choice, and Russia, isolated by the hostility of the rest. The collapse of the power buffer between them was serious. But what was probably worse was the fact that it was also an *ideological* buffer that collapsed and threw the two powers on earth least likely to compromise on ideology into a thunderous, head-on collision.

In the contest for the vacuum, existing suspicions were inflated. Each of the two became more rigid in his half-right conceptions. Suspicions led to hostile actions which nourished new suspicions in a vicious circle of events that has led to the present impasse.

I conclude with a verdict that will please partisans of neither side—that both sides are to blame for our parlous condition. I cannot even establish one party as *more* guilty than the other. The Western press and radio have adequately dilated on Russia's responsibility by her return to rigid, dogmatic, conspiratorial Communism, thus ruining chances of compromise. But too little attention has been paid to the fact that in her own way America has caused an equally dangerous trend in another direction.

If American pressure has been applied to sustain parliamentary institutions, it has also been used to restore privilege and the outdated Commercial Principle. In Germany we have prevented a wholesome change in society, actively protected the old classes, and then begun to restore them to their position in the old unchanged framework. Nothing has been done to miti-

gate the pressures that drove Germany into two aggressive wars or to alter the essential personnel behind those wars.

We are the only support of a supergovernment in Greece which, without our financial aid to sustain its corruption, would be forced either to yield power or to reform itself.

In Italy we have discouraged the most elementary reforms necessary to prevent the country from reverting to Fascism once our charity has stopped.

In direct contradiction to the policy of American civil government, our military agency has attempted to embrace Franco and thereby made it appear that we approve his acts.

In the more moderate nations of Western Europe, American pressure has been applied to restoring conservative governments and to breaking the post-war trend towards Social Democracy. It is significant that Reaction, though not in the saddle in most of Western Europe, has lost its timidity and is openly organizing again—the rabid Nazis or near-Nazis in Germany; the Fascists in Italy—making itself ‘available’ to privilege in expectation of the outbreak of a new crisis when American charity ceases supporting a Europe whose problems have not been solved.

The average American knows that he does not want war. I am sure that this is also true of America’s policy-makers. But it is not widely realized that if the present trend of American foreign policy continues, it may be difficult to avoid a warlike situation.

Democracy is simply not going to function much longer in Western Europe if changes are not made, for the crisis of our time is more severe and advanced there than elsewhere. It requires no stretch of imagination to see something like a new collapse occurring when Marshall Aid ceases. If that happens, it requires no stretch of imagination to see Germany reverting to its Nazi type; Frenchmen surrendering at last to De Gaulle; the neo-Fascists regaining the decisive support of Italian wealth as its only protection against the masses growing radical again. Into this pattern Franco and the present supergovernment of Greece fit snugly as integral parts. The growth of a ‘Black Western Union’, a ring of Fascist and semi-Fascist states, is more than a liberal’s nightmare; it could very easily happen.

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And if the inter-war years teach us anything, it is that Fascist dictatorships make no pretence of facing their domestic problems. Their classic way out is to export them—*i.e.* war.

The purpose in outlining this dread but, alas, not impossible climax of present trends is not to establish America and Western Europe as the more guilty of the two worlds. It is to point out, in a book written for the Western public, that there is more in heaven and earth than our anti-Communist philosophy dreams of. The immediate dangers are two: first, that the Russians, expecting an evolution like that described, might launch a forestalling offensive before Western Europe has an adequate arms crop. The second is that the West, expecting just this, might itself launch a forestalling offensive. This, then, is the nature of the vicious circle we have allowed ourselves to be caught in. This is the essence of the Cold War.

Is there any means of breaking the vicious circle of mutual suspicion and mutual actions that tend to justify the suspicions? It would seem very nearly impossible for either side to break it without some sacrifice of vantage-points or prestige—without, in a word, 'appeasing' the other. The danger of appeasement is patent. Long-bred suspicions do not die overnight and the appeased opponent might well take advantage of an act of appeasement to strengthen himself at the cost of the generous opponent. For example, if America yielded to Russia's supreme desire, abandoned the formation of a West German state and offered Russia a quarter control of the Ruhr, there is no guarantee that the Communists would not flood through the loop-hole and either strive to take over all the Ruhr or else veto its exploitation for Western recovery. Or if Russia as a token of good faith allowed free elections in Hungary and perfectly free intercourse between Hungary and the West, there is no guarantee that American investment capital would not take over and in a short while see to it—*à la* Iran—that an anti-Soviet government existed in Budapest. That is the difficulty of ending the Cold War: there seems to be no way out of the vicious circle.

But if my analysis is correct, there is indeed a way out. By

means of it the West could take the initiative and act unilaterally to bring an end to the Cold War. It could do so without appeasement or loss of prestige, without abandoning any of its present measures to contain Communism or yielding the Russians any material advantage. The means is inherent in the analysis: in a time of revolution—when the revolution is virtually bound to be successful, either in a generation of peace if we are wise or a century of chaos if we are not—it is the act of wisdom to *be* the revolutionary power. Nail the banner of change to our own mast and ride an irrepressible tide to safe harbour.

There is no good reason for leaving Russia a seeming monopoly of social change. The mission to lead Europe to a new life was made to order for Socialist, Democratic Britain, but so far Britain has not accepted the mantle History has offered her—due to the policies of Mr. Bevin, to Britain's dire dependence on American aid and to the British cabinet's fear of offending the predominantly Big Business administration which President Truman has put in charge of ERP.

If British inaction persists, there is another possibility: let America assume the role. That is not as absurd as it sounds. It is a myth that America is a conservative, if not a reactionary, nation. Unfortunately the myth is so ardently believed and paid obeisance to by Mr. Truman in his appointments and by European governments in their docile behaviour that it has become in fact something of a reality. Only the American people stand aside in solitary disagreement. In five successive presidential elections now they have bucked the Big Money and from 60 to 80 per cent of the American press to insist that they want to move towards the Welfare State by means of liberal, progressive policies of government. It is about time that we began to take them seriously and adopted a foreign policy to match their sentiments.

Let there be no complaint from those who have been sedulously intervening in the policies of European governments that a liberal foreign policy would mean intervention in the policies of European governments. Either by direct action as in Greece and Germany, or by subtle insinuation elsewhere, American administrators of ERP have been supporting the *status quo*. Let

us use the same means of expressing our will as we have in the past, but from now on let the governments of Europe know by our direct actions and subtle insinuations that we prefer to see some changes made.

My own idea of what the changes should be has been suggested in some detail in earlier chapters. In general they would involve an integration of planned economies operating in obedience to the incentives of the people's welfare and not to the workings of the profit-motive of the market. It would involve some streamlining of society to end the present wastage of effort and stop the lavishing of the largest social rewards on those who contribute least to the national product. In one sentence, our aim should be Social Democracy for Europe.

The rise of Social Democracy in Western Europe, involving the banishment of fear of unemployment and insecurity, and bringing the active producer into his own, would certainly do one of two things to Russia.

If Russia is of good will, it would win her confidence by proving that it is not economic necessity that lies behind the West's military measures. It would bring about a relaxation of tension between East and West, in which the Eastern dictatorships might be induced to lift their ban on civil freedoms.

If, on the other hand, Russia is of ill will, it would undermine her. The Communist Parties of Western Europe would probably disintegrate, for the workers of France and Italy have not joined the Communists because of their neuroses; they have been driven to the extreme left by sheer penury and insecurity. Even in Eastern Europe, Russia's hegemony would no longer be safe. The Tito episode has shown how ready the Eastern governments are to throw off the harness of Moscow. The removal of the fear of the West would surely make them unwilling any longer to accept the dictates of the Kremlin. But either way, the Cold War would dissolve like a bad dream.

The raising of the Iron Curtain would bring an increase of trade between the complementary economies of East and West Europe and probably open the way for a fuller co-operation in the future. The end of private trusts and combines, which are the main prop of the archaic national borders that protect

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them, might make real European unity a possibility at last. Dissolution of the fear of war would release for investment in peaceful construction all that great proportion of our wealth now being poured into armaments. The world would have completed its twentieth century pulsation and, in the new harmony of industrial production with planned distribution, would enter upon a period of social expansion greater than anything that has happened in the past.

If it is naïve to visualize America playing the role necessary to inaugurate this sequence of developments, then it is naïve to believe that the ballot-box has a meaning. The American liberals of both parties—in alliance with the Socialists of Europe and their allies among the liberal-minded Europeans—have their job cut out for them: to apply every means of pressure to confound the backers both of the Communist Century and of the American Century, to restore American foreign policy to its people and thereby force the same restoration at last in the East—to resume the creation, interrupted these four years, of the Century of One World.

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