

The Truth About Anglo-American Policy

R. Palme Dutt continues his analysis of the war. Britain's and America's basic antagonisms. What each hopes to get out of the other. Perspectives for tomorrow.

NEW MASSES is happy to bring to its readers another exclusive article by R. Palme Dutt whose contributions these last six months have so enriched our understanding of world events. This article reached us after a seven-week delay by the British censor, and appears to have been written at the beginning of October.

But it is in no sense outdated. In fact, we consider it triply important: first, because it deals almost exclusively with the vital problem of Anglo-American relations; second, because it analyzes these relations from a British rather than an American vantage point; third, because it comes from the foremost British Marxist, himself in the active leadership of the struggles of the British people.—The Editors.

THE war for civilization is letting loose daily greater barbarism on mankind. As the capitalist world steps deeper and deeper into the pit of war, so each circle of the inferno appears to eclipse all that preceded, and the end recedes into the distance, dark and unfathomable. Churchill calls on his followers to gird themselves for the campaigns of 1941 and 1942, and hints at the prospect of a "third world war." Hitler calls on his followers to gird themselves for five years of war. The United States arms on a formidable scale for a future stage of the war which has not yet begun. Such is the outlook of the statesmen of capitalism. With every day's events the Communist analysis of the war and of the only solution of the war is being proved and confirmed anew even to the most obstinate ideologues who still cling to the fading slogans which no longer bear any relation to present realities. More and more clearly this war of empires is revealed as a war of Juggernauts which trample over the bodies of human beings.

THE DECISIVE CONTESTANTS

What is the outlook of the present war situation? Where is the conflict of imperialism leading the world? This is the first question which governs the immediate perspective. Three months have passed since the days of June which saw the collapse of the French empire and the completion of the first period of the war. In two previous articles (*NEW MASSES* for September 24 and October 1) I endeavored to analyze the main features of the consequent new world situation: the advance of the war toward world war; the laying bare of the world arena for the triangular contest between the three main claimants for world power, Britain, Germany,

and the United States; the domination of Central Europe by Germany; the advancing activity of the United States, first to complete the domination of Pan America and second to prepare more and more direct participation in the world war; and the consequent crisis of British imperialism in face of its inner weaknesses, its difficult strategic situation, and the advancing challenge of German and American imperialism. This analysis ended with the crisis of policy of British imperialism, reflected in the sharp internal political issues, at the same time as the war advanced toward world war. It is now possible to carry this analysis a stage further in the light of the developments of the past three months.

The essential character of the world situation by the end of June was that the conflict of imperialism for the new division of the world had reached a high degree of concentration: weaker powers had been eliminated or subordinated, although Japan still continued a regionally independent policy; the three decisive contestants, representing the highest level of capitalist technique and organization, Britain, Germany, and the United States, now stood out more sharply than at any time before, either in the first world war or in the intervening period. The first ten months of the war were revealed as only an opening ground, preparing the way for the world war. This first phase had resulted in a preliminary partial redivision of territories, resources, and influence between these three powers at the expense of weaker states, but with the main issue of the redivision of the world still unsolved and driving to extended conflict. Germany had established its domination over the continent of Europe from north to south and from the Atlantic to the borders of the Soviet Union. Britain had suffered a series of defeats, in Poland, Finland, Norway, the Low Countries, and France, and had emerged stripped of its allies and in a dangerous strategic situation; but at the same time it had secured control of the gold and shipping resources of the conquered states, of the overseas empires of Belgium and Holland, and even (though not until after a naval bombardment of its former ally) of part of the navy and overseas colonies of France. The United States had advanced economically in the extra-European markets at the expense of Britain and Germany: had increased its gold stocks by £750,000,000 between September 1939, and July 1940; and by the Havana Conference in July and the

agreement with Canada strengthened its domination in the American continent and established the claim of American "collective trusteeship" to take charge of former European colonies in America.

COMPLEMENTARY PLANS

The pivot of the new situation was the deepening crisis of the British empire and the strengthened advance and challenge of both German and American imperialism. The war plans of British imperialism for the initial phase of the war had gone wrong. The British diplomatists and strategists had calculated on two factors to pull them through, on the basis of which they had entered lightly into the first stage of the war with no realization of what was in front. In the first place, they had calculated in accordance with their traditional technique of two centuries past, on the armies of their continental allies, whom they supported financially, to bear the brunt of the war in the first period, while Britain carried through its heavy rearmament, on the basis of the latest technique, only after the outbreak of war, to come in victoriously at the close in the midst of the exhausted other states. In the second place, they calculated (or rather a section of the British rulers calculated) that their pressure on Germany would soon produce its effect and lead to a change of policy and the victory of the "moderate" capitalist and militarist elements, the Thyssens, Fritsches, etc., with whom they were in close contact, so as to make possible a speedy agreement after a carefully limited war, the "switching" of the war against the Soviet Union.

These two plans were in practice complementary. In the more favorable situation, if the second plan succeeded, the heavy rearmament secured from the working people in the name of the fight against fascism would serve at once against the Soviet Union. If, on the other hand, the change in Germany was delayed, the system of continental allies would secure the time to enable the overwhelmingly superior resources of the British empire to secure final victory and prepare the world counter-revolutionary front on this basis. Hence the lightheartedness and vaingloriousness of all British expression in the first period of the war (the "hang out the washing on the Siegfried Line" period); the easy tempo and comfortable corruption of the armed preparation; the vaunting braggadocio and taunts to the enemy alongside actual extreme

disorganization (the Ironside spirit); reaching to its extreme height during the Finnish adventure with the readiness to consider forcing the pace and taking on two enemies at once.

RULING-CLASS AIMS

All these plans went wrong, and so completely wrong that this whole preceding period is today like an archaic, remote echo of a vanished century. The system of continental allies bore no resemblance to 1914. The central pillar of the 1914 system, laboriously constructed in the preceding decade, had been the Russian alliance. Only the combined force of Britain, France, and Russia, with the later addition of Italy, had availed with difficulty to hold the front against the superior dynamic force of the more powerful, technically advanced, and highly organized German imperialism. It was the Russian thrust into East Prussia in 1914 which led von Moltke to withdraw two army corps from the Western Front and weaken the right flank, and thus broke the Schlieffen Plan and led to the Marne. But the same class outlook which found no difficulty in cooperating with Russian czarism from 1907 to 1917 led to inextinguishable hostility to the Socialist Soviet Union from 1917 to the present day. Rather than weaken these basic counter-revolutionary class aims the British reactionaries preferred to go to war with only France and Poland as their allies in place of the 1914 relation of forces.

Even in 1914 such a distortion of the traditional British policy would have led to certain defeat. But 1939 was no longer 1914. France and Poland were states in an advanced stage of social decomposition; the French people, who had supported with enthusiasm the Peace Front and the Franco-Soviet Pact had been betrayed by the Daladiers and Blums before the war began; France was dragged into war by British pressure, not only against the will of the people, but also against the will of its ruling class. The result was a speed of collapse which threw all the British plans into confusion and created a temporary legend of invincible Nazi power.

The alternative plan of "switching" the war failed equally against the superior strength and superior diplomacy of the Soviet Union. Faced with the formidable power of the socialist state on the one side, and the ramshackle weakness and corruption of the British system of allies on the other, German imperialism not unnaturally preferred to hold fast to the path of non-aggression in relation to the Soviet Union and turn its offensive to the West, after the peace offer, backed by the Soviet Union, had been refused. The intended British-controlled palace revolution in Germany never materialized; instead Thyssen fled and Hitler's armies swept to the Atlantic and the Channel. British policy received its heaviest defeat for generations; the fall of Chamberlain was only the first admission of that defeat. Stalin's warning of the "fiasco" was fulfilled.

The crisis of the British empire, gathering through all the years since the last war, thus reached the most acute intensity with the summer of this year. German imperialism, with superior air power, and dominating all the coasts of Europe bordering Britain, was able to direct its offensive against the heart of the empire, its ports, seaborne trade, industrial centers and communications. Italy pressed forward the attack in Africa, occupied Somaliland, invaded Kenya, and, by September, began the invasion of Egypt. Spain openly proclaimed its unity with the Axis and announced its claim to Gibraltar. Rumania repudiated the British alliance; Turkey played for time. Japan took advantage of the situation to adopt a threatening attitude, arrested British subjects, and secured the closing of the Burma Road and the evacuation of Shanghai. In India, the negotiations with the congress ended in breakdown. The United States organized the Havana Conference to strengthen its economic and political hold in the American continent, and advanced its first form of claim to the European colonies in America. The socialist sector of the world grew in strength, as the Baltic States passed finally out of British control and their peoples united with the Soviet Union. On every front the months since the coming to power of the Churchill government witnessed a series of further defeats, retreats, and evacuations on the part of British imperialism.

The consequent crisis of British policy has not been resolved, but has already reached sharper definition of the concrete alternatives in these following months. The British empire is at once the largest and most vulnerable of the three contestants in the battle for world domination. On the existing relations of strength and still more of potential strength, to expect to maintain unimpaired the domination of one quarter of the world in the face of the challenge of the advancing German and American imperialisms is no longer tenable. Concessions become inevitable as struggle. *The choice before the British ruling class becomes the choice between coming to terms with German capital, at a price, or of coming to terms with American capital, also at a price.* This issue underlies the still continuing conflict within the ranks of the British ruling class. Either alternative means in fact the selling out of the interests of the British people in the desperate endeavor to maintain the world interests of the British bourgeoisie. This issue is not yet finally resolved, although the past three months have seen a marked approach to the victory of one alignment over the other. The weaker British imperialism under conditions of extreme emergency has made heavy concessions to American imperialism to secure its support. The tripartite conflict begins to resolve itself into the immediate confrontation of two camps; on the one side, the German-Italian-Japanese bloc; on the other side, the Anglo-American front, with the increasingly open leading role of the United States. This alignment and relationship are by no means stable, but this gen-

eral pattern underlies the mingled diplomacy and intensified warfare of the past three months.

The catastrophic events of June were followed by an apparent lull in the advance of the war during July. In fact, the month of July was mainly occupied by feverish diplomatic moves, alongside intensive armed preparation for the next stage. In the first half of July Britain came to terms with Japan over the closing of the Burma Road. Germany followed with the peace offer which received public expression in Hitler's speech of July 19. In this peace offer Hitler directed his attack especially against the Churchillian conception of the retreat of the government to Canada, that is, against the policy of orientation to American imperialism. He proposed peace on the basis of the division of spoils reached, or the mutual recognition of the German empire in Europe and the British empire overseas, that is, an Anglo-German division of the world, and threatened that the alternative would be the annihilation of the British empire. This peace offer was rejected in the broadcast of Lord Halifax on July 22, who proclaimed the principle of the self-determination of nations in Europe (not overseas, i.e., not for the subject six-sevenths of the British empire), invoked God on his side, and proclaimed the war a "crusade for Christianity." Like the Kaiser in the last war, Lord Halifax claimed to have God in his pocket.

INTENSIFICATION AND ALIGNMENT

The British rejection of the July peace offer was a political decision pregnant with consequences. It meant in the first place the intensification of the war. But it meant in the second place, as the necessary condition of this, the victory of the Churchill-Beaverbrook alignment of orientation to the United States against the advocates of the Anglo-German deal, and the intensification of the war upon this basis. The London *Times* editorial recognized the responsibility involved in determining on the continuation of the war:

The rulers and people of this country . . . are fully aware of the vast extent of the suffering that must accompany the continuance of the war, and understand the responsibility they must bear in declaring that it must go on to the end.

But the British imperialists recognized that the existence of the British empire was at stake, and that peace under the existing conditions of defeat would be equivalent to capitulation. Not the principles of the independence of nations, which they more than any have trodden under foot, nor the pious invocations of God and Christianity, but the very real concern for the maintenance of their world possessions drove the British imperialists to the heavy hazard of the continuance of the war. In the objective appraisal of Molotov on the rejection of the peace offer:

This means that the Government of Great Britain does not wish to give up colonies which

Britain possesses in every part of the world, that it is prepared to continue the war for world supremacy, despite the fact that, after the defeat of France and Italy's entry into the war on the side of Germany, this struggle involves considerably greater difficulties for Britain. [Molotov, speech to the Supreme Soviet, August 1st, 1940.]

The rejection of the German peace offer in July was followed immediately by close negotiations with the United States for an agreement approximating very closely the nature of a war alliance. On August 17 President Roosevelt announced that "the United States government are holding conversations with the British government with regard to the acquisition of naval and air bases." On August 18 the establishment of the United States-Canadian Joint Defense Board was announced. On August 20 the British Prime Minister Churchill described the lines of the proposed agreement for the transfer of naval and air bases to the United States on a ninety-nine years' lease. On September 2 the agreement covering the lease of bases and the transfer of over-age destroyers was ratified (without submission to Parliament or the American Senate) by an exchange of notes between the govern-

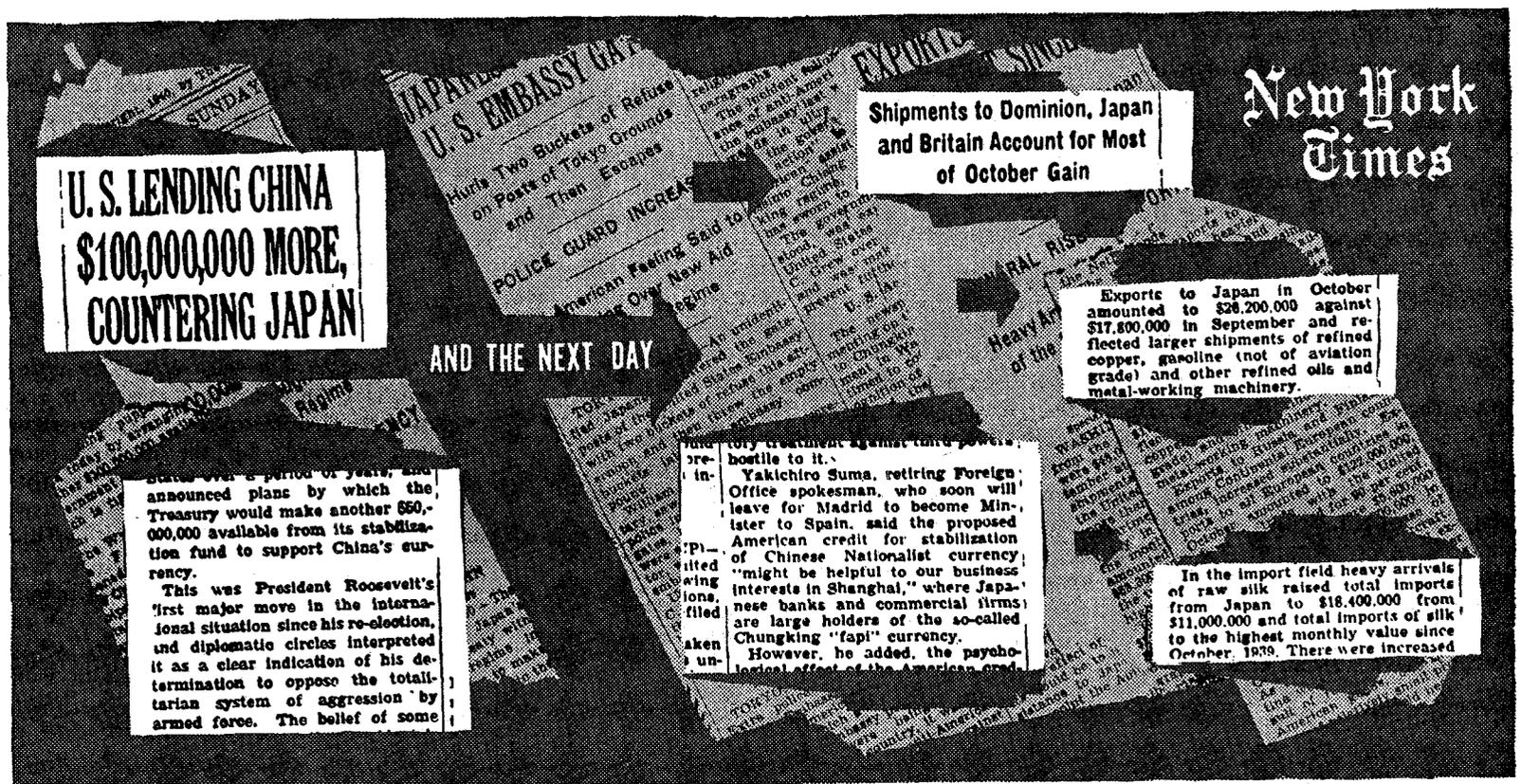
ments. An act of far-reaching significance for the future of Anglo-American relations, the deepest antagonism of imperialism, had taken place, as it were, on the back of the Anglo-German war.

EXCHANGE OF NOTES

The agreement of September 2 revealed a marked change from Anglo-American relations in the last war. In the last war also, the United States gave decisive help to Britain for the final winning of the war, in the ultimate interests of American world hegemony, although the Wilsonian dreams were never realized. But in the last war this help was given in return for promissory notes in the shape of a mounting gigantic debt. The United States was left with paper in its hands. In the first victorious years after the war the American bourgeoisie inflicted a severe debt settlement on Britain (far more severe than on any other European debtors), ignoring the protests of the Balfour note. But when the time came, the British government in practice repudiated the debt. This mistake has not been repeated by the American bourgeoisie in the present war. The initial supplies of goods

have only been given in return for solid cash and surrender of securities. And the price of the further agreement has been this time exacted in the shape of tangible cessions of territory; for, in spite of all the anxious denials of any change of sovereignty ("the British empire is not for sale," as the London *Times* editorial of September 4 found it necessary to insist), the lease for ninety-nine years is equivalent to cession.

A significant exchange of notes on August 29 preceded the agreement of September 2. The American Secretary of State, Cordell Hull, sent a note to the British ambassador on August 29, to inquire whether Mr. Churchill's statement in the House of Commons on June 4 that the British Fleet would not be scuttled or surrendered, but sent overseas to defend other parts of the empire represented "the settled policy of the British government." Lord Lothian replied in the affirmative. This exchange throws an illuminating searchlight on the political meaning of the agreement. The speech of Churchill on June 4 was the speech in which he held out the prospect of the British government abandoning Britain "subjugated and starving," and betaking itself



How to Read Your Morning Newspapers might be one title for the above clippings. An even better title might be: how to understand the government's foreign policy. Most Americans took it for granted that the hundred-million-dollar loan for China was, as the first clipping says, another "clear indication" of Mr. Roosevelt's "determination to resist the totalitarian system of aggression." But what are the facts? Half the loan consists of commercial credits, which mean little to China unless she can get munitions and airplanes. As things stand now, there is no indication that she will get them in any quantity. The other half of the loan is for currency stabilization, which is even more deceptive. Currency stabilization is of significance only for those Chinese whose wealth is expressed in currency, and who trade

abroad. They happen to be China's merchants and bankers, many of whom are the most wavering elements in China's united front, the least dependable for any struggle against imperialism. Our second clipping shows that the Japanese will also benefit from such loans since they have been speculating in China's currency, and control the coastal cities where much of this wealth is frozen. Then look at the third clipping, from the same newspaper the same morning. It shows that in the October trade figures, imports from Japan jumped to a new high, while exports rose by half to more than \$26,000,000! This is only for one month, but equals five times our trade with China. Is this not indeed a "clear indication" of the President's "determination to resist the totalitarian system of aggression?"

to the New World to carry on the struggle. It is sufficiently evident that this engaging perspective for the people of Britain—which it has since been endeavored to cover over with glosses and interpretations—would, in fact, mean that the refugee government of the British bourgeoisie, cut off from their main base of heavy industry and exploitation in Britain would become a satellite government dependent on the United States, and that the British empire would thus fall without a struggle into the lap of the United States. This is the perspective to which the United States government was concerned to tie down the British government in black and white before it would sign the agreement.

Does the agreement of September 2 constitute a final and decisive landmark in Anglo-American relations? Does it mean that the basic antagonism of world imperialism has been settled without a battle against the background of a different war, and that henceforth British imperialism passes slowly but surely into the orbit of the more powerful American imperialism? To draw such a conclusion would be premature. The general trend is evident and inescapable, with the relative weakening of British imperialism and the growing economic, financial, and, ultimately, political predominance of American imperialism. The British bourgeoisie has shown its accustomed political skill and flexibility in knowing how to adapt itself to such a situation, to make a virtue of necessity and to welcome the rising rival as an honored partner. *But the battle is not over.* The British ruling class is congratulating itself on the success with which, in a situation of desperate emergency, it has once again roped the United States into the war and secured its powerful aid to insure their victory and save their empire. Once the immediate danger is over they still count on being able to maneuver in the consequent situation and maintain their empire. The American ruling class is still divided, hesitant, and suspicious of being again fooled and taken in tow by the more adroit and experienced British diplomats. The economic conflict continues with undiminished intensity. The present agreement is by no means stable.

ALTERNATIVE TENDENCIES

The alternative tendencies in British policy, which have gone to ground for the moment and maintain a discreet silence in public, are by no means vanished or quiescent. Powerful forces of British monopoly capital, which had in the preceding years built up close relations with their opposite numbers in German monopoly capital, still see the future along these lines, once the present conflict can be overcome, and foresee intense economic conflict against American capital. The role of Hoare in Franco Spain; the Burma Road agreement and cordial interchanges with Japan at the same time as the United States was proclaiming its disapproval and disagreement; the cold hostility to the Soviet Union at the same time as the United States was negotiating a new

Soviet trade agreement; all these indicate the continuing alternative tendency. Nor has it failed to be noted that the Report of the Bank for International Settlements, issued on May 27, 1940, still contained the names of Montagu Norman, Governor of the Bank of England, and Dr. Funk, director of Hitler's economic policy, as joint directors, together with Van Zeeland as manager of the bank, and with two other German bankers, three Frenchmen, two Italians, a Dutchman, a Swiss, and a Swede as the other directors. The bank, this interesting joint report in the midst of war points out, "undertakes only such operations as are irreproachable from the point of view both of the belligerent and other countries. In December 1939 certain rules of conduct which the bank had as a matter of fact observed since the month of September were codified and brought to the knowledge of its clients."

The inner conflict of British policy is thus still in fact unresolved, although the present intensification of the war conceals for the time being the conflict. The Anglo-American agreement of September 2 has enormously intensified the war, and is likely to lead to its prolongation. The United States, which holds increasingly the whip hand, is the most interested in driving forward to the maximum and prolonging the European war. The Anglo-American agreement of September 2 was immediately followed by Hitler's speech of September 4 announcing the beginning of intensified air warfare. The agreement made it essential for German imperialism to strike quickly before the full weight of American participation should be able to take effect and seal the fate of German prospects. But the intensified air warfare by no means excludes the renewal of the peace offer; on the contrary, it bears also the character of an extreme form of pressure toward the aim of a speedy settlement. The maneuvers of diplomacy on both sides, and the most violent extension of the war go hand in hand. But the whole logic of the conflict, the depth of the antagonisms, and the issues at stake drive forward the rulers, even in the face of their own hesitations and anxieties before the suicidal consequences of their own policies, to continuously deepened, extended, and protracted

war without end or issue, until such time as the people themselves take their fate out of the hands of their rulers. The necessity of such independent action of the British people becomes more urgent with every further development of the war. No section of the ruling class can offer any way of hope for the people. Both the main lines of policy and orientation within the ruling class are disastrous from the standpoint of the interests of the people. Both mean limitless economic burdens and the vista of unending war. Both mean the counter-revolutionary front of capitalism against every movement of liberation, against socialism and the labor movement, and against the Soviet Union. It is not true that the choice before the British people is confined to the rival reactionary policies of the ruling class. On the contrary, there remains the third alternative—the path of real independence of the British people, of independence from all imperialism, of fraternal unity with the working people of all countries in the struggle for liberation, and the winning of peace on this basis.

THE WAY FORWARD

Such independence requires as its condition the independence of all the subject nations of the British empire—an emancipation that means the freeing, not only of the colonial peoples, but of the British peoples. It requires the ending of the system by which the people are required to bleed and sacrifice in order to defend and maintain the world possessions and exploitation of their masters.

The mass campaign which has developed especially in London from the conditions of the intensified air war and the fight for the protection of the people, the sharpened class consciousness, and struggle against the government whose callous neglect of the people is exposed, and the consequent awakening realization of the character of the war, have shown the way forward. All the many disparate channels of discontent need now to be gathered together into a powerful, united movement against the government of imperialism and for a new government of the working people, alone capable of protecting their interests and leading the way to peace. This aim is expressed in the aim of the People's Convention in January 1941, the call for which has now been issued. The conditions of agitation and organization in the coming months are caught up in the maelstrom of war and will have to face many difficulties. But the way of united action and struggle for their own interests and their own aims remains the only way forward for the people. The old order is engaged in dynamiting its own foundations along with the people whose fate has been cast to be born within it. The way is opening for the people to strike out for their own deliverance. That way forward must be and will be found in the face of all obstacles, and will finally prevail against all the forces of reaction and destruction which are at present kindling the fire of the old order.

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