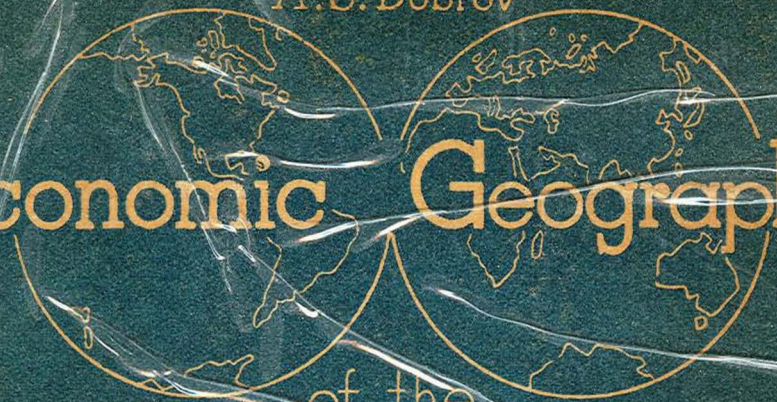
TEXTBOOK FOR MIDDLE SCHOOLS

A. S. Dobrov



Economic Geography of the Capitalist Countries

A.S. DOBROV

ECONOMIC GEOGRAPHY OF THE CAPITALIST COUNTRIES

TEXTBOOK FOR MIDDLE SCHOOLS

9th Class

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I. INTRODUCTION

GENERAL PROBLEMS

§ 1. Levels of development of the different countries and their roles in the capitalist world

Differences in level of development

The countries of the capitalist world differ greatly from each other. Suffice it to mention the very different United States, Poland and China. The United States is a powerful imperialist state, with a large-scale, highly-developed industry that has great relative weight in the world's total output (90 per cent of all automobiles, 60 per cent of the total machinery output, 50 per cent of the steel and copper) having a capitalistically developed agriculture profoundly influences a whole series of countries.

Poland, on the other hand, is a country having comparatively little large-scale industry, a well-developed petty handicraft, a backward agriculture, with gentry landownership and marked survivals of feudalism, a considerable landless peasantry, and political dominance of the landlord class.

China represents another type: a country in bondage to foreign capital, having large-scale industry only in embryo, having an exceptionally backward agriculture featured by serf-like status of the peasants, and having a backward political order dominated by semi-feudal landowners.

The enslavement of some countries by others

Unevenness in the social-economic levels of different countries is the result of their differing *historical* conditions. One of the most influential of these conditions has been the conquest of one state by another, opening up for the conqueror the possibility of building up its economy on the basis of the despoliation and exploitation of the

conquered. The modern European imperialist countries are indebted the foundation of their economic might mostly to their seizure the lands of other countries and conversion of them into enslaved colonies.

These seizures and the enslavement of other countries by European governments, began as far back as the fifteenth century, at the very beginning of capitalist development, when navigators and merchants quest of profit, organized voyages to distant lands, gained mastery the ocean highways, and opened up a whole series of new lands.

As Marx pointed out, "the discovery of gold and silver in America, extermination, enslavement and burying in the mines of much native life, the first steps in the conquering and plundering of the East Indies, the changing of Africa into a field of slave-running—such was the morning dawn of the capitalist era of production. These idyllic processes were the chief steps in primary accumulation. Colonies afforded markets for the new industrial establishments. Treasure from beyond the European borders gained by plunder, native enslavement, murder flowed to the home country, and was there transformed into capital".

In the present-day imperialist epoch, the exploitation of the many-millioned colonial population is manifested in the export of capital to the colonies, and the establishment there of capitalist enterprises, in the taking away from the natives their basic means of production, in the taxation system, in the use of compulsory labour, and in sharp trading practices.

Export of capital as a form of exploitation

By the export of capital we understand the transfer of capital from the country where it was accumulated to another country with the aim of extracting surplus value, but the owner of this capital does not accompany his capital. The export of capital is accomplished by means of making investments in the economy of the other country, in its industrial and trading enterprises, its agriculture, its transport, its banks, and by making loan, etc.

Export of capital is directed to those places where the capitalist thinks there will be the highest and most assured profits. The investment of capital in colonial and dependent countries, bringing, as Lenin remarked, "especially rich and especially easy profits", is invested, as a general rule, in agriculture in planting—of cotton, rubber,

coffee, tea, and sugar cane plantations; in mining of oil, gold, copper, tin, lead and zinc, etc.; in transportation, trading enterprises and loans. Foreign capital in the colonies is not usually invested in manufacturing enterprises, but not in the heavy branches of industry such as metallurgy and machine building, which are the bases of industrialisation. Due to this, as we shall see later, the economic development of the colonies was dwarfed, industrialization hindered, and the colonies kept in dependence upon their metropolis.

Payment balance

The export of capital is one of the chief elements of the payment balance of the country, that is the plus or minus balance between the amounts going out of the country for various purposes, and the amounts coming in from abroad. The principal items of the payment balance are the following: import and export of capital, interest paid on imported capital and interest received on exported capital, costs of importing goods and profits derived from the export of goods, transport income and expense, selling and financing commissions, and money derived from tourists. If the sum of receipts from abroad exceeds the payments abroad then the payment balance is called active; in the opposite case it is called passive. Before the crisis the large imperialist countries (England, USA, France) usually had active payment balances, in which the very considerable export or capital and the passive trade balance (excess of imports over exports) were covered by receivable interest on previously exported capital and by shipping revenues and commissions. Colonies and dependent countries, on the other hand, have interest payments to make abroad on account of foreign capital. This is covered by exporting more goods than are imported (producing an active trade balance), and also by the inflow of new foreign capital investments.

The income from previously exported capital is of huge volume. For instance, English investors in 1929 received 3.3 billion gold roubles from this source. These amounts are received by capitalists who are not connected with industry, and they are called rentiers. The growth of this parasitic rentier class changes the role of the old capitalist countries (for instance England and France) into that of rentier countries, and is one manifestation of the decay of capitalism.

The methods of exploitation of colonies as markets and as raw material bases

With the export of capital to the colonies and the taking of huge super-profits, is connected the exploitation of the colonies as raw material bases and as markets for goods. This exploitation demands the substitution of capitalist economy for natural economy bases for the reason that the natives living under natural economy (not producing for the market) do not need to hire themselves out to the mines and plantations, and do not buy import goods.

Therefore foreign capital destroys natural economy and establishes capitalist money relations, for the purpose of securing workers for their industries and purchasers for their goods. For these purposes they use a variety of methods: a) they dispossess the natives of their basic means of production—land (in many cases this takes the form of transferring the natives to poorer lands, of depriving them of irrigation rights, and of access to forests); b) they impose a whole series of money taxes—head taxes, hut and land taxes, taxes on cattle and on incomes special taxes for the army, for the building of roads, for artificial irrigation, for upkeep of hospitals.

The natives ruined by these methods are forced to sell their labour power to the mines and plantations, and to take part in capitalist exchange of commodities. Their need forces many of the natives to sign long-term labour contracts, which virtually enslave them.

Sometimes when this economic compulsion does not give quick enough results and there is a shortage of labour power, the capitalists resort to direct physical compulsion.

These methods of introducing capitalist relations into the colonies, or as the imperialists put it "accustoming the natives to labour" lead not only to cruel exploitation of the colonial population but are themselves forms of exploitation.

Inequitable trading is added to these methods. It consists in that foreign capital having a monopoly of the foreign trade of the colonies sells there the products of its industry at high prices, using its monopoly situation, and buys up valuable colonial agricultural and mineral raw materials and foodstuffs at low prices. To get a complete picture is necessary to bear in mind the unbounded arbitrariness of the colonial administration which increases the weight of the imperialistic oppression.

Foreign capital in subordinating colonial and dependent countries makes use of native exploiting classes: semi-feudal owners, traders

and money lenders, as allies and intermediaries.

Irrationality and antagonism in the geographic distribution of world capitalist economy as a result of enslavement of the colonies

The dominance of foreign capital in the colonies and the dependent countries reflects strongly upon their economic development and upon the geographic distribution of world capitalist economy. This geographic distribution becomes *irrational* and *antagonistic*. On the one hand, we see imperialist countries, manufacturing for export with imported raw materials and sometimes even with imported fuel. On the other hand, we see colonial and dependent countries products developed into one sided agrarian and raw material appendages of the dominating powers. Prevented from industrializing (often despite the fact that they possess raw material) they have to import industrial fuel and even some agricultural commodities. England, for example, a great industrial country, with enormous colonies, has the largest cotton industry in the world, and a large-scale metal industry. The cotton industry sends 75 per cent of its production abroad (to India, China, Africa). At the same time it brings raw cotton and wool from abroad (India, China, Egypt, the USA). The English metal industry exports 30 per cent of its production, and imports the raw materials—part of the iron ore and the non-ferrous metals—copper, tin, zinc, lead, nickel—from the parts of British Empire colonies (Newfoundland, Canada, Malay, India) and other countries (Sweden, Spain, USA, Bolivia). England imports 75 per cent of her bread, meat, and dairy products. The industry of Japan, Italy and Holland is on the same basis. China, India, Indochina, Indonesia, Algiers in North Africa, and Brazil in South America, on the other hand, are rich in iron are, some of them have coal (China, India), oil (Indonesia), tin (Indochina) and so on. They are also producers of agricultural raw materials (cotton—India. China; rubber— Indochina, Indonesia, Brazil). But they have no machine-building industry of their own and almost no metallurgy. Some of them have now some branches of light industry such as textile manufacturing (China. India, Brazil), insufficient however to meet their full needs, or they have branches that are merely auxiliary to the export of their raw materials—tea drying, cotton cleaning, in India and China: coffee processing in Brazil and so on.

Specialisation of the colonies on a single crop

The one-sided economic development of the colonies and of the dependent countries is often aggravated by their specialisation on one crop-manufacture—or on one branch of extractive industry: coffee is 70 per cent of the export of Brazil, 79 per cent that of Columbia; sugar is 88 per cent of the export of Cuba; cocoa 50 per cent of the export of Ecuador; cotton 88 per cent of Egypt's export; rubber—58 per cent from the Malay States; petroleum 43 per cent of Mexican export and 41 per cent of Venezuelan, tin is 76 per cent of the export of Bolivia, and so on.

Sharpening of the contradictions and unevenness in the tempo of development in the epoch of imperialism

In connection with the described geographic distribution of world capitalist economy and the exploitation of the colonial and dependent countries it should be noted that this leads to struggles with the imperialist powers, and to struggles between the imperialists themselves. They compete among themselves for the seizure of colonial markets and for export of capital, or raw material bases, and markets for manufactured goods.

The imperialist rivalries sharpened about the beginning of the XXth century, when, on the one hand, the greatly increased productive forces called for wider markets and extended raw material bases and the great accumulations of capital sought new territories for their application, and when, on the other hand, the division of the world was already an accomplished fact, there being no more territories lying loose, any seizure now is in the nature of a redivision of the world. As a result of this struggle, which sometimes blazed up into war, the tempo of the development of the capitalist countries showed very great differences. Some of those which began their development late (USA, Germany), overtook and outstripped the old industrial countries such as England.

To the previously existing unevenness in levels of development is added unevenness of tempo, development by jumps. From this unevenness there follows the possibility foreseen by Lenin of the triumph of socialism at first in a single or a few capitalist countries—the possibility of breaking the chain of imperialism at its

weakest link.

Thus, "the law of uneven development in the period of imperialism indicates the jump form of development of some countries in relation to others, a rapid displacement from the world market of some countries by others, periodical re-divisions of the already divided world by military clashes and catastrophies, the deepening and sharpening of the conflicts in the camp of imperialism, the weakening of the front of world capitalism, the possibility of the breaking of this front by the proletariat of other countries, the possibility of the triumph of socialism in single countries" (***Stalin**, Once More About The Social-Democratic Deviation In Our Party).*

Scheme of classification of the capitalist countries

From the foregoing it follows that in studying the countries of the capitalist world it is impossible to put them in one group. It is also impermissible merely to classify them as industrial and agrarian countries, as some bourgeois economists do. This tends to obscure the irrationality and the antagonism in the geographic distribution of capitalist economy, to keep under cover its exploiting nature and its inner contradictions.

The scheme of classification of the capitalist countries adopted by the VIth Congress of the Comintern (in 1928) divides them into three principal groups according to the level of the social-economic development: 1) countries of highly developed capitalism, or of high capitalism; 2) countries with a middle level of development of capitalism, and 3) colonial, semi-colonial, and dependent countries.

The first and second groups are also divided into: a) powerful imperialist countries, the so-called Great Powers, b) countries playing a secondary part in the imperialist system and c) self-governing Dominions.

Countries of highly developed capitalism

1. The countries of highly developed capitalism are characterized "by great productive forces, by a high degree of centralized industry comparatively small importance of petty economy, and a long established bourgeois-democratic order."

In these countries the programme of the Comintern aims directly at the establishment of the dictatorship of the proletariat, followed by

nationalization of all large-scale industry, and the organization of many state farms, sovkhozes, with a concomitantly reduced allotment of land to individual peasants. Here account is taken of the fast tempo of socialist development as a whole, and of agriculture in part. The countries of high degree capitalism are: a) the powerful imperialist countries—USA, Great Britain, Germany, France; b) the countries playing a secondary role in the imperialist system—Holland, Belgium, Switzerland, Sweden, Austria and Czechoslovakia. Norway and Denmark are close to the high level of development; c) the self-governing: dominions of Canada and Australia are also close to the high level of capitalist development. The secondary imperialist countries depend to a certain extent on the capital of the Great Powers, as for instance Denmark and Holland on England; Belgium, Czechoslovakia on France.

Countries with a medium level of capitalist development

2. The countries with the medium level of development of capitalism are characterized by extensive relics of semi-feudal relations in rural economy by having a certain minimum of material prerequisites essential for socialist construction, but have not completed their bourgeois democratic reformation. Foreign capital plays an important part in the countries of this group. They have varying degrees of dependence upon the countries of highly developed capitalism.

The programme of the Comintern recognizes that in these countries the socialist revolution may develop in different way. In some, “the dictatorship of the proletariat may not come at once but in the process of overgrowing from democratic dictatorship of the proletariat and peasantry to the socialist dictatorship of the proletariat”. The major role, and in some cases the decisive one, will be played by the agrarian revolution—the revolution of the peasant masses, whereas a considerable part of the confiscated land of the landlords will go to the peasants. The most important task of socialist construction will here be the collectivization of peasant farming. The general tempo of construction of socialism in these countries will be rather slow.

The countries at a medium level of capitalist development are: a) among the powerful imperialist countries (Great Powers)—Japan, and Italy; b) among countries playing a secondary part in the system of

imperialism— Poland, Rumania, Spain, Portugal, Hungary, Yugoslavia, Bulgaria, Greece, Finland, Estonia, Latvia, Lithuania, Turkey; c) among British Dominions— Irish Free State, New Zealand, Newfoundland.

Dependent, semi-colonial and colonial countries

3. The dependent semi-colonial and colonial countries are characterized by a certain embryonic and sometimes by a considerable development of industry, insufficient, however, for independent socialist construction, by predominance of medieval feudal relations, both in their economic life and in their political superstructures; and finally, by concentration in the hands of foreign imperialist groups of the more important industrial, trade, and banking enterprises, of the major transport facilities, large land holdings, plantations and so on.

The programme of the Comintern states that "the central revolutionary task here is the struggle, on the one hand, with feudalism, with pre-capitalist forms of exploitation, and the progressive development of the peasants' agrarian revolution, on the other hand, the struggle with foreign imperialism for national independence." As a rule, the transition to the dictatorship of the proletariat will be possible here only after some preparatory steps, as a result of the whole overgrowing of the bourgeois democratic revolution into a socialist revolution. Successful socialist construction will only be possible, in the majority of cases, by the direct aid of countries under proletarian dictatorship.

This group is divided into three sub-groups: a) colonial, b) semi-colonial and dependent countries, and c) colonized districts and dominions.

The colonial countries, or colonies, are subordinated to the imperialist countries in their economic and political relations. Most of them are formally annexed to the imperialist countries. They are *colonies* in the exact meaning of the word. In some other colonies the dominating country recognises the native rulers, but announces itself as a "protector". The announcement of protection is considered as a declaration of the rule of the imperialist power. Such colonial countries are also called *protectorates*.

Colonial countries, which changed hands as a result of the World War (the former German colonies in Africa, islands of the Pacific Ocean, and the former holdings of Turkey—Syria and Palestine) did

not do so by being formally annexed to one of the conquerors, but by the conquerors being given a "mandate" by the League of Nations. These countries are called mandatory.

Some of the colonial countries, Egypt and Iraq, were recognized as "independent" countries, in spite of the development of national emancipation movements, which threatened the power of the English overlords. Treaties were concluded with England, —formally giving her control of the economic and political life of the country and the right to station troops there.

The semi-colonial and dependent countries are officially considered to be independent countries, but this independence is only formal—legal—really they are subjugated to foreign capital, economically and politically. Lenin called these countries "transitional forms", "middle" between the independent capitalist countries and the colonies. "Financial capital is such a decisive force in all economic and international relations, that it can subjugate, and actually does subjugate even countries which have complete political independence. It is understood that financial capital finds more convenience and profit in such dependence, which is connected with the loss of political independence of the subjugated countries and people. Semi-colonial countries typical as "middle" in this regard". (*Lenin*, Complete Works, Volume XIX, page 136).

The situation of colonized districts is different from the situation of the colonial and semi-colonial countries. The colonized districts become places of mass immigration from the European capitalist countries, and they become a continuation of the capitalist system of the metropolis. The bourgeoisie from the metropolis is nothing else but a colonial extension of the bourgeoisie of the metropolis. "Some of the colonized territories belonging to Great Britain have attained self-rule. They are called Dominions and according to the Comintern theses are "equal or nearly equal members of that imperialist system." As to the level of development they are near to the countries with a middle level, and some (Canada and Australia) are near to the countries of highly developed capitalism.

As the Comintern's programme pointed out, among the colonial countries are backward countries, where there are no hired workers, where the majority live under tribal conditions, where there is no national bourgeoisie and where the imperialist country plays the part of military occupant, taking away the land. Those countries, which have hardly started on the path of capitalist development can skip that stage of capitalism. They can develop towards socialism on conditions:

1) that they make a successful struggle with foreign capital for national liberation and 2) that they receive help from the countries of proletarian dictatorship. Among the particularly backward countries are some of the African colonies.

In this group of dependent, semi-colonial and colonial countries are: a) dependent and semi-colonial countries: in Europe—Albania; in Asia—China, Siam, Persia, Afghanistan and the countries of Arabia; in Africa—Abyssinia, Liberia; in America—Argentina, Brazil, Chile, Uruguay, Paraguay, Bolivia, Peru, Venezuela, Mexico and others; c) colonies in Asia—India, French Indochina, the Island of Ceylon, Cyprus, Syria (mandate country), Palestine (mandate country), Iraq (controlled country), in Africa—Egypt (controlled country), Anglo-Egyptian Sudan, Uganda; Tanganyika (mandate country), Rhodesia, South-West Africa (mandate country), the Island of Madagascar, the Belgian Congo, Togo and Cameroon (mandate countries); French Equatorial Africa, Morocco, Tripolitania and others; in America—Guiana, Honduras, and .a number of West Indian islands, Oceanic islands.

Uneven development of regions

Along with the unequal development of some countries we see unequal development in the regions within these countries. For instance, examining the economy of capitalist Russia: a) the best developed industrial regions were—the Central (now Moscow and Ivanovsky districts and a part of the Gorky region), Leningrad, and the South (Donbas-Kharkov); b) the agrarian regions with strong survivals of serfdom were the Central Black Earth region, the right bank of the Ukraine; c) Agrarian districts with capitalist kulak agriculture were the Ukrainian steppes, North Caucasus, the left bank of the Volga, West Siberia; d) regions of colonial type were middle Asia, Transcaucasus; e) little explored regions were the Far North, Eastern Siberia. All these groups are very different from each other in level of capitalist development and industry. And therefore their preparation for the revolution and socialist construction are also different. Similar differences we see in the USA. In the East is concentrated most of the industry of the country. It is characterized by a high level of capitalist development. The South is a backward agricultural region with great survivals of pre-capitalist slave-holding economy.

All this shows that only by taking in consideration the geographical distribution of the national economy and

social-economic differences between different parts of a country we get a full picture of its economy, level of its capitalist development, and social structure.

§ 2. The division of the world

As we have noted, the seizure of colonies which began in the XVth century became feverishly rapid in the last quarter of the XIXth century. Within thirty years it was completed. (Note the division of Africa, fig 1.) By the beginning of the XXth century there were no more "nobody's land". The whole world came to be divided among the imperialist powers; and all future changes will be repartitions.

Speaking of the territorial division of the world in the epoch of imperialism Lenin in his work "*Imperialism as the Highest Stage of Capitalism*" gave the following facts about the growth of colonial possessions from 1876 up to 1914.

Colonial possessions of	1876	1914
England.....	22.5 mill. sq. km.	33.5 mill. sq. km.
Russia.....	17.0 " " "	17.4 " " "
France.....	0.9 " " "	10.6 " " "
Germany.....	— " " "	2.9 " " "
USA.....	— " " "	0.3 " " "
Japan.....	— " " "	0.3 " " "
The colonies of six Great Powers.....	40.4 mill. sq. km	65.0 mill. sq. km.
The colonies of other powers (Belgium, Holland and others).....		9.9 " " "
Semi-colonies (Persia, China, Turkey).....		14.5 " " "
Total colonies and semi-colonies.....		89.4 mill. sq. km.

From the table we see that for the first 37 years of imperialism the colonies of the Great Powers increased more than one hundred fifty per cent.

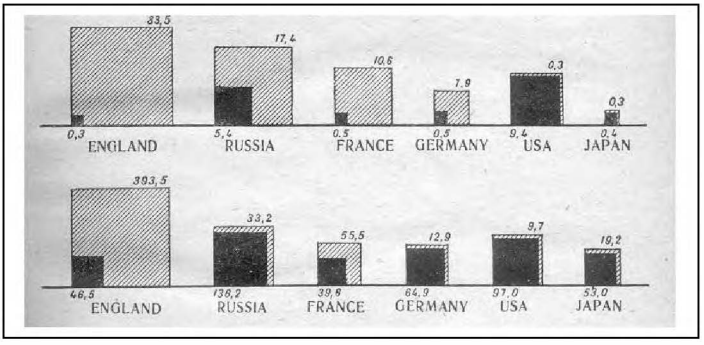


Fig 1. The territory, population and colonies of the Great Powers before the World War.
(black square—means metropoly, striped part colonies).

They occupied together with the colonies of the smaller imperialist powers and together with the semi-colonies 89.4 million square kilometres, 66 per cent of the land of the globe (133.9 million square km.). The rest, 34 per cent, was occupied by territories of the Great Powers themselves (16.5 million sq. km.) and by other independent countries (28 million sq. km.).

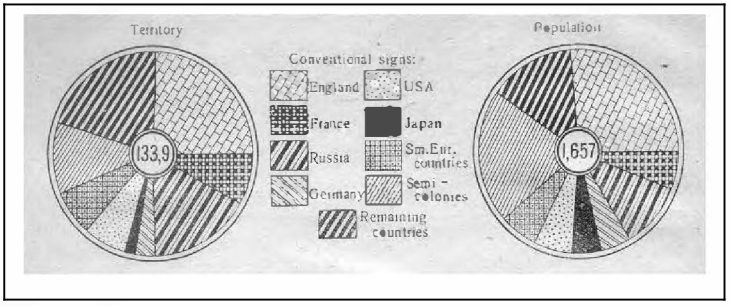


Fig 2: The distribution of the globe between the Great Powers up to 1914.

As Lenin pointed out: "Financial capital has added to the numerous 'old' motivations of colonial policy the struggle for raw material sources, for export of capital, for 'spheres of influence', i.e. spheres for business deals, monopoly profits, etc., and for economically valuable territory generally. When for example the European powers held as colonies only about one tenth of Africa, as they did in 1876, then the colonial policy could not develop

monopolistically, according to the type of the so-called, freely-seized, occupation of lands. But when nine tenths of Africa had been seized (by 1900) when the whole world was divided, inevitably there came the era of monopolistic possession of colonies and consequently, of extremely sharp struggle for division and redivision of the world."

The World War of 1914-1918 resulted from the desire of great imperialist powers for a repartition of an already divided world. There took part on, the one hand, the powers of the so-called "Entente"—England, Russia, France—together with their allies,—Italy, Japan, USA, Belgium, Serbia, Rumania, Greece, Portugal; on the other hand, were the Central Powers—Germany, Austro-Hungary and their allies—Turkey and Bulgaria.

The war sharpened the class struggle, resulting in a revolutionary movement in Europe and in the colonial countries. The very weakest link in the imperialist chain—the tsarist Russia, the imperialist front—was broken. The October proletarian revolution divided the world into two camps: the old capitalist and the new socialist. On the capitalist side the war ended in 1918 with the defeat of Germany and its allies. They concluded a treaty which was signed in Versailles, near Paris. The Versailles treaty with a number of supplementary treaties (Trianon, St. Germain, Lausanne and others) altered the political map of the world especially that of Europe.

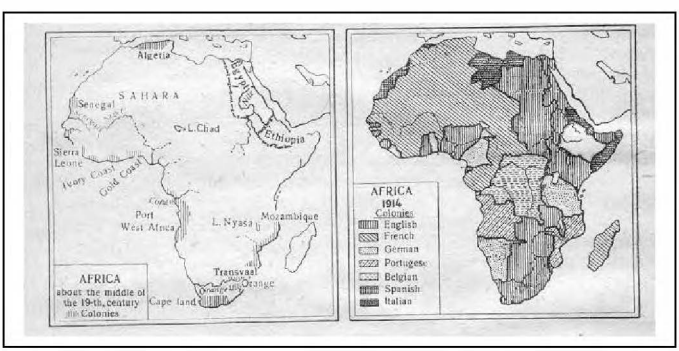


Fig 3: The division of Africa

This alteration, forced by the victors, had the following aims: 1) to weaken the economic and political strength of the defeated countries, especially of Germany, as much as possible; 2) to make a number of small economically and politically backward countries, which would be dependent upon the chief imperialist countries and would be weapons

of their policy in Europe; 3) to establish a number new capitalist countries on the frontier of the USSR. These countries were to be "a sanitary cordon against the bolshevist danger", and to facilitate preparations for an attack upon the USSR.

§ 3. General crisis of the capitalist system

Imperialism as the monopolist and last stage of capitalism

About the beginning of the XXth century world capitalism actively developed from the stage of industrial capitalism into the higher stage of imperialism. "When the monopolies and financial capital became interlocked, the export of capital came to be of outstanding importance, and the division of the whole territories between the greatest capitalist countries began. The economic principle in this process is the change from capitalist free competition to capitalist monopolies. Free competition... has given way to monopoly before our eyes, evolving large scale production, pushing out the small producers, substituting for the large the still larger, bringing the concentration of production and capital to such an extent that monopoly has grown and grows from it. Cartels, syndicates, trusts are formed, and the combining with them of capital of a certain score of banks controlling billions. At the same time the monopolies originating from free competition, do not abolish it, but exist over it and side by side with it, giving by this life to a series extremely sharp and great contradictions, frictions and conflicts" (*Lenin*, *Imperialism*). Lenin briefly designates imperialism, as the monopoly stage of capitalism.

The monopoly stage of capitalism is its *last stage*. In the stages of monopoly capitalism there are the prerequisites of a social order of socialist principles. The pre-requisites are the following:

a) A high degree of centralization of production, especially noted in the power production: substitution of electrical energy for other forms of power; ability to transmit high pressure current long distances, machinery already considerably automatised—all these circumstances create the physical possibilities, under socialism, for uniting all industries in a unitary system directed from the centre, b) A highly trained socialized labour force, grouped in gigantic enterprises,

employing hundreds of thousands, and producing a tremendous volume of output. c) A large well-organized working class party experienced in the class struggle and having definitely as its aim the replacing of capitalism by socialism.

These prerequisites for socialism originating within the framework of monopolistic capitalism are one of the contradictions of the capitalist order. Despite the technical readiness for it, planned centralization of production cannot be achieved because of the existence of private property in the means of production, and because of competition (witness for instance the failure of the Oliver plan for the establishment of an all-European network of high voltage electric power lines, at the Second International power Conference in 1930). Modern industry has huge productive possibilities, but can only partly use them. The numerous working class receives only part of the value of its labour and can only buy to that extent. The owners of the means of production, the capitalists, in numbers a relatively small class, are unable themselves to consume the mass of products that remain in their hands. The examples we have given illustrate the main contradiction of capitalism—*that between the socialized nature of production and the private form of ownership and appropriation*, becomes sharper in the epoch of imperialism. This contradiction can be liquidated only by the liquidation of capitalism itself. The sharpening of this contradiction intensifies the rivalry among the capitalist monopolies of the world, hinders further development of the productive forces, increases economic exploitation and political and national oppression in the imperialist and still more in the colonial countries, and leads to the growth of the revolutionary movement all over the capitalist world. Thus, imperialism is a decaying capitalism, the eve of proletarian revolutions.

General crisis of the capitalist system

The World Imperialist War, as pointed out by the Comintern: "shook the whole system of world capitalism and laid the basis for the general crisis. World history entered a new phase of its development, a phase of continual general crisis of the capitalist system".

The dearest manifestation that capitalism has come to a general crisis is the breaking away from it of one sixth of its world, as a result of the proletarian revolution in Russia. The formerly single dominant capitalist economy has changed to two opposing systems: socialist economy, working rapidly towards a classless society, planned and

organized, not knowing inner contradictious and crisis, that has already achieved phenomenal successes in the development of the new economy. The capitalist system, paralyzed, planless, torn by inner contradictions, in a state of crisis and decay. The existence of the USSR shakes harder the already tottering bases of the capitalist world. The very existence of a country of proletarian dictatorship, successfully constructing a socialist society, serves as an example to the toilers of the imperialist and colonial world, and is contributory to their radicalization. Besides this, the imperialists lost the market and profitable place for investment of capital that they had in tsarist Russia, which also served to sharpen the crisis. These two systems are in deadly conflict, and the most intense struggle in a great variety of forms goes on between them. Besides the struggle of the two systems there are sharp contradictions within the capitalist system itself. These are: economic. and political conflicts among the imperialists, which will lead to new wars; conflicts between the colony holding countries, and the colonial and semi-colonial countries, stimulating revolutionary movements in the colonies; and conflicts between bourgeoisie and proletariat in each country, leading to the rapid growing of the world proletarian revolution. The general crisis of capitalism sharply increases the unevenness of development of the various countries and economic branches. The general tempo of development is slowing down. Some countries and branches of industry are at a standstill, and some even in decay. Not all the achievements of technique are utilized, industrial enterprises are not working full time, unemployment has become enormous, and some of it even permanent.

The increasing of these contradictions indicates the sharpening of the basic contradiction of the capitalist order—*between the social form of production and the private form of appropriation*. The essential fact in the general crisis of the capitalist system is the unprecedentedly acute sharpening of this basic contradiction. The general crisis shows the deathly illness of capitalism.

The world economic crisis, 1929-1934

In 1929 the already ill capitalism received a new shock—the world economic crisis. As Comrade Stalin pointed out in his report to the XVIth Congress of the Party: "The present world economic crisis is a crisis of over-production. This means that more commodities have been produced than the market can absorb. It means that more

textiles, fuel, manufactured goods and foodstuffs, have been produced than can be bought for cash by the main consumers—the mass of the people—whose income remains at a low level. And as the purchasing capacity of the mass of the people living under capitalism is inadequate to move the goods, the capitalists put the "surplus" commodities, textiles, grain, etc., in storage, or even destroy them, in order to maintain prices. They reduce production, dismiss their workers, and masses of people are forced to suffer privation because too many commodities have been produced".

Economic crises (those of over-production) took place in the capitalist economy in the pre-imperialist epoch, recurring every 8-10 years. The basis of the crisis always lay in the afore-mentioned contradiction between the social character of production and the capitalist form of appropriation of the products of production. "In order to win in the competition game, and to squeeze out more profits, the capitalists are forced to develop technique, to apply rationalization, to intensify the exploitation of the workers, and in general to raise the productive capacity of their undertakings to the extreme limit... But the consuming market, home and foreign, the purchasing power of the millions of workers and peasants who in the last analysis are the basic purchasers, remains at a low level. Hence crisis of over-production... If capitalism could adapt production, not to the acquisition of the maximum of profits, but to the systematic improvement of the material conditions of the mass of the people, then there would be no crisis. But then, also capitalism would not be capitalism. In order to abolish crises, capitalism must be abolished. Such is the general basis of economic crisis of over-production" (*Stalin*).

The economic crisis that began in 1929 affected all the countries of the capitalist world—affecting both the industrial and agricultural economy. Such a spread of the crisis give it a world character and emphasize its severity.

But the main peculiarity of the present economic crisis in comparison with former crises, is that it originated and has developed on the background of the general crisis of the capitalist system. In other words, the usually passing malady of an over-production crisis struck not at the body of an otherwise healthy capitalism, as it did before, but at a capitalism already sick to death. Such conjunction accounts for the prolonged character and great depth of the present crisis.

Hard competition of capitalist monopolies intensifies the unevenness. Some countries were affected by the crisis earlier, others

later. Some were hit harder than others. Some industrial branches are in decay, others at a standstill. A third group mostly those producing war materials, is, on the other hand, intensively developing. Some countries are crowding the others out of stands long occupied by them in world production, in foreign markets and in foreign investment opportunities. Such unevenness reflects the imperialist struggle, and is determined by a complicated knot of points. These are distribution of colonies, living standards of the different workers (explained by historic, economic and other factors) stage of monopolistic development reached in the different countries, convenience of geographical locations, the level of development of military forces, etc.

The conjunction of economic crisis with general crisis of the whole capitalist system, does not necessarily mean however, that capitalism will automatically go finally down under the burden of its economic contradictions. It does mean, however, the early coming of "operative interference", which according to Lenin is "a mass forced militant solution of the crisis". It may also mean on the part of the bourgeoisie, attempts to solve the crisis by resort to fascism, to imperialist war or to counter-revolutionary war against the USSR. On the part of the proletariat it means revolution.

II. THE COUNTRIES OF EUROPE

1. GREAT BRITAIN

§ 1. Physical-geographical outline

Geographical location

The British Isles lie in the north-western part of the continent of Europe. They consist of two main islands *Great Britain* and *Ireland* and a series of small islands (the *Hebrides*, the *Orkney* Islands, the *Shetland* Islands, the *Channel* Islands, and the Isle of *Man*).

The Atlantic Ocean, the great sea highway between Europe and America, laps the British Isles west and north. On the east the North Sea separates Great Britain from Germany and the countries of North and East Europe. In the south the Strait of Dover and the English Channel separate the British Islands from France. The waters that lie between Great Britain and Ireland are known as the Irish Sea, North Channel and St. George's Channel.

The coasts of Great Britain are much indented by inlets and river estuaries, convenient for navigation. There is not a point in Great Britain and Ireland that is more than 120 km. from the sea. The rivers are full and do not freeze up. The ocean tides flood in and permit sea going steamers to go relatively far inland.

From the south-west part of Great Britain there jut into the sea two peninsulas—Wales and Cornwall.

The composition of Great Britain

The government of the British Isles is named the "United Kingdom of Great Britain and Northern Ireland", and includes the following parts: 1) England itself, occupying the southern and middle sections of the island of Great Britain: 2) Wales—occupying the Welsh peninsula on the western coast of England; 3) Scotland, occupying the northern section of Great Britain; 4) Northern Ireland[1] occupying the

[1] The remaining part of the island became a dominion called the Irish Free State.

north-eastern section of the island Ireland.

Surface

The surface of Great Britain is on the whole a plain, slightly above sea level, broken by chains of hills.

The western coast-line of England is mountainous. Cambrian Mountains Cover almost the whole area of the Welsh peninsula, in the northern section reaching the height of a kilometre. In the north of England, run the low Cheviot Hills separating England from Scotland. Running south is the Pennine Range, the "back-bone" of north and central England.

Scotland is divided into the North Scotland Highlands, the Grampian Range; and the South Scotland Uplands which merge into the Cheviot Hills on the Scotch-English border.

Minerals

The low mountains and hills of Great Britain have considerable mineral deposits, coal and iron ore. Coal and iron ore are found in the same region, very often in the same beds, deposited not too deeply and usually near a sea coast. All this led to the development of the metallurgical industry in the XIXth century. The resources of coal in Great Britain are comparatively large, 189.5 billion tons. English coal is of a particularly high quality. Much of it is excellent coking coal, utilized in metallurgy. Most of the remainder is anthracite, containing great heat values and used for heating purposes. The deposits of iron ore are estimated at 5.9 billion tons, i.e., 7.3 per cent of the world's known resources. They are now approaching exhaustion as a result of their long exploitation. Most of the veins of iron ore are both of high quality and conveniently located. The amount now, however, cannot meet the needs of British metallurgy, and large quantities are imported from Spain, Sweden and Newfoundland (North America).

The main coal and iron regions are located as follows: 1) Central England (centres—the cities of Sheffield, Manchester and Birmingham), especially the Pennine Range. Here were huge deposits of coal and iron are, the latter already becoming exhausted. 2) The southern section of the Welsh peninsula (centre, the city of Cardiff). Here are enormous beds of high quality coal, together with veins of ore now all but exhausted. 3) The north-eastern coast line

south of the Cheviot Hills (centre Newcastle), where the richest coal reserves are located and the most extensive beds of iron ore, the latter however being of low quality. The mineral resources of this region have been exploited since the seventies of the XIXth century. 4) The middle of Scotland (centre Glasgow) where there are considerable reserves of coal, but already exhausted beds of ore.

There are other minerals in Great Britain, such as tin (on the Cornish peninsula), peat, rock-salt, graphite and kaolin clay—found in different sections of the country.



Fig. 4. England, Great Britain, United Kingdom, and the British Islands. England, Great Britain, Untied Kingdom of Great Britain and Northern Ireland, the British Islands.

Rivers

England possesses a great number of rivers, insignificant as to length, but full and navigable, due to the topography of the country and the abundant rains. And they do not freeze up. The estuaries of some of these rivers are as bays of the sea, navigable for ocean ships, and greatly facilitate sea and river transport.

Due to the hilly surface of England it is often the case that rivers having common sources run in different directions. By building canals connecting these rivers a thick network of inland water highways has been established. The most important rivers of England are the Thames, the Severn, Mercey, Tyne, of Scotland Tweed and Clyde.

The city of London is located on the lower part of the Thames.

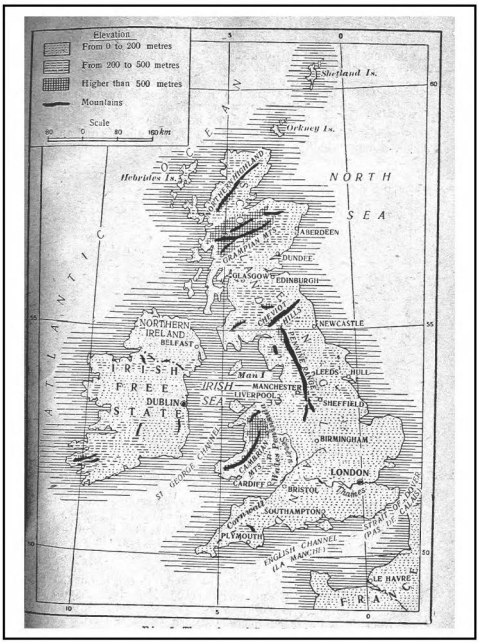


Fig. 5. The surface of Great Britain

Climate, soils and vegetation

Great Britain is situated in the temperate zone—between 58.5° and 50° N. Lat., i.e. between the parallels on which Moscow and Kiev are situated. London is on the same parallel as Saratov.

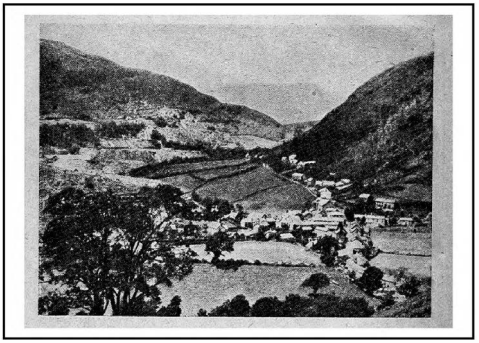


Fig. 6. A valley in the mountains of Wales

Surrounded by the ocean, England has a mild climate and an abundance of rain. The climate of England is soft owing to the influence of the sea, nearness to the warm Gulf Stream, and because of the hills that cause precipitation of the rain clouds brought from the west. The western coast is considerably softer in regard to climate than that of the inland and eastern sections of the island. Heavy frosts are rare in England. The average January temperature in London is +4° C, in the west of England +6°, in the north +3°, whereas in Saratov it is –12°. The average July temperature in the north of England is +10°, in London +18°, and in Saratov +23°. Thus the winter is considerably less cold and the summer less hot than in localities situated on the parallel but distant from the sea and uninfluenced by the Gulf Stream.

The rainfall in Great Britain is abundant, especially in the west; in fact it is the highest in Europe—364 cm. The rainfall in the eastern section is about 65 cm per annum. A natural concomitant of such humidity is the heavy cloudiness and thick mists that blanket much of the country for days and weeks at a time during the winter time. Sunny days are few and far between. Such an abundance of rain and lack of sunshine hinders the cultivation of many species of plants, particularly grain crops. Grasses, however, grow here all the year round, providing fodder for cattle, and giving the English countryside its characteristic verdant green.

The soils of Great Britain are primarily not fertile, rocky in the mountains and sandy along the coast line. The fertile soils are mostly located in the low regions, the river valleys, and especially in the south-eastern section of England and in the centre of Scotland.

Climate, soil and surface allow of the cultivation of wheat and barley only in the eastern countries of England. In the south and in Ireland, as field crops, only potatoes and oats, clover an other leguminous plants are grown. Fruit trees that do well are apple, pear, cherry and plum.

The mountains and moors are covered with heather and grasses. There is much sheep raising and some cattle-breeding.

In ancient times dense forests covered the entire country. Now however, they have been largely cut down. Some remain in the Scottish Highlands and in England itself, where they are preserved on the ancestral homesteads of the lords.

§ 2. A brief historical-economic outline

Conversion of England into an industrial country

Up to the XVIth century England did not play a great role in Europe. More important at that time were Spain, the Netherlands (now Holland and Belgium) and France. England was a source of raw material. It supplied the Netherlands with raw wool for manufacturing.

But in the XVIIth century England began an intensive development of its industry, and in the XVIIIth century became a predominantly industrial country on a scale that put it ahead of other countries. Early in the XIXth century English industrial capital became dominant on the world market, selling its goods to all countries. Proudly the English have referred to their country as "The workshop of the world".

This transformation of England into a capitalist country with a large-scale manufacturing industry is referred to in history as the industrial revolution. That it occurred in England earlier than in other countries is explained by a number of circumstances.

1. Primary accumulation

As Lenin showed, the first historical pre-requisite for the rise of industrial capital is "the accumulation of a certain amount of money in the hands of individuals". This primary accumulation occurred in different ways. An important role was played by voyages of exploration, overseas trade, piracy and .slavery. In the XVth and XVIth centuries there occurred the first seizure of India, America and Africa. These were plundered and their populations subjected. There began the development of the African slave trade.

Besides these colonial mercantile sources, primary accumulation had sources in England itself, i.e., in the expropriation of small producers—farmers and craftsmen.

The enormous stream of primary accumulation led to the concentration of capital. The owners naturally sought to use their capital as means for further profit.

As a background to the social-historic causes for the early industrial development of England, lies as a contributory factor, the geographical location of Great Britain.

It had however entirely different significance at different historical

stages. In the epoch of late feudalism, i.e., the XIVth-XVth centuries, at the time of the development of trade capital and expansion of foreign trade, the Mediterranean Sea being the basic commercial highway of the world with its main economic centres—Spain, Portugal and Italy,—the geographical location of England, was not advantageous to its economic development. The same circumstances became favourable in the XVIth—XVIIth centuries. The change of social-historical conditions, on the one hand, led to the discovery of new lands overseas, the development of ocean navigation, expansion of trade, and to lucrative spoliation of America, Africa and India. On the other hand, economic centres were developed in the northern part of Western Europe—the Netherlands (Holland and Belgium), France and the German trading cities. Then only England's location—on the way from Europe to America and the colonial countries and on the new European trade highways helped England to become dominant in world trade and colonial plundering. But it should be borne in mind that the achievements of England in primary accumulation and her favourable geographical location do not alone explain the early industrial development of England.

2. Expropriation of small producers

Side by side with primary accumulation, expropriation of small producers played a tremendous role. In the country it took the form of enclosing the common lands, adding them to the big owner-landlord's estates thus depriving farmers of land. This process started towards the end of the feudal period and is designated in history as the process of enclosures. In manufacture, expropriation of small producers resulted from the break up of handicraft production and conversion of the formerly independent craftsman into a hired labourer of the manufacturer.

The expropriation of small producers especially created the second ground for industrial development, i.e., a *cheap labour force*. And besides this it established capitalist relations in industry and in agriculture as well, which had lost its former natural character. It resulted in a third basis for industrial development, expansion of the home *market.*

On the background of these social-historical conditions England's geographic conditions had a certain influence. Climate and soils were not suitable for grains, especially not for wheat growing, which since the XVth century had been steadily pushed out by sheep-breeding.

Hence, there was less opportunity for the population to feed itself, which resulted in a cheap labour force and made it a necessity to import grain from abroad, which also stimulated industrial development.

3. Development of sheep raising

Besides accumulation of capital cheap labour power and a home market as pre-requisites for industrial development, England had early established a rich raw material base for its manufacturing branch—the textile (woollen). In the XVth-XVIth centuries sheep raising had greatly increased owing to the demand for wool in the Netherlands. Common pasture lands were on various pretexts fenced in by the big land owners and larger tenant farmers, and devoted to sheep raising.

The struggle between England and her competitors. Revolution in technique.

The social-historic circumstances we have been considering and favourable geographical conditions created possibilities for the early industrial development of England. But the realization of these possibilities was not so simple. It was accompanied by a long stubborn struggle between England and her competitors, by a complete revolution in industrial and transportation technique.

England's competitors were countries that had developed their trade previously—Spain, Portugal, the Netherlands and France. They all had colonies. As a result of continuous economic struggle and many wars, victorious England achieved a completely dominant position on the sea, secured huge colonial possessions and assured herself future seizures of dependable sources of cheap raw materials, and at the same time of markets for her products. The enormous expansion of both the home and foreign markets led to the English manufacturers increasing the productivity of their plants.

It gave the impulse to a whole series of industrial-technical inventions. By the end of the XVIIIth century there had been invented in England the mechanical spinning loom and the weaving loom, with the application of steam power to both.

The great demand for the new machines created a new industrial branch—machine building. This required great quantities of metal. This in turn caused a revolution in the field of metallurgy. Cast iron was

now smelted in big blast furnaces using coal instead of wood.

The social-historic circumstances we have been considering, that promoted the industrial development of England, here met with the favourable circumstance of the juxtaposition in several parts of England of iron ore and high quality coal, conveniently located. This secured for he English metallurgical industry its own raw material and fuel base. This new demand also stimulated the development of coal and iron mining, The coal and iron fields being close together facilitated the mass production of iron, even before the later great improvement of transportation, Nearness to the sea, and the presence of numerous navigation canals were also of great assistance in this respect. It permitted, even before the construction of railroads, cheap transport of coal and metal to all parts of the country and abroad.

The great expansion of manufacture and of the markets bound up with the relative growth of transportation, on the one hand, the development of technique and machine building, on the other, brought about the revolution in transportation. By the beginning of the XIXth century railroad and steamship transportation had greatly progressed, further facilitating the industrial development of England.

Changes in the economical-geographic features of England at the beginning of XIXth century

By the beginning of the XIXth century the economical-geographic face of England had radically changed: 1 It had become a country of large scale machine industry; 2) In its population appeared two basic classes, sharply opposed to each other—the big bourgeoisie and the proletariat; 3) Whereas the south-east had been the best developed most thickly populated part of England now it yielded in economic development to Middle England where on the basis of coal and iron deposits there had developed in Birmingham the metal and in Manchester the textile branches of manufacture. A great many new towns sprung up in those localities which attracted population from other regions. The early industrialization of England, her mastery of the seas, and her colonial monopolies resulted in Great Britain's leading the world not only in trade and finance but also in industry. England's output in the major manufacturing branches is estimated at 50-60 per cent of the world's total, and her share of the world's trade turnover amounted to 20 per cent.

Loss of world domination

During the transition to imperialism that started about the last quarter of the XIXth century due to the great growth of the productive forces, the rivalries of the different capitalist powers greatly sharpened. The tempo of their development became uneven. By the last quarter of the XIXth century the newer capitalist powers—the United States of America and Germany— were overtaking and surpassing Great Britain.

By the end of the XIXth century England had lost its industrial supremacy to the United States but still kept its colonial monopoly and domination of the seas and continued to maintain its hegemony in world trade and finance. Germany became a major competitor of England. The contradictions between England and Germany sharpened at a time when the struggle for the re-division of the world led to the imperialist war of 1914–1918. But in spite of the fact that Germany was defeated England lost her world hegemony duo to a series of upheavals in world economic life. The concentration of English industry on war supplies freed the world markets from English goods and led to a considerable expansion of production in the United States and Japan, and to a great development of industry (especially the light industries in China, India and in the British dominions). England did not succeed after the war in recovering all of her former markets. Also during the war there was it great strengthening of the United States and of Japan's navies, and this reduced the relative strength of the British fleet. In respect to finance, England also lost many of her positions to the USA, which during war-time became a world's creditor and accumulated enormous reserves of gold. In other worlds, world supremacy after the war was transferred to the United States.

§ 3. The character and structure of Britain's national economy

Great Britain, a country of highly developed capitalism, entered the road of capitalist development before other countries, and became the world hegemon.

During the epoch of imperialism she lost her former assured world hegemony, and now is contending for supremacy with the other

imperialist powers. Her national economy is of a highly industrial character. The old industrial branches (metallurgy, coal and textile) have stopped development or have actually declined. The new ones (chemical, electro-technical, automobile) are progressing. Her foreign trade, her immense colonial possessions, and still very great naval fleet are of extreme significance. England's form of government is a constitutional monarchy.

Great Britain is distinguished by it high standard of capitalist development. Its industry is of a large scale, mill-factory character, small-scale manufacture being of little importance. Agriculture produces for the market.

Despite the external feudal survivals (king, mobility, etc.), real power is in the hands of the bourgeois class —finance and industrial capital. The government apparatus is based upon bourgeois democratic principles (power of a parliamentary majority). Capitalists and proletariat oppose each other more sharply.

The national economy of Great Britain is characterized by a greater preponderance of manufacture over agriculture than in any other country. 80 per cent of England's population is urban, only 20 per cent rural[1]. About 70 per cent of the total population is engaged in industry, trade and transportation, and only 7 per cent in agriculture[2]. The national output corresponds to this. England produces a great exportable surplus of industrial goods: cotton (3/4 of the total production), wool (1/2 of the production) textiles, machines, hardware (1/2 of production). Agricultural products, on the other hand, are imported from other countries. The import of such raw materials as cotton, wool, flux, rubber, etc., is to meet the needs of the English manufacture. In large part her food products are imported: wheat 80 per cent, meat 60 per cent, butter 85 per cent Thus, home agriculture does not play an important role in the economic structure of Great Britain.

The basis of the economic hegemony of Great Britain today is the exploitation of her immense colonial possessions and dominions. Site also extends her power over other countries; not only semi-colonial China and Persia, but even other countries of medium capitalist development such as Portugal and Spain, and even over countries of

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[1] The city population is estimated in Germany at 67 p.c., and in France at 49 p.c.

[2] 30 p.c. of the population of Germany is engaged in agriculture; in the United States 26.5 p.c., and France—38 p.c.

a high level of capitalism as Holland and Denmark.

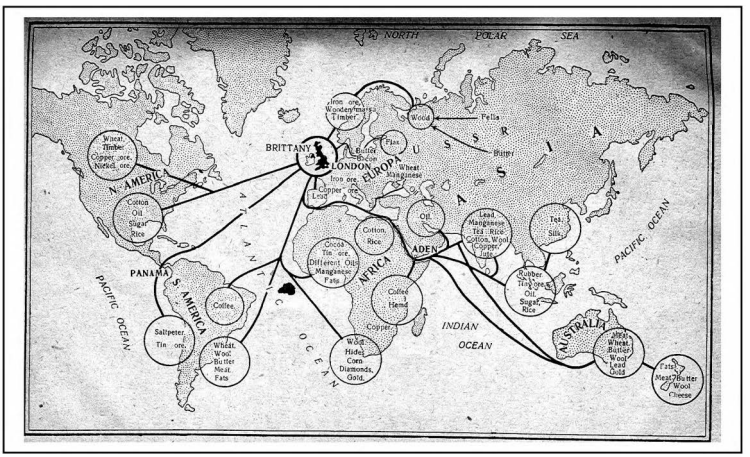


Fig. 7. The countries providing Great Britain with raw materials and food

An extremely important role is played in this exploitation by the export of capital, this bringing to England super profits, and securing for her assured sources of raw material, economic and political mastery.

Foreign trade is of vital significance especially in view of the one-sided industrial character of England economic development.

Her mercantile fleet, handling the shipping trade of many countries is also important, bringing a great income to English capital.

§ 4. Population

The inhabitants of the United Kingdom (i.e., together with Northern Ireland) now about forty six million.

Its national composition is relatively homogenous. The great majority are the English, related to the Germanic group of nations. In Wales, Scotland and Ireland are found descendants of the ancient native population of the country —the Celts. For the most part they have adopted the English language. Only about two million know now the Celt dialects. Some quarter of a million do not speak English at all.

The following data concerning the occupational and class

grouping of the population are important for an understanding of the character of the national economy. 45 per cent of the total population have their own source of income (67 per cent —of the male and 25 per cent of the female).

There must be noted the exceptionally high percentage engaged in manufacture, trade, finance and transportation (75 per cent, against 58 per cent in Germany and in the United States and 50 per cent in France). Also striking is the fact that England has the lowest percentage in the world engaged in agriculture (9 per cent) and the highest in personal services (8.2 per cent). Very considerable in England is the group of propertied persons. i.e., those living on the interest of capital. Such a large number of propertied people and of these occupied in rendering personal services gives an indication of the decay of capitalism.

As to class composition, according to official statistics, the number of hired persons, including workers and employees of all categories, is estimated at 90 per cent of the total population. Those working independently without employing hired labour, number 6 per cent. Individuals, employing hired labour altogether 4 per cent. This 4 per cent of the population receives 55 per cent of England's total national income, and the remaining 96 per cent of toilers only 45 per cent of it.

Characteristic of Great Britain is the distribution of population between town and country. Great Britain occupies the first place in respect to percentage of city population—80 per cent, and half of them are in cities with population of over two hundred thousand. Generally England is a country of towns. It has 21 large city centres with population of over 200 thousand, and about 75 with population of from 50 to 200 thousand.

Great Britain is one of the most thickly populated countries. The average density of population is 192 people per square kilometre. But the population is not uniformly distributed over the country. The average density of England is 252 persons, that of Scotland—50, and of Northern Ireland—50. In England itself the most thickly populated regions are London and its suburbs, where the density reaches 15,000 persons per 1 sq. km., and the industrial regions of the middle and north of England with a thick network of towns, where the density of population is from 300-500 persons per sq. km. In the rural regions, on the other hand, in the east and in the mountains, the density goes down to from 60-90 persons and in some places even lower.

§ 5. Industry

Old and new branches

In considering English industry it is necessary to differentiate between its old and new branches. The condition of such old branches of industry as the textile, metal and coal, radically differs from that of the new ones that developed mostly after the World War. These new industries are the chemical, electro-technical, automobile and aviation.

The *new* branches have developed in England since science and technique attained modern levels, and are equipped to meet present technical demands. The productivity of labour is high, the product is thereby cheapened and able to compete on foreign markets with those of other industrial countries (the United States and Germany). Besides this the newer English industries have attained a high concentration of capital. For the most part they are centred in the hands of a few strong associations —trusts, cartels, that dominate the markets but struggle among themselves.

These monopolistic unions are closely connected with the banks and with the cartels and trusts of other countries.

The old branches are distinguished by considerable backwardness in technique and organisation. The technical backwardness consists in out of date and worn out equipment and in incomplete mechanisation of industrial processes. Organisational backwardness is expressed in low concentration of capital, i.e., dispersion of enterprises among many owners. Enterprises of medium size are numerous, still competing with each other.

The old branches of English industry progressed vigorously in the epoch of industrial capital, but have slowed down in tempo of development since the middle eighties of the XIXth century, i.e., beginning some thirty years before the world war.

The general world crisis of the capitalist system that developed after the war of 1914-1918, was manifested in England, enmeshed as she is in the economics of the whole capitalist world, by a decline of production in the old branches, a growth of unemployment, the sharpening of social contradictions and intensification of the class struggle. Even in the year 1929, the most favourable for English capital, the total output of English industry barely reached the pre-war level (1913). At that time the new branches began to develop rapidly,

but the output of the old ones has fallen considerably below that of pre-war time. Even in 1929 the output of the cotton industry was only 68 per cent that of 1913, and the percentage in cast iron smelting only 73. The considerable growth of the United States and of Japan, the growth of French metallurgy, the development of the cotton industry in India and China —developments since last war— have sharpened the rivalry on the world market. The same conditions have also narrowed the markets for English goods produced by the older branches of industry, with their relatively low capacity to complete. In 1927-1928 some measures were taken to rationalise the older branches of industry. It took the form of uniting a series of enterprises into trust and cartels. (On a regional but not on a national scale.) Some industrial establishments with inadequate and obsolete equipment were closed. There was also much staff-reduction and many wage-cuts.

We see then that despite the growth of new branches of industry, England, as Comrade Stalin, pointed out in his report to the XVIth Party Congress in 1930, found herself in "a hard economic depression."

Crises

The world crisis of over-production (the economic crisis) that embraced all the capitalist countries in 1929 reduced England's general level of production in 1932 to 81 per cent of the level of 1913; and in the old branches to 50 per cent and some cases even to 38 percent. Unemployment increased, embracing 5 million people. Trade turnover, and lessened income from investments abroad, has shaken the financial power of England.

The crisis promoted sharpening of the political struggle. Strike movements embrace whole regions and whole industrial branches.

Metal Industry

The first place among Great Britain's industries in respect to volume of production and value is occupied by the metal industry. The English metal industry is mostly ferrous metallurgy and machine building. The ferrous metallurgy of Great Britain (production of cast iron, steel, and rolled iron) up to the middle of the XIXth century, dominated the world. When its tempo of development slowed down (as previously stated) transferring it to the second place after the USA,

it ran the risk of being driven to the third place by Germany. The changes, which have taken place during the world war and the post-war years connected with the general crisis of capitalism have driven England in 1928 to the fourth place, after the United States. Germany, France, England's competitors are driving her out of foreign markets and heavily competing on the home market as well. England does better with metal manufactures galvanized and sheet iron, white tin and high quality steel.

This inability of English cast iron to compete successfully (despite its high quality) is explained by the high prices that result from the technical and organisational backwardness of ferrous metallurgy in England (as of other old industrial branches).

The technical backwardness manifests itself in a number of ways. First of all —the low productivity of her blast furnaces. Even after the "rationalisation" of industry in 1928 the average annual output per blast furnace in England was three times less than in Germany's and four times less than in the United States. Coal consumption is accordingly greater. The smelting of a ton of cast iron in England takes about 2 tons of coal; in Germany and the United States not over 1.5 tons.

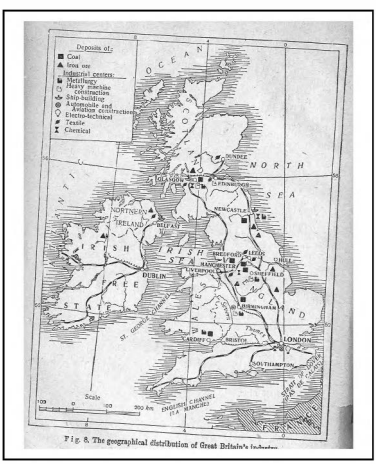


Fig. 8. The geographical distribution of Great Britain's industry.

A drawback to present day English metallurgy is the prevalence of independent units, either purely steel mills, or rolling mills, or coking plants, located in different centres. In the United States, Germany and France, large integrated enterprises meeting the demands of the new metallurgical technique generally prevail. They combine iron smelting,

steel casting, rolling and coking plants. This considerably cheapens the cost of production.

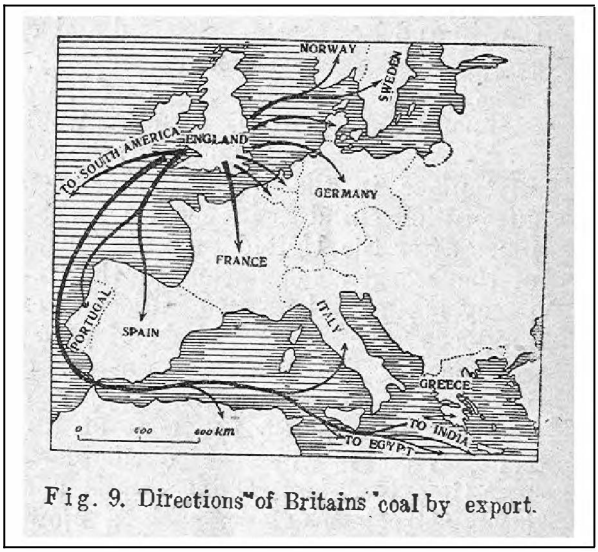


Fig. 9. Directions of Britains coal by export.

Fig. 9 Directions of Britain's coal by export

The organisational backwardness of the English industry shows itself in slight development of the manufacturers' associations. Since 1914 syndicates and trusts have developed considerably less than the American, German, and French. Powerful trusts and concerns control the whole field of metallurgy in these latter countries. Only 70 per cent of the enterprises are united in England, and their association are for limited purposes. They cover separate fields of production. There is for example a syndicate of manufacturers of ship-building steel, there are syndicates of mills making metallic moulds, pipes, etc. Very often they are territorially limited. These associations or syndicates differ from trusts and concerns in that they leave to the unit concerns their independence, the syndicate having chiefly marketing functions. Competing with England foreign monopolistic associations, have resorted to dumping, i.e., to selling their products on foreign markets at reduced prices, sometimes at considerably less than on the home market, it method used by the German metallurgical industry even before the war. In respect to machine-building (except auto and airplane construction) Great Britain

occupies the second place in the world after the United States. The main branches of English machine-construction are locomotive and ship-building (the portion of England in the world's output in 1890 was 90 per cent, in 1913—58 per cent and in 1932—26 per cent), agricultural machinery, steam turbines and machines for the textile industry.

The English metal industry is spread out over the country. The oldest region is the so-called "Black Country" in the Midland countries, which occupies first place in the country in respect to cast-iron smelting and steel production and which has a highly developed metal-manufacturing industry, particularly machine construction (chief centres, Sheffield and Birmingham). Then comes the region of South Wales, to which belongs the first place in respect to rolled iron, and second in steel smelting (centre —Cardiff). Another region with an important metal industry is the southern part of Scotland, which has developed since the middle of the XIXth century, and now specializes in machine construction, particularly in ship-building (main centres —Glasgow and Edinburgh). The north-eastern coastal region of England itself began to develop in the seventies of the XIXth century, specializing in black metallurgy and ship-building (main centres —Middlesbrough and Newcastle). Besides these basic regions of the British metal industry, other centres of importance are the region of Lancashire around the city of Manchester, where production of textile machines is specially developed, also the city of Belfast.

The mining industry

The mining industry comes second to the metal. The dominant part belongs now to coal mining, for iron mining substantially decreases as the mines become exhausted.

Extraction of coal in Great Britain was estimated in 1870 at 52 per cent of the world's total, but by 1913 it was reduced to 23 per cent, at high level it substantially stands today in the epoch of the world crisis, the exact proportion depending upon the scaling down of coal production in other countries. England occupies second place in the world after the United States in coal production. In 1929 the English output of coal was estimated at 262 tons. Coal is the most important item of English export. Great Britain exports 15 per cent of her mined coal. About a half of the coal is exported to France, Belgium and Italy, 16 per cent to Germany and Holland and 10 per cent to the

Scandinavian countries. Spain, Portugal, Irish Free State, Egypt and Algiers also use British coal in considerable quantities. Small amounts are exported to the Baltic States an to the English military and naval bases —Gibraltar and Malta. The "coal dependence" of a number of countries is used by England as means of influencing them.

English coal can compete on the world market because of its natural advantages —high quality and near the surface location. But the upper layers are already exhausted and exploitation of the deeper strata is costly because of England's technical and organisational backwardness in coal mining, as in other old branches of industry. This is the industry's negative point. Even after "rationalisation" in 1932, mechanisation covered only 40 per cent of the mines, whereas in Germany and the United States 78 per cent are mechanised. "Rationalisation" resulted in the formation of district coal companies which organised the individual mine owners. A number of the more exhausted or the least profitable mines were closed. Nevertheless, ownership of coal mines is still very scattered.

The main coal mining regions coincide in Great Britain. The main regions are South Wales and the North-east (important coal export ports—Cardiff and Newcastle), the Midland counties of England, and Scotland.

The textile industry

The textile industry, the oldest of the English industries, holds third place. It is represented first by cotton, then by wool and linen. In number of spindles (58 million) the cotton industry of England occupies first place in the world (36 per cent of the world total). There are 10 million spindles in the woollen and flax mills. It holds second place after the United States in consumption of raw material, 12 per cent of the world consumption (at the time of the world crisis). The discrepancy between these two indices is explained by the fact that England produces the finer kinds of yarn and textiles.

The English textile industry, even more than the other old branches is geared to the supply of foreign markets. The cotton industry exports 85 per cent of its product, the woollen —50 per cent. That is why the development of the cotton industry during war time in Japan, China, India and other countries, and the world crisis struck England such a blow. Even in the most "prosperous" year, 1929, her industrial consumption of cotton was estimated to be only 68 per rent of pre-war and in 1932 it was only 50 per cent. The tremendous

industrial equipment of the English textile industry is not utilised fully.

Textile syndicates and trusts are more developed, and were even before the war, than in the other old industrial branches).

The textile industry of Great Britain uses imported raw material. 60 per cent of the cotton is imported from the United States, 27 per cent from English colonies (India, Egypt, etc.), and the rest from other countries. 75 per cent of the wool is imported from Australia, Argentina, South Africa, flax is imported from the USSR, Latvia and Estonia.

The main region of the textile industry is located in the north-west of England, was of the Pennine Range, in the county of Lancashire (its centre-Manchester) where there is concentrated 83 per cent of the total cotton industry of England. To the eastward, in the county of Yorkshire (centres —Leeds and Bradford) are the wool and linen industries.

Two other regions of the textile industry, chiefly linen, are southern Scotland (Glasgow, Edinburgh and Dundee), and the Northern Ireland (Belfast).

New branches of industry

The newer branches of English industry, chemical, electro-technical, automobile and aviation, that developed primarily during the war and post-war period, are not of such great importance to the national economy of the country as are its older branches. But they are characterised by a rapid tempo of development (up to year 1930), a large degree of mechanisation, industrial combination, concentration of capital, and trustification. These branches, producing as they do war supplies, have decreased their output to a lesser degree, than the older industries. Their output is still higher than in 1913.

The *chemical industry* of England produces 10 per cent of the world's total.

It produces chiefly rayon, explosives and chemical paints. The chemical industry is centred in Lancashire, London, and in Newcastle.

The *electro-technical industry*, producing chiefly cables and electric wire, is located in the midland counties of England.

The *automobile industry* produces only 5-7 per cent of the world's production and specialises on the lighter and less powerful autos, and on motor cycles. This industry and aviation, are located in the regions of London and Birmingham (in Coventry).

§ 6. Agriculture

We have already mentioned that agriculture does not play an important role in the national economy of Great Britain; it is rather an appendage to city industry, and we found that the geographical conditions of Great Britain (climate, soils, topography) are not favourable for grain growing. Agricultural development in America, Canada, Argentina and Australia caused mass export to England of cheap grain and refrigerated meat. For these reasons them has been a continuous decline in English agriculture since the end of the XIXth century. Wheat production has been especially affected; from 1868 to 1913 it fell by one half. Since 1919 the decline has continued, its rate now doubled by the world agrarian crises. Reduction of grain growing and sheep raising has been followed by wide extension of the so-called secondary branches; vegetable and fruit growing, dairying and poultry raising. At the same time agriculture turns to the production primarily of high quality and costly products.

English agriculture, in its time of prosperity, about the end of the XVIIIth century and the beginning of the XIXth reached a high level. The three-field system was replaced by that of crop rotation, the ordinary natural pastures converted into excellent meadows, the a areas devoted to fodder and sown grasses were considerably enlarged, improved field tools and machines were adopted, new methods of soil drainage and fertilisation were introduced, achievements were registered in the breeding of pedigreed cattle, and in agronomic science in general. A high standard of technique in agriculture and animal husbandry still remains characteristic of English agriculture, though other countries have already overtaken and even surpassed England in this respect.

The Social Structure of Agriculture

Extremely characteristic of the social structure of English agriculture is the complete absence of a peasantry. The greater part of the land belongs to the big estate owners —landlords— who do not themselves farm their land, but rent it out in medium sized sections, 82 per cent of the agricultural area is cultivated by tenants and only 18 per cent by the owners.

Farmers directly engaged in agriculture are generally capitalist owners. They manage their farms with the aid of from two to five

labourers. Only the very small farms are managed by the farmer himself and members of his family. Many of these small farms approach those of the European type, but a considerable number differ. Many of the small farmers own a commercial or industrial enterprise, or receive interest from capital; their farm is a hobby or an additional source of income for them (they are called in England "gentlemen farmers").

Thus, in the absence of a peasantry the large landless agricultural proletariat, 67 per cent of the total rural population, stands opposed to the upper class land-owners (farmers farming with hired labour constitute 32 per cent).

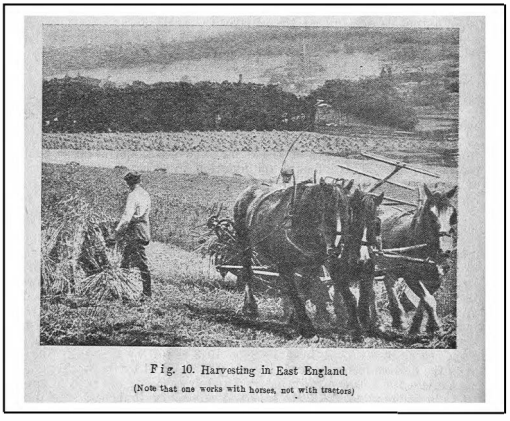


Fig. 10. Harvesting in East England
(Note that one works with horses, not with tractors)

A heavy burden for the farmers is the high rent they are compelled to pay to the owners of land, the high interest rates for bank loans and the low prices for agricultural products, prices established by the trade associations.

Branches of agriculture and their geographic distribution

The leading agricultural branch of Great Britain is cattle-breeding, especially the raising of pedigreed cattle for export abroad. Then come dairying, hog raising and sheep-raising. Cattle is estimated at 37 per cent of the total agricultural produce, dairy products at 30 per cent.

Field crops are considered as the second agricultural branch. The basic crops are fodder grasses, wheat, oats and potatoes. Thus, the field crops are largely auxiliary to animal husbandry. The wheat produced in the country covers only 18 per cent of the consumption.

Truck gardening, fruit growing (berries, apples, pears) and hop growing hold the third place.

Fishing is highly developed in England. Before the war the English fishing industry occupied the first place in the world. Now it is fourth to Japan, the USSR and the USA.

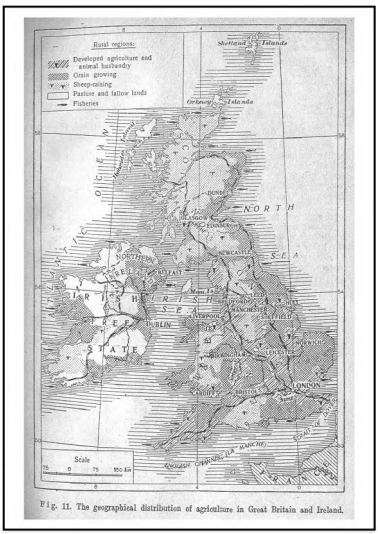


Fig. 11. The geographical distribution of agriculture in Great Britain and Ireland.

Fig. 11. The geographical distribution of agriculture in Great Britain and Ireland.

The agricultural production of England is distributed as follows: beef and dairy cattle regions are primarily in the south and east England. Sheep raising, for mutton and wool, is located in the mountainous pasture regions of Scotland, in the midland counties of England, on the slopes of the Pennie Range and in the Welsh Highlands.

The grain crops —wheat and barley— are in the east, oats in the south-west and on the Scottish lowlands.

Suburban farms, raising dairy cattle growing vegetables, berries and fruit, are spread in the London region, over the industrial counties of middle England and in Wales.

Fishing regions are chiefly off the east coast of England, off the

eastern and northern coasts of Scotland and the Cornish peninsula.

§ 7. Economic Regions

The locations of industry and agriculture in Great Britain divide it into principal economic regions as follows:

Southern and South-eastern England

1. The south and south-east of England is generally an agricultural region which includes the London industrial region.

a) The London region is in the Thames basin, around the capital of Great Britain —the city of London. This is an old trading centre.

The industry of the London region used to be that of the light branches, the sewing trades, luxury and art goods, goods for wide consumption, foodstuffs, the printing trades. Today it is the main centre of such new branches of industry as the automobile, aviation, chemical and electrotechnical, working with imported raw material and fuel, for the London region is well provided with transportation —railways, rivers and canals. Vegetable growing and dairying are the agricultural branches in London's suburban regions.

London is the largest city, occupying an area of 300 sq. km., and has a population of eight million inhabitants (so-called "Greater London", i.e. with suburbs). It is located on the banks of The Thames, reachable by sea going ships and becomes a sea port of world importance. London is also one of the most important world centres of politics, finance, credit and trade. Business and financial deals of vast scope are concluded in London. Head offices of huge banks are located here, which influence world economics. Colonial exploitation politics and struggle for the world's redivision are directed from here.

b) Expecting the London region, southern and south-eastern England engages in agriculture. It is the main region of grain growing and of animal husbandry. 50 percent of the whole area under cultivation is found here. Wheat, barley and fodder grasses are cultivated. This region, because of its green fields and wooded estates, is designated as the *Green of England.*

Here, along the coast line the fisheries are highly developed. There are large towns in this region. Bristol, a large port in the south (300,000 inhabitants) important for its exports of foodstuffs and timber.

Southampton (180,000) a great port, a centre of the passenger traffic with America. Hull (300,000) having a great port.



Fig. 12. Charing Cross Square in London.

This is one of the busiest places of the English capital. Many autobus lines cross it. On the right can be seen the entrance of the underground railway station, on the left Strand Street, one of the most important streets of London.

Fig. 12. Charing Cross Square in London

Middle and Western England

2. Western England is the main industrial region of the country, engaged in heavy industry—metallurgical, machine building and coal mining and also in textiles. There are three sections within this region:

a) The midland counties, through which the Pennie Mountain Range passes, possess great deposits of coal and of iron ore. The latter is getting exhausted but still meets the needs of the country. It is the oldest and largest centre of the metal industry. 31 per cent of the country's total output of cast iron, 37 per cent of its steel and 23 per cent of rolled iron is produced there. Here metal manufacture and machine-construction are developed, producing a great variety of commodities, ranging from needles and razors, to artillery and locomotives. Of the newer branches of industry, automobile and aviation construction, and the electro-technical industry, are developed here. The coal mining industry here is also of great significance.

Due to the coal dust, soot and smoke, this region is called “the Black Country”.

Agriculture here is of a suburban character. The chief towns are *Birmingham* (1,200,000) and *Sheffield* (500,000).

b) South Wales has Great Britain’s largest deposits of high quality coal. Its iron ore deposits are already exhausted. It is engaged in coal mining, black metallurgy and ship-building.

The coal mining industry of Wales produces a great amount for export.

The metallurgy of Wales is concentrated along the coast line and uses imported Spanish ore for a long time. Recently it began to work up imported unfinished goods, made of Belgian and French cast iron and steel, into more costly products—rolled goods and white metal (using tin imported from Indonesia and Malacca). Wales holds the second place in Great Britain’s metallurgy and the first in iron rolling (37 per cent).

South Wales is distinguished by having a most active revolutionary movement. There have been big and long sustained miners’ strikes during recent years.

The population of the mountainous northern section of Wall’s is engaged in cattle and sheep raising.

The main centre of Wales is *Cardiff* (300,000) an important coal shipping port.

c) North-western England, or Lancashire-Yorkshire region has important coal mining beds. It is the main textile district of Great Britain. 85 per cent of the country’s total cotton industry and a considerable part of the woollen and linen, are located here. Besides this, the (construction of textile machines, the manufacture of chemical paints, rayon and explosives are also developed here.

Agriculture is represented here by sheep raising, for wool and meat, and by suburban farming.

The chief towns of this region are: *Manchester* (750,000) the industrial centre of Lancashire, specializing in cotton manufacture; Manchester is the greatest centre in the world of the cotton industry. Fine machine construction and chemical manufacture are also found here. It is connected with the sea by the Manchester Ship Canal. *Liverpool* (1,200,000), a port second only to London on the western coast, important in the cotton trade: a banking and exchange centre Leeds (475,000) and *Bradford* (290,000) both in Yorkshire county, where the wool and linen industry is centred. Coal mining and machine building are also of great significance in Leeds.

North-eastern England

3. The north-eastern industrial region (Newcastle) is characterized primarily by its highly developed mining industry, metallurgy and ship building. This region is comparatively new. It has developed since the seventies of the XIXth century, when the iron ore beds of the older regions became exhausted. The richest reserves of coal and the largest, most conveniently located iron ore deposits are here. The ore is however of low grade. The coal mining industry is of chief importance. The metallurgy of this region is only partially supplied by local ore; it mostly uses ores imported from Sweden and Newfoundland. Before the war the north-eastern region held first place in Great Britain in black metallurgy. Now it is third, after the midland counties and south Wales. In respect to ship-building it occupies the second place after Scotland. The chief town of this region is *Newcastle* (300,000 inhabitants)—centre of the coal industry, of metallurgy, of ship-building and a coal port.

Scotland

4. Scotland with its large coal deposits but already exhausted iron ore mines, has a series of developed industrial branches in its southern section. They are: coal mining, exporting coal abroad; metallurgical, using imported ore and specializing, like the metallurgy of South Wales, in the production of sheet iron (the blast furnace equipment of Scotland is the most backward in the whole of Great Britain); machine construction, of different varieties; ship-building, especially, in which Scotland takes first place in the country (60 per cent); and the textile industry, primarily linen and also wool.

In the North of Scotland, in the mountainous pasture district, sheep raising is developed; in the Scottish lowland, the growing of oats. In South Scotland, around the industrial centres suburban farming is developed. Fishing is developed off the eastern and northern shores of Scotland. The chief cities of Scotland are *Glasgow* (1.3 million inhabitants), a centre of ship-building and linen industry, one of the large ports of Great Britain; *Edinburgh* (450,000), the administrative, cultural and economic centre of Scotland, having a variety of industries.

The Northern Ireland

5. Northern Ireland (Ulster) is considerably behind in its development, compared with the rest of Great. Britain. Here are developed ship-building, using metal and coal imported from England, and the textile industry, primarily linen. Among the agricultural branches, field crops are prominent, especially oats, potatoes and flax. *Belfast* is the chief city (400,000), the administrative centre, a great port, a centre of trade and manufacture.

§ 8. Transportation

Inland water ways

England is a country where capitalism developed early, developing its means of transportation. A good network of inland water transportation was early established. The rivers of Great Britain, as we know from the physical-geographical outline, are very suitable for navigation, and they aggregate some 2,300 km. They are connected and supplemented by a thick network of canals criss-crossing the country in all directions, with a length of 7,000 km. Most of these canals were built by concessionaires late in the XVIIIth and early in the XIXth centuries. Therefore the canals are not of uniform depth and are of low technique. Before the middle of the XIXth century the inland water ways carried a great deal of freight, but since the railway era it has lost its significance. It handles only 10 per cent of the country's total freight turnover. At the present time those inland water ways open to sea-going ships have an important freight turnover. For instance, the main navigable artery of England, the Thames, which is 8 km wide at its estuary is but a quarter of a kilometre wide at London, and 3.6 m depth up to London allows the great sea-going ships to approach London; ships of medium tonnage go higher, and small vessels can go 300 km up the river from the estuary. The artificial Manchester Ship canal with a length of 57 km, connects Manchester with the Irish sea, and due to its depth, 8.5 m, is navigable for sea-going vessels.

Railways

The railways are the principal means of communication in England. They were first constructed here in the thirties of the XIXth century, first in the world. The total length of England's railway network is 33,000 km. In respect to density the English railway network is among the first in the world, i.e., 142 km of railroads per 1000 sq. km of territory (in Belgium—365 km. in Holland 160 km). The London and the middle western regions are the best equipped with railways.

Lately automobile transportation has begun to compete with the railways in freight carrying. There are about 1.5 million automobiles.

Sea transportation

As far back as the XVIIIth century England became not only the "workshop of the world" but "mistress of the seas." Her merchant marine was without rivalry in the world. After the end of the XIXth century and especially during and after the World War the merchants marine of the other imperialist powers underwent a rapid expansion, especially that of the USA and Germany (which was taken from her after her defeat in 1918) and Japan. As a result, the share of England in merchant shipping decreased from 50 per cent in 1900 to 40 per cent in 1913 and to 30 per cent at the present time. Nevertheless, even now the English merchant marine holds first place in the world, with a tonnage of over 18.5 million tons.

The English fleet is first in the world in tonnage, in freight turnover, and in transportation of passengers as well. It serves much of the transport trade of England and of many other countries as well, and usually yields English ship-owners a very great income (up to a billion gold roubles annually). The world economic crisis, however, having sharply affected world trade and transportation, has left a considerable part of the English fleet "unemployed." The English merchant marine also handles coastwise shipping, i.e., transportation between ports of England itself. The chief ports of England are: London, of world significance, with an annual turnover of four million gold roubles, Liverpool, Cardiff, Newcastle, Glasgow.

§ 9. Foreign trade and export of capital

Foreign trade

Foreign trade is of enormous significance for English national economy.

1) Due to the low relative importance of English agriculture, England is obliged to import 7 per cent of her food products. 2) English industry works mostly with imported raw material (the whole of the cotton, 65 per cent of the wool, 90 per cent of the timber. 35 per cent of the ore, etc.). 3) English industry sells a considerable part of its output (32 per cent) on foreign markets (the cotton industry 75 per cent of the output, the woollen —20 per cent, metallurgical —30 per cent and the coal —25 per cent). In 1870 Great Britain, as "workshop of the world", had a foreign trade turnover estimated at 25 per cent of the world's total turnover. England's falling out in 1914, and the events of the post-war period have reduced Britain's share in the world's turnover to 15 per cent England's export is estimated at 12 per cent of the total. In respect to foreign trade turnover England occupies first place in the world, and in export, second, after the United States.

Industrial goods (textiles, machines, hardware), and coal, prevail in England's export. 35 per cent of the English export is directed to European countries, 22 per cent to Asiatic countries (India, China, Persia and so on). North America (USA and Canada), Australia and Africa each have from 11-12 per cent; and South America, in particular Argentina and Brazil, have per cent The huge colonial possessions of England spread over five continents and absorb 39 per cent of her export.

The import consists of two-fifths of food products (wheat, meat, butter, tea, coffee), two-fifths of industrial raw material and semi-manufactures (cotton, wool, flax, timber, ore and oil and one-fifth of manufactured goods (automobiles, machines, cinema films). European countries (France, Germany, Belgium, Denmark, Holland, etc.) furnish 35 per cent of England's import; the North American countries—27 per cent, Asia—13 per cent, South America and Africa—8-9 per cent each. The import from the colonial possessions of England constitutes 33 per cent of the total.

The trade balance of England became passive far back as the middle of the XIXth century. During the World War she lost some of her markets to the United States and Japan. The world economic

crisis has also affected English foreign trade. In 1929 her import was 11.5 billion gold roubles; in 1931—8.1 billion roubles. Her export in 1929 was 7.9 billion roubles and in 1931—4.2 billion roubles. These figures show that the English export decreased during the first two years of the crisis by 48 per cent, and that the passivity of Great Britain's trade balance in 1931 was about 4 billion gold roubles.

England having been forced out of the world markets, having lost her former industrial monopoly, the backwardness of her main (the older) industrial branches have led to a radical change in British trade policy. In the years of world supremacy England upheld the principle of free trade, i.e., complete non-interference of the government in the field or trade rivalry. Its supremacy at that time assured her victory. But at present free competition results in the displacement of English goods by those of the United States, Germany and Japan, in the foreign and dominion markets, and own in the home market of England itself. It forged England to abandon her free trade tradition and to go over to the policy of protectoral tariff barriers.

THE PAYMENT BALANCE OF GREAT BRITAIN
In millions of pounds sterling

	1929	1931	1933
Net income from shipping.....	+ 130	+ 80	+ 65
Net income from foreign investments....	+ 250	+ 170	+ 155
Net income from short-term. bank loans, commission operations, etc.	+ 80	+ 40	+ 40
Balance of receipts and payments on intergovernmental indebtedness....	+ 24	+ 14	– 25
Total foreign income.....	+ 484	+ 304	+260
Passive trade balance.....	+ 381	+ 408	+264
Net payment balance.....	+ 103	– 104	– 4

Export of capital

Export of capital is more important for England than export of goods. By 1932 England had invested abroad about 60 billion gold roubles, including 21 billion in Asia (India, China, Japan), 11.4 billion roubles in Latin America (Argentina, Brazil, Mexico), 8 billion in Africa (in the South African Union, Egypt), 6 billion in the United States, 6 billion in Europe (Italy, France, Germany) and 4 billion in Canada and

Australia. From 1-1.5 billion gold roubles of capital is exported annually from England. Dividends and interest from capital invested abroad were estimated at 1.6 billion gold roubles in 1931, against 2.5 billion roubles in 1929. By income from capital invested abroad and from shipping and brokerage revenues England used to cover her adverse trade balance. Now, due to the growth of the adverse balance and to a sharp decline in income from invested capital, shipping and brokerage, the deficit continues to grow.

§ 10. The British Empire

Colonial monopoly

Beginning with the seventies of the XIXth century England gradually lost its significance as "the workshop of the world" but still plays a tremendous role in capitalist world economy. Lenin explains this by the "*colonial monopoly*" of England, i.e., by her huge colonial possessions and dominant position in semi-colonial countries.

The colonial possessions of England occupy a fourth of the land area of the globe —36 million sq. km, with a total population of 425 millions. These possessions and the mother country constitute the huge British Empire. It is represented on every continent and in area takes first place in the world. The colonies and dominions are 147 times larger than the mother country and have ten times its population.

Colonies and Dominions

Two types of possessions are included in the British colonial domain. Possessions of one type are colonies proper, ruled by a governor appointed from England ho defends the interests of English capital and personally manages the subordinated countries. These colonies are populated chiefly by the natives of the country. Strategical points and naval bases seized by England in Europe (Gibraltar and the Island of Malta) also belong to this type.

The second type are the Dominions, autonomous, self-governing countries. They are situated in the temperate zone, a climate congenial to Europeans and especially to the British. As the theses of the Sixth Comintern Congress pointed out, the Dominions became, a continuation of the capitalist system of the mother country: "There in

the course of capitalist development the transplanted white population reproduces the class structure of their homeland, and the native population is mostly exterminated." "Bourgeoisie from the metropoly in practice carry out in these countries a colonial prolongation of the bourgeoisie metropoly." Each Dominion has its own parliament and government representing the interests of its own bourgeoisie. Of late years, with the economic development of the dominions, these interests are opposed on many points to those of English capital. There is a governor general appointed from England in every Dominion, but without any real power.

Having learnt a lesson from 1776, when she was defeated by her first great colony, now the United States of America, England has been pliable and has learnt to compromise with her Dominions. However, despite the wide autonomy of the Dominions in State administration, finance, tariffs and so on, England succeeded before the war in actually managing her Dominions. It was due to the predominance of English capital in the finance, bank credits, investments and foreign trade of the Dominions. Even before the war, however, English influence in Canada encountered the rising influence of United States imperialism, which considered Canada as its northern prolongation.

There are now six Dominions within the British Empire. 1) Canada, in North America, the largest; 2) Newfoundland, adjoining Canada, occupying the Island of Newfoundland and a part of the Labrador peninsula; from 1934 Newfoundland no more self governing; 3) The Commonwealth of Australia; 4) New Zealand, situated on two islands south-east of Australia; 5) the South African Union, at the southern extremity of Africa; 6) the Irish Free State (formed in 1922), occupying the larger part of Ireland.

The most important English colonies are the following. In Europe: Gibraltar, a fortress at the Strait of Gibraltar, the island of Malta —a military base in the Mediterranean. In Asia —India, the Island of Ceylon, the Malay States and the Straits Settlements at the peninsula of Malacca (on one island is a world port and a great naval base of Singapore), the northern section of Borneo Island, the Island of Hong Kong (in the South China Sea, close to the city of Canton) Aden (in Arabia), Palestine and the Island of Cyprus (in the Mediterranean). In Africa —Anglo-Egyptian Sudan, Uganda, Tanganyika, Rhodesia, British South-West Africa, Nigeria, British Guiana in South America, small islands in Oceania. (The former Turkish and German possessions —Palestine, Tanganyika, and South-West Africa— were

seized by England after the World War). Formally they were not annexed to England. They are governed by England under a mandate from the League of Nations in order "to prepare them for independent existence." They are designated the Mandate Countries. Egypt in Africa and Iraq in Asia are also colonies of England. To be sure, English imperialism declares them to be "independent" kingdoms, but she chooses their kings for them and ratifies their constitutions. England is represented not by a governor, but by an ambassador in Egypt and a commissioner in Iraq. England has negotiated "treaties of alliance" with them, according to which England has the right to direct their foreign policy and economy and to maintain troops on their territories.

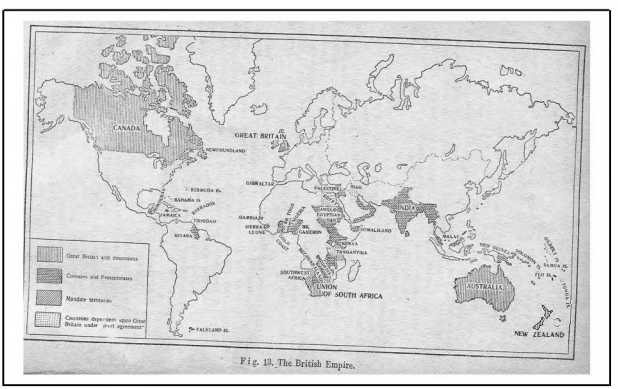


Fig. 13. The British Empire.

Fig. 13. The British Empire

Semi-colonies and countries under the influence of England

Besides colonies, England subordinates to her economic and political influence a series of countries formally independent. England's influence in Persia, Afghanistan and the Arabian States is extremely strong. China is also under the influence of England, but there the United States, Japan and France are strong competitors. Before the war England dominated South America, especially Argentina, and Brazil. Her influence is now diminished as a result of the successful rivalry of the USA, but it is still considerable.

A number of the smaller European countries at a middle and some even at a high level of capitalist development, such as Holland,

Sweden, Norway, Denmark, Finland, Estonia, Latvia, Spain, Portugal, and Greece, are more or less under the economic and political influence of English capital.

The economic significance of the colonial predominance

The importance of the colonies and Dominions to England we have already discussed. The colonies and Dominions provide England with food and raw materials, estimated at 33 per cent of her total import. They furnish markets for 39 per cent of her industrial exports. And finally, they are the most important markets for investment of English capital. These advantages of England's colonial monopoly, allow her to playa very great role in world capitalist economy.

England's sea hegemony

The colonial hegemony of England is connected with her sea hegemony. England possesses the world's largest merchant marine and a navy equalled only by that of the United States. England also has many military-naval bases and strategic points which enable her in case of war to close the seas to hostile ships.

The most important world highway from the Atlantic to the Indian Ocean through the Mediterranean and to the Pacific is in the hands of England. Along this strategic ocean highway, England has: a) the Strait of Gibraltar —gateway to the Mediterranean; b) the outlet from the Mediterranean to the Red Sea —the Suez Canal completed in 1869, water route which has great significance for world trade, due to its greatly shortening the way from Europe to India and China, c) the Strait Bab-el-Mandeb, outlet from the Red Sea to the Indian Ocean and the Malacca Strait —connecting the Indian Ocean with the Pacific.

To control these important gateways, England has the fortress of Gibraltar in the Strait of Gibraltar, a fortified zone around the Suez Canal. It has Egypt on the west, Palestine on the east, Aden on the Arabian shore in the Bal-el-Mandeb Strait and Somali on the African shore. The straits settlement with a new first-class naval base on Island of Singapore serve as a fortified approach to the Mallacca Strait.

The Indian Ocean approach to India is surrounded by a chain of

British possessions. They are Iraq in the Persian Gulf with a military aviation base in Basra, the dependent governments of Hadramaut and Oman, located on the Arabian peninsula, the possessions of Aden, Somali, British East-Africa (Tanganyika), the South-African Union, the Malay states the Dutch East-Indies and finally Australia. Thus environed is British India, "the pearl or the English crown." Such encircling of the Indian Ocean justifies styling it "the British Ocean."

Danger of collapse of the British Empire

After the World War England faced the danger of losing its colonial monopoly, indeed of downfall of the British Empire, due to the industrial development and growth of the bourgeoisie of the Dominions, —and to the replacement of the influence of English capital by that of the United States.

During the war, owing to the decrease of England's export, the home industries of the Dominions —Canada, the South African Union, Australia and New Zealand (and also India) began independent development. England also feels her dependence upon her Dominions for the food supply of her army and population and for raw materials for the English armament industry.

The Dominions began to speak to the Mother Country in the manner of equal members of a federal government, and at the imperial conferences in 1919 and 1926 demanded recognition of this position. The British delegation to the Peace Conference in Versailles included representatives of Great Britain and of the Dominions. The latter now are manifesting imperialist aggressiveness. Some of them now demand former German colonies. The South African Union desires a mandate over South West Africa; the Australian Commonwealth, a mandate over German New Guinea, and a group of islands; and New Zealand over islands in the Pacific. Political treaties between England and other countries become applicable to the Dominions only after ratification by the Dominion government concerned.

Trade treaties are negotiated by the Dominions independently and often quite contrary to the interests of the English bourgeoisie (for example, the trade treaties between Canada and the United States and the treaty of the South African Union with Germany). The Dominions are establishing their own tariffs on imports, including English goods. The Dominions, on a par with England, are members of the League of Nations and have their own representatives there.

Canada, where the influence of the USA is now strong, and Ireland, which is threatening to separate from England, have both succeeded in appointing their own independent ambassadors to the United States.

Weakening of the formal relationship between the Dominions and the Mother Country has also weakened England's economic influence. England's share in the colonies' import and export, and in capital investments in her principal Dominions and in her main colony, India, is declining, giving place to the United States and Japan. In Canadian trade the USA became dominant even before the war.

The driving out of English goods even from British markets has increased during the world crisis, partly as a result of "dumping" on the part of other countries (especially of Japan). All these circumstances have obliged England to go back on her traditional policy of free trade and to turn to protective tariffs. The Dominions, to protect their infant industries from foreign competition, long ago started fencing them in with tariff barriers. For English goods, however, they discount the rate of tariffs. Thus, Canada and Australia grant 30 per cent, New Zealand —40 per cent, the South-African Union— 23 per cent (though the South African Union, in its trade agreement with Germany, also grants her a 25 per cent discount). But the high cost of production of the older branches of English manufactures, and the intensified international rivalry resulting from the crisis, outweigh the tariff differential so that it does not save English goods from being driven out of the colonial and Dominion markets. Not long ago a proposal was made for the formation of a British Empire customs Union, abolishing lower tariffs within the Empire and setting high tariffs on non-empire products. This idea met a hostile reception from the Dominions due to the danger from English competition with their home industry, and also because of the pressure of United States' capital. At the imperial conferences in 1930 and 1932 (Ottawa) England conducted protracted negotiations with the Dominions but achieved only certain new privileges, such for instance as "imperial preference" for her industrial goods exchanged for agricultural exports of the Dominions to Great Britain (to this is related the limitation of Soviet import). Thus, the Ottawa Conference did not solve the Empire's problems and did not abolish Anglo-American trade competition in the Dominions but rather sharpened it.

The relative proportion of English investments in the Dominions has largely decreased due to the influx of United States' capital. The change is shown most strikingly in the ease of Canada, where United

States investments are 61 per cent of all foreign investments in Canada, English —36 per cent. The change is also striking in the case of Australia.

The relations of Canada and Australia to the United States frightens England. The Dominion press and statesmen openly state the possibility that in case of an Anglo-American war, England might not be supported by Canada and Australia. It may happen that Australia's attitude will disintegrate the British Empire. It would be fatal for England to lose her dominant place in the Pacific Ocean. The United States would extend its influence over the two Dominions and the approach to the Indian Ocean through Australia would be open to her —a sphere of England's hegemony that she most jealously guards.

However, despite their struggle with England, and the role of United States' capital, the Dominions do still remain within the British Empire. England is still the main customer for their agricultural output, the main creditor in the case of their State loans, and their chief investor (except in the case of Canada). And a factor of considerable importance is that in case of disintegration of the Empire, they would be unable to keep their independence and would fall under the power of the United States.

The nationalist and revolutionary movements in the colonies also threaten Empire disintegration. This threat is especially strong in the case of India. On the one hand, the Indian bourgeoisie struggle against English imperialism; on the other hand, the Indian toilers struggle against both English and Indian exploiters.

§ 11. Contradictions and struggle with other imperialist powers

The displacement of Great Britain from her world hegemony, a process sharply accelerated by the world economic crisis (crisis of over-production) results in a stubborn struggle between Great Britain and her competitors.

Struggle with the United States

The most serious competitor of Great Britain is the United

States — which now has attained hegemony in world capitalist economy. As Comrade Stalin pointed out in his report to the XVIth Party Congress, the principal imperialistic contradiction are the "contradictions between the United States and England." In the field of marketing goods abroad, and in the field of exporting of capital, the struggle is carried on chiefly between the United States and England. The main fields of struggle are in South America, China, and the British colonies and Dominions. The weight of power is clearly on the side of the United States. The United States is successfully pushing England out of her positions in the South American republics and now holds first place in their foreign trade and investments. England still keeps her position in Brazil and Argentina. The displacement of England's influence in the Dominion of Canada by the United States, to such an extent that one could almost speak of Canada as a Dominion of the USA, is proceeding apace. The same struggle is developing between the two rival imperialist powers in the countries bordering on the Pacific, particularly in China.

Besides the struggle for markets and investments, a vigorous struggle goes on for sources of raw material, between England and the United States. The world cotton market is in the hands of the United States and the English textile industry is the principal customer. The world copper and nickel markets are also in the hands of the United States, and England has to purchase these metals for her machine construction. On the other hand, England controls the world rubber market (Indonesia, Malacca), but the principal customer is the United States automobile industry. So it is with tin (also Malacca and Indonesia) which is consumed in great quantities by the United States, but the world supply is largely controlled by England. In petroleum a great struggle for petroleum regions goes on between the American Oil trusts and the English (Anglo-Dutch).

London, formerly the most important world banking and exchange centre has yielded place to New York. The American merchant marine has reached that of the English in tonnage, and sharply competes with it.

Besides this basic conflict between England and America, England's interests conflict with those of other countries, notably France and Japan.

Conflict of interests with France

The clash of interests with France occurs in the field of

investments and in the marketing of goods, and developed especially after the war, when France began a rapid industrialization.

In spite of the fact that England and France were allies in the World War, there is a constant struggle between them for political predominance in Europe. And there is constant rivalry between in the Mediterranean. There England controls both gateways —Gibraltar and Suez, and France possesses her own southern coast line, a part of the northern coast zone of Africa and on the west the coasts of Syria.

Rivalry with Japan

The clashes of interest between England and Japan occur over their struggle for markets and for investment opportunities in the western Pacific and the Indian Ocean regions, and in the rivalry of their respective merchant marines. China is the principal centre of Anglo-Japanese rivalry, as it is also the focus point of the clashing interests of two principal imperialist. countries. There are also rivalries over Indonesia, India, Australia, and Africa.

Preparation for war

The clash of English capital with that of other countries, especially the United States, has become so serious and sharp, that it cannot be solved peacefully.

Hence, the inevitability of new imperialist wars, —wars, according to Lenin for the "redivision of the world." The imperialists of all countries understand it and are preparing furiously for the bout. England, in particular, is feverishly developing her military forces. The English navy is first in the world in tonnage. It has 286 ships and 2,100 aeroplanes. England's standing army is estimated at about 200,000 soldiers (Colonial troops, and the Dominion armies are estimated at 270,000 soldiers). A strong military industrial base has been prepared for the eventuality of war, particularly for tank construction and manufacture of chemical warfare materials. To ensure her continued predominance, England has established a series of military and naval bases: 1) the Fortress of Gibraltar, on the shore or the Straits of Gibraltar; 2) the naval base on the Island of Malta, in the Mediterranean; 3) a fortified zone of the Suez Canal; 4) the base of Aden in the extreme south-west of Arabia, at the outlet of the Red Sea;

5) a naval and air base at Singapore, on a small island near the Malacca peninsula, where the Indian and Pacific Oceans are connected by a narrow strait. England also has Hong-Kong, on the China coast, close to the port of Canton. Singapore and Hong-Kong are the bases England relies upon for her penetration of China.

§ 12. Relations with the Soviet Union

From their very inception, English capitalism has had a hostile attitude towards the Soviet republics. As Stalin said: "English capitalism always was, is, and will be the most furious suffocator of people's revolutions." The October Revolution deprived England of a huge market for her goods, big investment opportunities, and easy access to cheap raw material. Besides this the October Revolution roused the broad masses of the colonial and semi-colonial countries, especially of India and China, and greatly stimulated the growth of their revolutionary movements. All this impelled the English imperialists to back every attempt to overthrow the Soviet regime in the USSR. 1918-1920 they financed and supplied the counter-revolutionary armies of Miller, Judenich, Kolchak, Denikin, Wrangel, etc., with funds, munitions and foodstuffs. The English landed troops at different points in the Soviet Union —at Archangel, on the White Sea, in Baku, Transcaucasia, and occupied the bordering regions.

After the victory of the Soviet republics over the counter-revolutionary armies and interventionists, English imperialists did not cease heir preparations for new wars against the USSR.

At the same time (after the collapse of intervention in 1921 England negotiated a trade treaty with the Soviet Union. In 1924 England recognized the Soviet Union "de facto" and established normal diplomatic relations. In 1927, however, under the influence of certain particularly reactionary groups of the English bourgeoisie these relations were broken, only to be established again in 1929. Towards the end of 1932, at the urgent request of the Canadian bourgeoisie, which sells to England timber, grain and wheat, i.e., the same products that the USSR exports the English government gave notice terminating its trade agreement with the USSR. In 1933, England protested against the trial of the English engineers accused of wrecking activities, and declared an embargo against all Soviet imports. USSR replied by stopping all purchases from England. The

embargo was soon lifted, under the pressure of the affected sections of the English bourgeoisie.

2. THE IRISH FREE STATE

§1. Physical-geographical outline

The British Dominion, the Irish Free State, occupies the larger part of Ireland. The north-eastern section Ulster, remains a part of the United Kingdom. The territory of the Irish Free State covers about 69,000 sq. km (the total area of Ireland being 82,400 sq. km).

In respect to surface the island is mainly a low plain, its edges of a mountainous character in the north-west, north, north-cast and south-west. The surface shows traces of the glacial epoch. There are lakes, deep bights, with high craggy cliffs, and peat bogs.

The climate of Ireland, even more than that of England, is influenced by the ocean and the Gulf-Stream. The average January temperature is from +4° to +6°, July +14° to +16°. Rainfalls are even more abundant than in England. The average annual volume reaches 120-150 cm in the west of Ireland.

Cold summers and an excess of rain limit the agricultural possibilities. But the grasses of Ireland are extremely rich. Because of its rich meadows the country is named “the Emerald Isle”.

Ireland is poor in useful minerals, except peat reserves which are found all over the country.

§ 2. A short historical-economic outline

The economic development of England in the XVIth-XVIIth centuries, the establishment of a textile industry, her overseas exploits in the seizure of colonies, her growing foreign trade and predominance on the seas, were contributory causes of her economic repression of Ireland. Ireland also begun to develop the sheep raising, the export of wool and the textile manufacture, and bid fair to compete with England. Ireland’s nearness to Great Britain was a potential danger to England in case of war and especially so if Ireland joined

with England's enemies. Thus, England sternly subjected Ireland and for centuries hindered her economic development. In the seventeenth century England carried through a big confiscation of Irish lands, turning them over to English landlords.

As Lenin pointed out as "England prospered, Ireland died out and remained a backward, semi-civilized, purely agricultural country of pauper tenant-farmers". Only in the north-eastern section of the island in Ulster where there was an admixture of English, was there any industrial development. This repression of Ireland caused impoverishment, race extinction, and emigration (chiefly to America). The population of Ireland in the middle of the XIXth century was estimated at 8,000,000. Now it is about 4,500,000. As Lenin has pointed "there are more Irish in America than in Ireland".

Feeling keenly the economic and political repression, the Irish population persistently struggled for the right of self-government (Home Rule). During the World War this struggle took on something of a revolutionary character, and ultimately obliged England to yield to Ireland the status of a Dominion. Thus, in December 1921 the Irish Free State was established. It is the sixth Dominion of the British Empire. Ulster because of the common interests of its bourgeoisie with those of the English was staying within the United Kingdom.

§ 3. Economy and population

Ireland as a British Dominion in Europe is characterized by a backward agrarian economy depending upon pasturage, dairying, oat and potato crops.

Agriculture

Characteristic of Irish agriculture is its marked class stratification. The big landed proprieties dominate, though in number the peasants households are in great majority. There is large stratum of landless peasantry. About 35 per cent of all farms are on rented land.

The main branch of agriculture (see map 11) is cattle breeding, based on natural pastures. Meadows constitute 50 per cent of the country's total area, plough-land only 24 per cent. Animal husbandry (hogs, sheep and goats) is widely engaged in.

Agriculture centres on potato cultivation, the staple food of the

population are in oat growing. Fishing is developed along the Irish coast.

Dominion status does not protect the toiling Irish peasantry from exploitation by the landlords. The world economic crisis has caused mass ruin of Irish peasant farms.

Industry

Industry is but slightly developed in the Irish Free State. In the chief city of Ireland, Dublin, there are only factories connected with the food industry (brewing, distillation, cheese making), besides a part of the textile (linen) industry

Population

The population of the Irish Free State is about three million Irish. It gives a very low average density of population —35 people per sq. km. In Ulster it is 45, in England —250. Ireland has but few towns all small, except its capital, the city of *Dublin* which has about 450,000 inhabitants.

It is the political, economic and cultural centre of the country.

Foreign trade and the payment balance

The foreign trade of the Irish Free State is insignificant. Even before the crisis it had a passive balance. Her imports were 570,000,000 gold roubles and exports 418,000,000. Money orders from abroad, especially from Irishmen in the United States to their relatives in Ireland played an important role in her payment import balance.

3. FRANCE

§ 1. Physical-geographical outline

Geographical location

France occupies the western section of the European continent and Corsica island in the Mediterranean. Its total territory is 551,000 sq. km. Its water boundaries are the Atlantic Ocean, the English Channel and the strait of Dover on the west and north and the Mediterranean, on the south.

Frontage on these seas is of vast importance for France's maritime life. The Atlantic Ocean is the most important world highway, connecting Europe with America. The Mediterranean is also an important commercial highway of world significance. It connects Europe with the African colonial countries, Asia Minor, and with the countries bordering on the Indian and Pacific Oceans, by way of the Suez Canal. France is in a more advantageous position in respect to sea communications than its neighbour Germany, which has only the outlets in the north to the north and Baltic Seas.

Surface

The surface of France is varied. The lowland stretches over a long, wide line; in the south-west is the basin of the Garonne River, and in the north is the Paris basin. A smaller lowland is situated in the south-east along the valley of the Rhône. In the centre of the country is a plateau 800-1,000m in height, known as the Central Massif, or the Central Plateau. The mountains of France are on her borders. On the south-east are the Alps, whose peak Mont Blanc, reaches 4.8 km. The Pyrenees are in the south-west, their peak 3.4 km high. Of less significance are the Ardennes, in the north-east, and the Vosges in the east. The Island of Corsica is mountainous, its chief summit reaching 2.6 km.

Rivers

The chief rivers of France are the Seine (776 km) flowing into the

English Channel. It is navigable for the most part, and has many navigable tributaries. The Loire river (1000 km) flowing into the Atlantic Ocean, is navigable in its lower reaches, and has navigable tributaries. The Garonne (720 km) also flowing into the Atlantic Ocean is navigable only in the lower main stream. The Rhône (812 km) originating in the Alps, extends at one point into Lake Geneva and flows into the Mediterranean.

It is hardly navigable due to its rapids. The potential waterpower of France is estimated at about 5,400,000 h. p. The utilization of water power was extended in France especially during and after the war now 50 per cent of the potential power is actually developed.

Climate

Due to her geographical location, France has a mild maritime climate, but without the cloudiness and dampness that prevail in England. The most equable climate is on the north-western peninsula of Brittany, where the average January temperature is +4° and that of July is +18°. Farther inland and eastward the clima te becomes more continental. Snow falls sometimes in Paris and over the central section of the country. The southern coast line of France and the Rhine Valley have the Mediterranean climate; the average January temperature is +4° and July +22°. The summer is ve ry dry. The average annual rainfall in France is estimated at 80 cm, i.e., twice as much as in the Ukraine or in the North of Russia. The minimum rainfall is along the Mediterranean coast line —35-50 cm, the maximum in the southern section of the Atlantic coast and on the Alpian slopes —200 cm and over (about the same as the Batum region).

The climate of France is suitable for wheat crops, and for sugar cane in the north. Grapes grow all parts of the county. The northern grape border runs at a distance of from 100-200 km from the coast of the English Channel. The region of peaches and evergreen trees (f. i., cork oak) reaches the Garonne River. The regions of olives and sericulture is limited by the Mediterranean coast line.

The soils

The soils of France are generally rich. Exceptions are the coastal zone known as the Landes, south of the city of Bordeaux, which are covered by sandy dunes; the banks of the lower reaches of the Loire

River are covered with sandy and marshy soils; certain parts of the Brittany peninsula are largely waste lands. A part of the province of Champagne, to the east of the city of Rheims, is a chalk desert. Besides these there are infertile soils in the mountains.

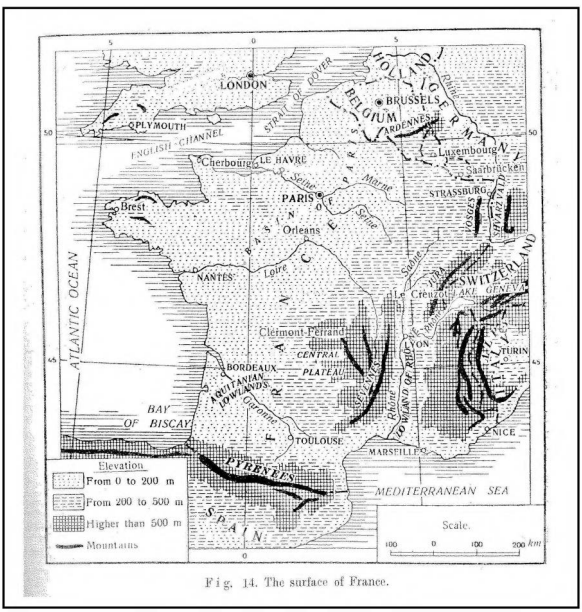


Fig. 14. The surface of France.

Fig. 14. The surface of France

Minerals

Great quantities of iron ore, potassium salts and bauxites are found in France.

France occupies the third place after the United States and Brazil among the capitalist countries, in iron ore deposits, which are estimated at 8 billion tons. The main iron ore deposits are in the east of France, in Lorraine, half of which belonged to Germany until 1919. The Lorraine ores (named minettes) have a comparatively small percentage of iron (33 per cent) and much phosphorus. The latter formerly prevented wide utilization of these ores. But the invention of the Thomas method of metallurgical smelting gave the Lorraine minettes a special industrial value. This method combines the

smelting of metal with the manufacture of chemical fertilizers. The Lorraine ores are conveniently located and their extraction is accomplished at low cost. Most of the other iron deposits of France are found in the north-west —in the western section of the English Channel zone, in the Loire estuary and in the Pyrenees.

Deposits of potassium salts, a raw material for the chemical industry, are found in great quantities (estimated at 2 billion tons) in Alsace.

France is also rich in bauxites, from which aluminium is extracted. Deposits of this raw material are found in the south of France, in the mouth of the Rhine River, and also in the Pyrenees region.

France is very poor in coal. Its reserves are estimated at only 17 billion tons. Most of the coal seams are found in the north of the country, along the Belgian border. There are small beds along the upper reaches of the Loire, in Lorraine and north of the Mediterranean coast. The Saar district which is under the provisional control of the League of Nations has reserves of coal estimated at 16.5 billion tons, which became French propriety. France does not have other kinds of fuel.

§ 2. The principal features of the pre-war economics of France, and the changes wrought during the war and post-war period

A country of highly developed capitalism, one of the most powerful of the imperialist countries that participated in the struggle for world domination, "the world's banker", a "state-rentier". Agrarian-industrial before the war of 1914 and industrial-agrarian in the post-war period. A developed heavy industry based on home supplies of iron ore, and imported coal. Old established light industry and varied branches of rural economy. The government is that of a bourgeois republic.

France before the World War

Pre-war France was an agrarian industrial country, where

agriculture played a significant role. Industry, slowly progressing, still did not hold primary place in the country's economic life. The following data will serve as indices:

1) agricultural incomes were estimated at 50 per cent of the country's total, and France entirely met its needs for agricultural products without resort to importation;

2) 56 per cent of France's population was rural and only about 4 per cent urban (the rural population of Germany is only 38 per cent of the total population, and in England only 12 per cent);

3) heavy industry (metallurgy, machine building) was but slightly developed in France. The light branches prevailed. These were the textile (silk and cotton), the needle trades, shoe manufacture, the manufacture of luxury goods, fashionable types of clothing, perfumery etc.;

4) the character of French industry was reflected in her foreign trade. France imports machines from England and Germany, and exports primarily products of light industry and agricultural products wine, cheese, etc.).

French capitalists preferred the usury to investments in industry. Small pawnbrokery in the village, a wide network of banks lending money to commercial and industrial enterprises at home, making loans o foreign governments and to manufacturers, has developed a large rentier class, living on the interest of their savings (lent directly or through banks).

As Lenin pointed out, "capitalism in France developed from small brokerage capital into giant usurious capital". And further, "here (in France) capital invested abroad is mostly invested in Europe and Russia (not less than 10 billion francs). These are primarily mortgages, State loans, but not capital invested in industrial enterprises. In distinction from English colonial imperialism, French imperialism may be designated as usurious imperialism". This giant brokery capital gave to France considerable economic and political influence in world capitalism, in which she played the role of an international broker, "a State-broker".

At the same time, pre-war France was active in the struggle for colonies, markets, raw materials, and spheres for investments.

Since the thirties of the XIXth century France has begun "to knock together" colonial domains. She seized Algiers, Pacific Islands, the Sudan Central Africa. Defeated in 1870 in the war with Prussia, France lost her eastern province of Alsace and half of Lorraine, and was obliged to pay indemnities totalling five billion francs.

The later history of France up to 1914 was marked by preparation for "revenge" against Germany and consequently of a rapid growth of militarism. At the same time France captured a large part of Africa and Indochina, and subjected Turkey to her influence. France also greatly increased her export of capital. Her expansion brought France into strong rivalry with Germany for influence in the Balkan peninsula and in Turkey and also for the partition and repartition of Africa.

At last in 1914 the "revenge" prepared by France was taken in alliance with tsarist Russia and Germany's chief competitor, England. Victorious France re-joined to her territory Alsace and Lorraine. She "rounded out" her colonial domains by taking under a "mandate" from the League of Nations the former German colonies in Africa —Togo and Cameroon and the former Turkish province, Syria. In addition Germany was obliged to pay enormous reparations for war damages (since 1931 Germany has not paid). France received the largest part of the German reparations.

Besides this the Saar district (with a developed coal and metallurgical industry) was taken from Germany and given to the League of Nations under provisional management with the understanding that in 1935 on the basis of a general vote (plebiscite) of the Saar district population, the League of Nations will decide whether the Saar District will be returned to Germany or annexed to France.

Changes during the war and post-war years

The war and post-war period were characterized by great changes in the national economy of France. There was a marked degree of industrialization of the country. 1) Heavy industry greatly developed and attained the leading place (the metallurgy, machine construction, automobile, aeroplane and chemical branches). The heavy industry output of France in 1929 was estimated at 139 per cent that of pre-war, whereas light industry's production was 92 per cent of pre-war. 2) The part of industry in the national economy its part in the total output of the country has risen from 50 per cent to 56 per cent. The city population has grown from 44 per cent to 49 per cent. 3) The agrarian crisis has become sharper since the war, and has resulted in ruin of the peasantry and in replacement of grain growing by cattle raising. 4) In foreign trade, the export of the products of heavy industry, and the import of agricultural goods (foods and raw materials) have markedly grown. 5) Much French capital formerly invested in

brokerage operations is now invested in industry.

Beside this, concentration of capital has grown immensely (in agriculture as well as industry). The productivity of industry has increased due to its radical technical rationalization and electrification.

The locations of industries have also changed. Heavy industry located before the war primarily in the north-east, has now spread to other regions —to the south-east, central France, the south-west and the east.

Industrialization: war and post-war factors

What is the explanation of these vast changes? The World War created an enormous demand for the products of heavy industry, especially of course for munitions, armoured steel, etc. It created a demand for products of the machine building industry (automobiles, aeroplanes, etc.), and of the chemical industry (explosives and poison gases). It brought fabulous profits to the manufacturers, and to the banks, which received high interest from the financing of profitable foreign enterprises. Former investors abroad became patriotic during the war and made their investments at home, in the munitions industry. The millions of credits freely granted by the French War Department to the military suppliers were also effective in the quick upbuilding of the munitions industry.

The attacking German troops occupied the north-eastern section of France, bordering on Belgium—the chief industrial and coal mining region of pre-war France. The French were compelled to build new enterprises in districts far enough removed from the front and to utilize more water power now that there was a shortage of coal. The new enterprises were accordingly built in the south-west and south-east of the country. The mountainous rivers originating in the Pyrenees, the Alps and the Central Massif afforded cheap electrical energy in great quantities.

The rapid growth of French industry, begun in war time, continued after the war. Favourable circumstances were: 1) The need for reconstructing and re-establishing the destroyed areas, especially those of the industrial north-east. It required tremendous amounts of metal, machines, and construction materials, which thus provided a capacious home market for the corresponding industrial branches. 2) The German reparation payments utilized for the reconstruction, partially relieved the French national economy of the expense of this work. 3) There was very great enhancement of banking and industrial

capital in France on account of the depreciation of French currency. As a result of inflation (excessive issue of paper currency) the French franc fell to one fifth of its former value. Due to this depreciation, the banks, which held the savings of the petty bourgeoisie, the peasants, and to some extent the employees and workers, which had received these moneys in francs of full value, returned them in depreciated currency and themselves retained the difference. Thus, the banks actually robbed the petty bourgeoisie and the toilers. The depreciation of the franc resulted in the enrichment of the manufacturers, because it reduced real wages and increased the competitive ability of the French goods. 4) The seizure of the richly industrial Alsace and Lorraine regions with their great deposits of iron are and potassium salts, with developed metallurgy and textile industry and the seizure of the Saar region with its coal and metallurgy, gave a great stimulus to the industrial development of France.

The advance of world technique in the fields of hydro-electric power and metallurgy enabled France to lessen her consumption of coal, and also influenced her industrialization.

The influence of physical-geographical conditions on economic development

XVIth century France bordered on the important sea highway of that time—the Mediterranean.

The development of trade highways on the North Sea and the Atlantic Ocean put her in a very advantageous position as an almost peninsular country bordering on the three most important economic seas. These advantages have grown immensely with developments in ocean navigation and with completion of the Suez Canal.

Climatic and soil conditions were favourable to rural economy. Over the larger part of the country agricultural operations were possible during the whole year. The variations of climate in the different sections of the country have resulted in their different agricultural specialization. Lack of home fuel supplies, and defects in the raw material base—as for instance the great content of phosphorus in her iron are deposits, were adverses for the industrialization of the country in the epoch of industrial capitalism. Now modern technique has minimized these unfavourable circumstances. 1) Due to the utilization of her rich water power resources, France now has a cheap energy base. 2) Due to improvement of metallurgical processes, the quantity of coal used is

reduced, which economizes on imported article, and facilitates the development of French metallurgy. 3) Due to development of the metallurgical process the high phosphorus in the French ores has been turned from a defect advantage.

§ 3. Population

The population of France is about forty-one million. In respect to national composition, the French are in the overwhelming majority.

The French are related to the Latin group of nations. Their culture and language have developed on the basis of the Ancient Roman culture and the Latin language. The Italian, the Spanish, the Portuguese, the Western Belgians (Walloons) and the Rumanians, also belong to this group.

Among the national minorities in France there are: 1) in the north-west, in Britanny —the Bretons, descendants of the aboriginal French population —the Celts— in number about 1,400,000 inhabitants; 2) in the south-west, in the Pyrenees region —the Basques, also descendants of the aboriginals, estimated at about 100,000. Both of these speak their native language; 3) in Alsace and Lorraine there is a mixed French-German population, a part of which is considered as an independent nation; more than a million speak the Alsace dialect of German language; 4) the population of the Island of Corsica —600,000 people, speaking a dialect of the Italian language. Besides these, some three million foreigners reside in France.

The distribution of the self-supporting population in the different economic branches is as follows:

In agriculture..... 38 per cent
In industry.....33 »
In trade and transportation..... 17 »
In others (public service,
the liberal professions, rentiers)..... 12 »

There remains to be mentioned the large rentier class living on the interest from invested capital.

48 per cent; of the total self-supporting population belong to the proletariat.

The natural growth of the population is extremely slow in France. Long before the World War and the world crisis the annual birth rate

was as low as 2 per cent with a death rate of 1.75 per cent. The annual growth of population was only 0.25 per cent—the lowest the world. That of England and Germany was 1 per cent before the crisis. As one of the reasons is the predominance of small farming in agriculture and the straitened economic position of the peasantry. Under the influence of the crisis the birth-rate has decreased and the death-rate increased.

The war of 1914-1918, involving the service of about 8,000,000 in French Army, caused the direct loss of 1,300,000 men killed on the front. It also increased the general death-rate and decreased the birth-rate. Consequent upon this there was for some years a shortage of labour. It was felt both by industry and agriculture up to the beginning of the economic crisis in France (1930), and caused an influx of foreign workers, Italians, Belgians, Spaniards, Poles, etc., totalling about 3,000,000 people.

The average density of the population of France is less than that of England—76 per sq. km. The most thickly populated (150 per sq. km) are the industrial regions: the north-eastern section of the country on the Belgian border, the Alsace, the Perris and Lyon regions. The areas of less density (fewer than 40 people per sq. km) are the Alps, the southern section of the Central Massif, the Garonne basin in the south-west, and the chalk desert Champagne in the east (eastward of the city of Rheims).

Of the population 51 per cent live in rural localities, and only 48 per cent in the cities.

§ 4. Industry

General outline

The industrialization of France during the war and the post-war period was featured, as we have already mentioned, by unequal growth of the different branches. The old established industrial branch of France—the textile, was below pre-war level, and the new — the machine construction and metallurgy was 1 ½ or twice as large. The munition plants grew even more.

Therefore the output of heavy industry (including mining, metal, and building) came to equal that of light industry.

After the war, French industry attained a high technical level. It is indicated by new equipment, mechanization and utilization of electric energy. Electrification has markedly developed. A series of

hydro-electric stations, supplying cheap power, were built in the south. Most of the power, however, 84 per cent was produced by the thermal stations utilizing coal.

Large-scale enterprises prevail: 55 per cent of the enterprises employ over a hundred workers each and 30 per cent out of the 55 per cent employ over 500 workers each. The capitalists are knit together by organizations. There is the old metallurgical syndicate, "Le Comité de Forge", and also the giant concern, Shneider-Creso, embracing many branches of heavy industry (metallurgy, machine construction, electro-technical, ship-building and especially munitions). They dominate the corresponding enterprises in Czechoslovakia, Poland and Rumania. Giant enterprises and trusts, in the chemical and electro-technical industries, and in the production of rayon, account for 70-85 per cent of the total production in France. Industrial capital is closely connected with finance capital.

The crisis

Before the war and still more after it France was in need of industrial workers. This lack was met by an influx of labour from Italy, Spain, Belgium, Poland and the French colonies.

The post-war rise in French industry continued for about a year after the rest of the capitalist countries had been gripped by the economic crisis. It was only in the fall of 1930 that the crisis seriously touched France.

First of all it touched the older branches of French industry, the production, of luxury goods, the shoe industry and metallurgy. Then it spread to the textile industry, to machine building, and even to automobile construction and aviation, though the latter two are secured by war orders. Towards the end of 1931 the crisis struck the coal mining industry, the electric power enterprises and the electro-technical industry. In 1932 all branches of the French industry were affected. The decrease of production in some branches (as in the case of cast iron smelting) reached 50 per cent. The general volume of industrial output, which in 1930 stood at 110 per cent of that of 1928, fell to 74 per cent in 1932.

Consequent upon the closing down or reduction of output, the former shortage of workers gave way to unemployment. The number of unemployed is estimated at 2,500,000 and as many more are employed only half the time.

Mining

The mining industry is represented chiefly by iron ore, 95 per cent of which is found in Lorraine.

The Lorraine ores, named "minettes" give to France the second place in the world for iron ore extraction. Besides being used for the metallurgy of France and of the Saar district, Lorraine ores are exported to Germany and Belgium.

Coal mining is mostly developed in the north-east and also in the region of the Central Plateau and of the Rhône Valley (Saint-Etienne Creuzot). Production averages 54,000,000 tons and it does not fully meet the country's needs.

The extraction of potassium salts is highly developed in Alsace. They are used by the chemical industry in the production of chemical fertilizers. The output of potassium salts is estimated to be a fifth of the world's total.

In the extraction of bauxites France is first in the world. They are found in the south, in the estuary of the Rhône River and in the Pyrenees. They are used by the aluminium industry of France, and exported to other countries.

The metal industry

The metal industry produces 27.2 per cent of the production value of the whole manufacturing industry. French metallurgy had increased by 1929 its production, to 10,300,000 tons of cast iron and 9,700,000 tons-of steel, i.e., more than doubled it compared with 1913, catching up with Great Britain in steel, surpassing her in cast iron, thereby taking third place in world metallurgy after the United States and Germany.

French metallurgy has its own raw material base, primarily the Lorraine "minette" ores that have been referred to, and the lack of home supplies of fuel is made up by German, English and Belgian coal.

Chief regions of ferrous metallurgy are Lorraine (3/4 of its production and the north of France. Regions of secondary importance are the west of France (5 per cent of cast iron and 4 per cent of steel), and the Central (1.4 per cent of cast iron and 5.5 per cent of steel).

The usual method of steel smelting used in Lorraine metallurgy is not the open hearth process,. but the Thomas, which besides meta

produces thomasslack, utilized for fertilizing purposes.

After the war, French metallurgy, particularly the Lorraine, began to change over to the combined production of metal, coke and chemical products. This method lowers the cost of production.

Electrometallurgical production has to be mentioned specially. It is the production of high grade steels, aluminium and ferro-smeltings.

These branches are concentrated in the mountainous regions where there is an abundance of cheap water power, 80 per cent are produced in the Alps region and 17 per-cent in the Pyrenees.

Machine construction is represented by the production of engines, locomotives, agricultural instruments and textile machinery. Especially well developed is the automobile industry (the famous plants of Citroen d Renaud) in which France holds the second place after the United States. Aviation (Voisin plants, etc.) is also highly developed. The munition machine building plays a very important role. Like the

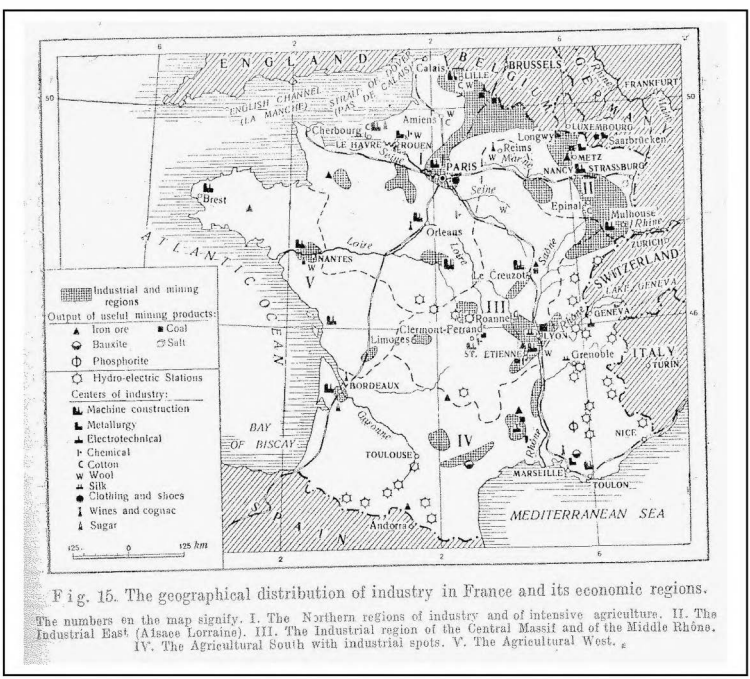


Fig. 15. The geographical distribution of industry in France and its economic regions.

The numbers on the map signify. I. The Northern regions of industry and of intensive agriculture. II. The Industrial East (Alsace Lorraine). III. The Industrial region of the Central Massif and of the Middle Rhône. IV. The Agricultural South with industrial spots. V. The Agricultural West.

military branches of metallurgy, it receives orders continuously and does not suffer from the crisis. Machine building is concentrated in and around Paris (here particularly, is the main centre of automobile and aviation construction); in the north of France in the Central Massif region (cities Saint-Etienne and Creuzot) with the greatest machine building and munition plants; in Alsace in the city of Strasbourg, where is developed the building of textile machines; and in the south-west, in the port Bordeaux, ship-building is developed.

Chemical industry

The chemical industry is a new branch in France. It has several divisions. The largest scale manufacture of potassium fertilizer is in Alsace, in the city of Mulhouse; the production of thomasslack is in Lorraine; coking is done in the north; the rubber industry in general, and particularly the manufacture of automobile tires, is in the Paris region; chemical paints are in the north, in the city of Lille; and explosives for military purposes and the manufacture of rayon are in Creuzot and Lyon.

Textile industry

The textile industry, the main branch of pre-war France, in the post-war years produces together with the clothing industry 23 per cent of the country's total manufacture. Even in the "best" year, 1929, previous to the crisis, it did not produce more than 94 per cent of the pre-war production. Cotton, wool and silk are the developed branches of the textile industry.

The *cotton industry* of France was redoubled when Alsace and Lorraine were returned to France, and now holds third place in the world, after Great Britain and the United States, in number of looms (9,700,000). It is spread all over the north of France, from the English Channel to Belgium. The main centres are *Lille*, in the north, *Epinal* and *Mulhouse* in Alsace.

The *woollen industry* is the oldest in France. It is of great importance even now, because of its manufacture of high grade textiles for export. It is centred in the north.

The *silk industry* of France is of world renown, second only to the Italian. It is primarily located in the Lyon region, where the cultivation of the mulberry and the breeding of silk worms are developed on a

wide scale. Of recent years natural silk has met with the strong competition of rayon. Rayon has developed also in the Lyon region.

The needle trades and manufacture of luxuries are highly developed in France, centred in *Paris*, these that "dictator of fashions" of the bourgeois world. A large proportion of their output is exported abroad.

Among manufacturing branches of the light industry the food industry occupies the third place after the metal and textile. The food industries —flour, sugar, oils (olive and sweet oils), etc. naturally follow agricultural production, and are found in the same localities but we will consider them a little later.

Industrial regions

French industry is apportioned among the following industrial regions: 1) in the northern region, or rather in its north-eastern extremity, bordering on Belgium, are coal mining, metallurgy, the coke-chemical industry, machine building and the textile industry (cotton, wool, linen and lace). 2) In the Paris region are concentrated the older branches of light industry —the needle trades, the production of fashions and luxuries, perfumery, load, and the newer kinds of machine building, especially automobile, aviation and munitions. 3) The Alsace-Lorraine region: iron ore and potassium salts extraction; metallurgy; machine construction; the chemical and cotton industries, 4) The Lyon region is the centre of the silk industry, and a centre of the chemical industry, including rayon and of machine building. 5) The Central Plateau Region (Creuzot, Saint-Etienne) has metallurgy, machine construction, coal mining, chemical and munition manufactures.

The south-east and the south-west are new regions of secondary importance of industrial value. Extraction of bauxites, electrometallurgy and machine construction are developed there, and black metallurgy in the west.

§ 5. Agriculture

The social structure

After the Great French bourgeois Revolution of 1789,

landownership by the gentry was abolished, and the land was turned over to the liberated peasants with the right to sell, to will and to inherit. As a result of such selling by peasants of parts of their land, and of its many times having been divided among its heirs, the number of landowners has increased, but the size of the holding has progressively decreased. In 1825 there were 6,500,000 landowners; in 1875-8,000,000; and in 1925 already 14,000,000. The division and redivision of the peasants' land was particularly intensive in the last quarter of the XIXth century.

This division and redivision resulted in some farm households having as little as two hectares. The peasants' farms were economically dependent upon the usurers who lent them money and seeds. They also were dependent upon the traders of their produce. These capitalist elements foreclosed the land of the ruined peasants and either operated their farms with hired labour, or rented it to the peasants. The number of medium-sized farms progressively decreased.

Now 75 per cent of the peasants' households are the parcelled, ones possessing only 10 per cent of the country's total agricultural area. The capitalist domains, on the contrary, compose only 0.8 per cent of the farm establishments, but possess 36 per cent of the agricultural area. Thus, France, which in the middle of the XIXth century was a country of middle sized landholdings, is now a country of *small and parcelled landownership* and at the same time of the *large scale capitalist landownership*. The agriculture of France is of a commercial character, depending very much upon the market. This also has developed the domination of trade and brokerage capital. The small and the middle farms carry considerable indebtedness.

The smallness of the majority of the farms, and their indebtedness, has resulted in a comparatively low agro-technical level and an accordingly small yield, especially in field crops. The competition of American grain since the end of the XIXth century has brought reduction of prices and a crisis in French agriculture, that sharpened especially after the World War. It caused a certain intensification of the agriculture, the growth of animal husbandry and cultivation of fodder crops. The deepening of the agrarian crisis in 1921 caused an exodus of peasants from the farms into the industrial cities. These circumstances and the general slow growth of population resulted in a depopulation of the French village. The danger of a sharp decline in agriculture impelled the French government to allow a broad wave of agricultural immigration from Italy, Belgium and Poland.

Branches of agriculture and their regions

Cattle breeding holds first place. Beef cattle breeding is carried on chiefly in the north of France, in Normandy, in the valley of the Loire, and in the valley of the Rhône (the Lyons region). Intensified cattle breeding on the base of concentrated fodders is developed here, though the natural pastures also play an important role. The raising of dairy cattle is especially well developed in the mountainous meadows of the Alps, Jura and the West Pyrenees. The most important market products of this dairy farming are cheese of the Swiss type, and butter.

Sheep raising is not so important here. It is carried on in the same regions as dairy farming, and also along the middle section of the Loire river and the Island of Corsica.

Farming comes second to cattle raising. 55 per cent of France's total territory is occupied by fields. The greater part of the area under

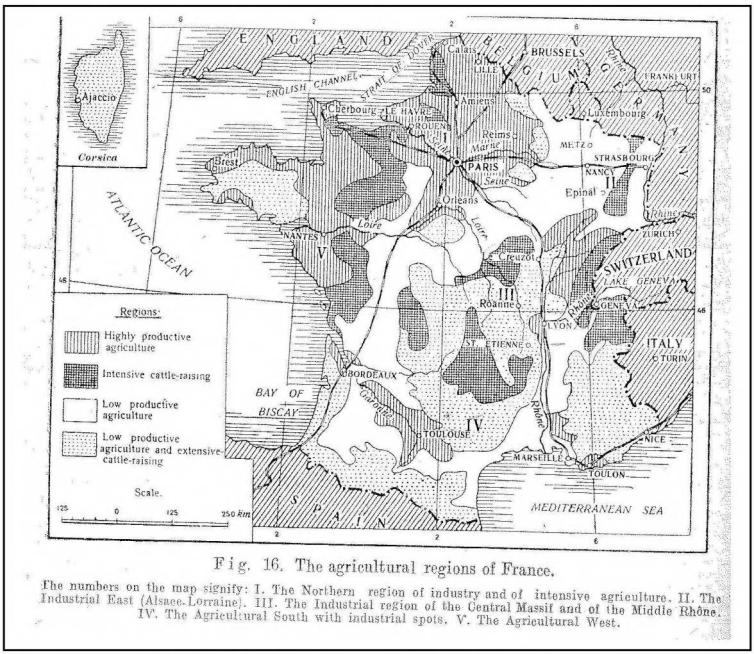


Fig. 16. The agricultural regions of France.

The numbers on the map signify: I. The Northern region of industry and of intensive agriculture. II. The Industrial East (Alsace-Lorraine). III. The Industrial region of the Central Massif and of the Middle Rhône. IV. The Agricultural South with industrial spots. V. The Agricultural West.

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cultivation (over 50 per cent is in fodder crops-clover, lucerne, fodder beets, etc.). 36 per cent of the sown area is used for grain, chiefly for wheat, the leading grain crop of the country. The main wheat regions are the Paris region, the Loire and Garonne Valleys and the eastern section of the Saône basin (the north tributary of the Rhône). Oats occupy the second place among the grains and are found in the western coastal region. Maize holds the third place and is grown in the south (the lower Rhône, the Mediterranean coast line; the Pyrenees-Garonne region).

The *sugar beet* plays a very important role among the technical crops and is mostly cultivated in the north of France. The sugar mills are located there.

Viticulture and vine-growing are also highly developed there. The vineyards give to France first place in the world in wine production—6.8 billion litres annually (after her are Italy, 2.6 billion litres, and Spain 2.2 billion litres).

The vine growing and viticulture are developed in almost all parts of France, but especially so on the shores of the Mediterranean, where, the greatest quantity and the cheapest kinds of wine are produced. Then comes the south-western section of France, Bordeaux with its high quality wines, and the Cognac region—producing the well known cognac.

In Burgundy (the southern part of the Seine basin) and in Champagne (the eastern part of the basin) the world famous burgundy and champagne wines are produced. The best kinds of wines are exported abroad. Much wine is consumed at home. Some of the cheaper kinds are even imported.

Horticulture is highly developed in France, for fruit and flower cultivation.

The main regions of fruit cultivation are the maritime west, the Loire basin, the valley of the Rhône, and the Mediterranean coast line.

Apples are the most widely grown, and the varieties grown in the west, along the Atlantic zone and in Britanny are of especially high quality.

Olives are an important crop along the Mediterranean coast, and on the Island of Corsica. Oranges and lemons are also grown there. The main centre for flower growing is known as the “Azure Coast”. It is part of the Mediterranean belt at the foot of the Alps, in the Nice and Menton regions.

Silk raising, based on mulberry tree cultivation providing food for the silk worms, is carried on in the south along the Mediterranean

coast and the valley of the Rhône River.

The agrarian crisis

As was mentioned already, French agriculture has been in a crisis for some thirty years or more because of the rivalry of American grain. The crisis became acute after the world war, and since 1921, with the fall of agricultural prices on the world market.

In 1930 under the blows of the new world crisis the agriculture of France went down to still lower levels. Meat and dairy products imported from the United States, Canada, Argentina, Australia, and New Zealand; and wines imported from Spain and Algiers, sold at such low prices that they drove out of the French market her own agricultural products and compelled the French producers to cut their prices. It all but deprived the peasantry of a livelihood, and caused mass ruin and subsequent influx into the industries.

The sharpening of the agricultural crisis in France in 1931-32 was not obviated by the high tariffs established by the government on goods imported.

§ 6. The chief economic regions

The location of the major divisions of industry and agriculture divide France into the following principal economic regions: 1) the Northern region of industry and intensive agriculture; 2) the Industrial East; 3) the industrial region of the Central Massif and of the Middle Rhône; 4) the Agricultural South and 5) The Agricultural West.

The Northern region

1. The Northern region of industry and of intensive agriculture is bounded by the north-eastern extremity of the English Channel coast line, up to the Brittany peninsula and the basin of the Seine with Paris included. The various branches of industry are located in the north-east around Lille and on the Seine around *Paris*.

Black metallurgy is developed in the north-east. There is 20 per cent of the country's steel smelting and 11 per cent of the iron ore. The main beds of coal are deposited here. Here are the mines, and here

also is the coke-chemical industry connected with metallurgy. Complex machine construction on the metallurgical base is also developed here. Different branches of the textile industry are located in the north-east, —cotton, linen, lace and wool. Here, also, is the chemical paints industry. Such new branches of industry as the automobile, bicycle, aviation, chemical, rubber, and particularly the munitions, are developed in *Paris* and its suburbs. *Paris* is also a centre of the older industrial branches. Here are highly developed clothing trades, especially women's clothes, overcoats, hats, underwear, shoes, perfumery, cosmetics, and the production of fashionable articles and luxury goods such as artificial flowers, feathers, small knick-knacks, fine furniture etc. These articles find their market not only in *Paris* but also abroad. Many food enterprises —confectionery, chocolate, canning, sausage, etc. are located in *Paris* and its suburbs.

The north-east, and *Paris* together with its suburbs, are the greatest centres of concentration of the proletariat and of the revolutionary movement. The other part of the northern region is agricultural. Agriculture here is distinguished by its intensive nature and is specialized in beef cattle raising and in wheat and sugar beet growing.

In the region along the English Channel and in the northern part of Normandy, animal husbandry is of an especially intensive nature, and is based on both concentrated fodders and natural pastures. Fodder grasses, flax and the sugar beets grown for the local sugar mills, are of much importance here. Apple growing is highly developed in Normandy.

Wheat is the leading crop in the Seine basin. Here is the most intensive agriculture and the highest yield in the country. The sugar beet is mostly found in the north-east. Dairying and truck gardening are developed around industrial *Paris* and in the north-eastern regions.

The chief cities are: *Paris*—located on both banks of the Seine and having about three million inhabitants. *Paris* plays a very important role as capital of France and as a commercial, industrial, and cultural centre.

The head offices of the greatest banks, controlling many trade and industrial enterprises in other countries and influencing their governments by their loan policies, are located in Paris. Far-reaching deals are made on the Paris exchanges. The tangled threads of international policies often lead to Paris banks and to the Quai d'Orsai.

Paris is considered in the capitalist world as "fashion's lawmaker." Its

luxury goods find a wide market among the bourgeoisie of other countries.

As has been already mentioned, Paris is an important centre of both the newer and the older industrial branches. Long having been an industrial centre, there is a concentration in Paris of the proletariat, and it has long been a centre of the revolutionary movement. (That great heroic attempt to establish the workers' power —the Paris Commune of 1871— was made in Paris).

Many scientific institutions and universities are situated in Paris.

L'ille (200,000 inhabitants) —in the north-east. A great centre of metallurgy, of the textile industry and of chemical paints. *Roubaix* —at the Belgium border, a cotton and linen centre.

Havre (370,000 inhabitants) —a large seaport at the estuary of the Seine, a centre of machine building and of the cotton and sugar industries.

Rouen, in the lower Seine, —a port of trade and a centre of the woollen and chemical industries.

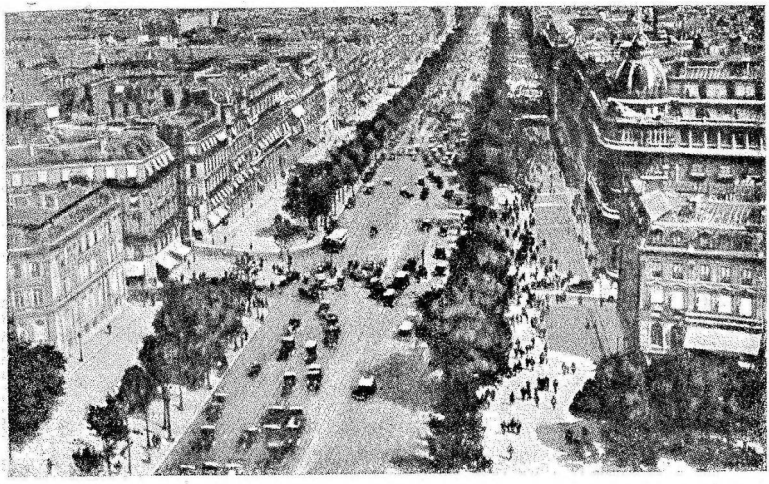


Fig. 17. Paris. Champs Elysées.
Champs Elisées is one of the most animated boulevards of Paris.

Fig. 17. Paris. Champs Elisées.
Champs Elisées is one of the most animated boulevards of Paris.

The industrial East

2. The industrial East comprises the Alsace and Lorraine that were returned to France by the Versailles Treaty, and also the old French Lorraine, i.e., the part that remained within the French borders after 1870; it is a purely industrial region of great importance in the national economy of France. About three fourths of the country's black metallurgy is located here. The world famous iron ore beds serve as the raw material base. Their exploitation produces 95 per cent of France's metallurgical output. The prevailing method of steel smelting is the Thomas method producing metal together with Thomasslake fertilizer. In machine construction the East does not play such an important role as it does in metallurgy. Heavy machinery construction is developed in Lorraine and fine textile machinery in Alsace. Great beds of potassium salts are found in Alsace, which are important in the production of chemical fertilizers. And finally, an important part of the textile industry, especially cotton, in Alsace and Lorraine.

A large proletariat has grown in the Alsace-Lorraine region. Due to the mixed nature of the population (see § 3) and to the policy of forced "frenchifying", the national struggle is carried on side by with the class struggle.

The main cities of this region are *Strasbourg* in Alsace (185,000 inhabitants), centre of machinery construction and of the textile industry; *Mulhouse* (in German-Mulhausen), a centre of the chemical industry (potassium fertilizer) and of textiles; *Metz* and *Nancy*, in Lorraine, centres of the metal, textile and chemical industries.

The industrial region of the central Massif and of the Middle Rhône

3. The industrial region of the Central Massif and the Middle Rhône has several branches of heavy industry, and the silk branch of light industry. Here are also iron ore beds of secondary importance, however. The bigger ones are near Le Creuzot and Saint-Etienne. Black metallurgy, especially steel smelting and machinery construction, are developed in these centres. The great machine shops of the Chneider concern are in Le Creuzot. They produce equipment and fill the munition orders of other imperialist powers. In Creuzot, and also westward —in Clermont-Ferrand, and eastward Lyons the chemical industry and rayon manufacture, competing with

the silk industry. At Lyons the silk industry is highly developed. The agriculture of the region is primarily extensive. Cattle breeding and to a still greater extent sheep raising, and such crops as rye and oats, prevail here. Intensive cattle raising and maize growing are developed at some places of the Central Massif.

The main city is *Lyons*, the third important commercial city of France (after Paris and Marseilles) with 500,000 inhabitants situated at the conference of the Seine and the Rhône. Lyons is the chief centre of the silk industry, and of the chemical industry —rayon and explosives. Machine building is also developed here.

Sain-Etienne (200,000) and *Le Creuzot* (45,000) are centres of iron are and coal mining industries, black metallurgy, construction and war materials.

Clermont-Ferrand is a centre of the chemical industry.

The agricultural South

4. The agricultural South with industrial centres in the east and in the south-west is situated along the Mediterranean coast. On the south-eastern part of the land it touches the Alps, and on the south-western part it touches the Pyrenees and the Garonne.

A large part of this region is characterized by an extensiveness and low productivity: the hilly slopes of the Alps Pyrenees, also the territories located south of the Central Massif specialize in mountain meadow cattle raising and sheep raising.

Cattle raising is intensive only at the border of Switzerland; agriculture along the river Garonne, where wheat, maize, and wine production is developed; along the Mediterranean coast—olives, maize, grapes and southern fruits—oranges and lemons grow. Here is located the most important flower centre. On the eastern shore of Mediterranean Sea, near the cities of *Nice* and *Menton*, are located nearly 4,000 orchards, supplying all of France and some other countries with narcissi, iris, mimosa, roses, violets, and other flowers. The silkworm is also raised here.

Industry is but slightly developed in the south, and here are developed principally the food industries—olive oil, wine, dairy products, canned fish, etc. In the regions of the Alps and the Pyrenees, electrometallurgy—particularly aluminium, based on the cheap water-power, have begun to develop since the war.

The main cities are: *Marseilles*—with a population of 650,000, the second largest and most important city of France, the greatest

commercial port on the Mediterranean.

Bordeaux—with a population of 280,000, a sea trading port at the mouth of the Garonne, the centre of iron manufacture and also ship building.

Grenoble—on the slope of the Alps, a centre of electrometallurgy, using water-power. Silk is also represented here.

Toulouse is a great port on the South Canal connecting the Mediterranean Sea with the Atlantic Ocean through the Garonne River.

Toulon—a military port on the Mediterranean.

The best winter climatic conditions for the tubercular are found on the azure coast or in the Riviera towards the Italian border. Nice, Menton, Cannes are populated or visited by the bourgeoisie of many different countries. These visitors leave substantial amounts of money in France, which helps her payment balance. Close to Nice, a very small state, the principality of Monaco (area 18 sq. km., population 23,000), is wedged into French territory. It only two towns—Monaco and Monte-Carlo. The latter is famous for its "Casino" where gambling games, especially roulette, are carried on.

The agricultural West

5. The agricultural West embraces the Atlantic coast-line north of the Garonne estuary, the Brittany peninsula and the middle and lower Loire valley. Except for certain localities it is a backward region. It specializes in oats and wheat. Dairy cattle breeding and apple growing are developed in the Loire Valley. Brittany is characterized by the very extensive character of its agriculture. The fisheries, especially sardine fisheries, play a very great role along the coast line.

Industry, though generally insignificant, is represented by black metallurgy, based on small local iron deposits (near the city of Anger); by ship-building and the woollen industry, located along. the Loire valley. The main cities are: *Nantes*—a trade port at the mouth of the Loire, a centre of ship-building and fishing; *Brest*—a military port in Brittany.

§ 7. Transport

France has good means of communication, though it is far behind England and Germany in this respect.

The total length of the railways is about 53,000 km. There are 97 km. railroad for every 1,000 sq. km. of territory (in England it is 142 km. in Germany —125 and in Belgium —365). In density of railway network, France holds the. ninth place in Europe.

The greatest density is in the north and north-east of the country and in the Paris region, where the most important railway junctions are found.

Only about 1,000 km. of French railways are electrified, principally in the south (in the hydro-electric power-stations regions). The French railroads mostly belong to private joint-stock companies.

The French paved roads extend over 40,000 km. and the unpaved dirt roads (600,000 km.) are well kept.

Automobile and auto bus communication are well developed. The longest autobus line is Calais-Marseilles. France has 1,300,000 autos. French rivers have a total length of 17,500 km., navigable however for only 7,000 km. The natural waterways are supplemented by a canal system aggregating 5,000 km. The River Seine system, connected by canals with the Loire, Rhône and the Rhine, and their connections,



Fig. 18. The railroad network of France.

Fig. 18. The railroad network of France.

has great importance for navigation. A vital link is the Southern Canal connecting the Garonne with the Rhône and consequently the Atlantic Ocean with the Mediterranean. It is proposed to reconstruct this river canal so as to make it navigable for ocean-going ships. This sea canal should be able to divert part of the freight traffic from the Strait of Gibraltar and secure for France an outlet from the Mediterranean to the Atlantic, free of English control. This canal will have great strategic importance.

In both sea and railroad transportation France is behind other imperialist countries.

Its merchant marine holds sixth place in the world in tonnage (3,500,000 tons), after that of Great Britain, the United States, Japan, Norway and Germany. Even before the world crisis it could handle only 30 per cent of the French foreign trade.

The main sea ports are *Marseilles* and the military port of *Toulon* on the Mediterranean; Havre, Rouen at the mouth of the Seine; a military port Cherbourg on the English Channel; *Calais* in the Strait of Dover, *Bordeaux* at the mouth of the Garonne, *Nantes* at the mouth of the Loire and the military port of *Brest* on the Atlantic.

Aviation is greatly developed in France. In respect to civil aviation France holds the first place.

§ 8. Colonial domains

The French colonial domains cover a huge territory—about 10,000,000 sq. km. with a population of some sixty millions.

Most of the French colonies are in Africa—Algiers, Tunis and Morocco in the north; Senegal, French Guinea. Ivory Coast and others in the west, designated as French West Africa; French Sudan, the former German colonies Togo and Cameroon; French Equatorial Africa; French Somaliland, and the Island of Madagascar in the east.

France possesses a large colony in Asia—French Indochina, occupying the eastern section of the peninsula of that name. And she has a mandated territory, Syria, on the eastern shore of the Mediterranean, turned over provisionally to French administration by agreement of the Entente powers. In South America France has a small colony, French Guiana. and a part of the West-Indies (Guadalupe and Martinique). And finally, she has the island of New Caledonia and more than a hundred small islands in the Pacific.

The colonies are important for France as outlets for investments (22 per cent of French investments are in the colonies); as markets for

her goods (20 per cent of her total exports): and as sources of raw materials (12 per cent of French import comes from the colonies). Besides this her colonies supply the French army with man power ("The Black Legions"). Indochina and the North African colonies have the greatest economic significance for France.

The post-war industrialization of France led the bourgeoisie to attempt to establish in her colonies raw material bases: cotton (West Africa, Syria); rubber (Indochina, Equatorial Africa); phosphorites (Tunis); coal (Indochina).

The colonial suppression of the population of the French colonies set in motion revolutionary movements and uprisings in Syria, Morocco d Indochina.

§ 9. Foreign trade and export of capital

Foreign trade

French foreign trade is characterized primarily by import of raw materials and semi-manufactures, 45 per cent of the total import; and by export of finished goods—62 per cent of the total export.

The products imported are cotton, rubber, manganese, non-ferrous metals; coal, timber and petroleum. Food products are also imported—grains, the cheaper kinds of wine, and meats. Machinery is imported also. The imports come mostly from the United States, England, Germany, Belgium and the French colonies.

The articles exported are textiles (wool, cotton, and silk): clothing, steel, automobiles, aeroplanes, munitions, rubber goods, perfumery and cosmetics. Such raw materials and semi-manufactures as iron ore, bauxites, potassium salts, wines (high quality), fruit, cheese and canned goods are exported also. The exports are to England, Belgium, Germany, the United States, Switzerland and the colonies.

France's foreign trade turnover before the crisis (in 1929) reached 8,800,000,000 gold roubles.

The foreign trade balance of France for many years has been adverse (except for the first post-war years); her imports exceed her exports.

The payment balance and export of capital

Payment for the excess of imports is covered by income from investments abroad, which secures the activity of the French balance.

THE MAIN ITEMS OF THE PAYMENT BALANCE OF FRANCE

(In billions of francs)

	1929	1931
Balance between exports, and imports	– 10.0	– 13.2
Freight, insurance, and other receipts for services	+ 9.6	+ 2.7
Net balance between payment made on state obligations abroad, and amounts received on account of reparations	+ 4.4	– 0.6
Interest	+ 5.5	+ 4.0
Movement of capital	+ 4.0	–
Movement of gold	– 8.5	–18.5

France, designated the “world usurer”, long ago developed the export of capital. Before the world war she had invested abroad 16.8 billion gold roubles. The greater portion, 11.2 billion roubles, was invested in European countries: Russia (4.2 billion roubles), Austro-Hungary, Turkey, Bulgaria, Serbia, Rumania, Greece, Italy, Switzerland, Spain and Portugal. The remainder was invested in French and British Africa and in Latin American countries.

55 per cent of the French capital exported was invested in state and municipal loans, 20 per cent in railroads, 12 per cent in mining other industrial enterprises, and 13 per cent in shipping, insurance, banking and trading enterprises.

After 1919 the export of capital was resumed, now primarily to Poland, Czechoslovakia, Rumania, Austria, Hungary, Yugoslavia, and to the colonies and semi-colonies. Investments in 1932 reached 20 billion gold roubles.

§ 10. The external political conflicts and the military forces

The French bourgeoisie of the post-war period is extremely imperialistic. A predominant role is played by the financiers, and owners of munition plants. France attempts to establish her

predominance in Europe and even in the whole world, and acts through investments, loans, trade and military unions. She became very strong, especially in Poland, Rumania, Czechoslovakia, Yugoslavia and Belgium.

In her attempt to dominate, France is afraid of any revival of her defeated competitor—imperialist Germany. This is why she stoutly defends the Versailles system and struggles against Germany's demand for the right to re-arm, and against returning to her the Danzig corridor and her former colonies. The eastern allies of France are a threat for Germany in case of Germany's attempt at "revenge" for 1919.

Attempt at European domination results in collision of interests and a struggle between France and her former allies—England and Italy. France is struggling with England for predominant influence in the League of Nations and for control of the Mediterranean. The British highway from London to China through Gibraltar and Suez is crossed by the French sea highways Marseilles—Algiers and Marseilles—Syria. France struggles to gain influence in the Near East, where England seized Palestine and Iraq (with the Mosul oil). France has there only Syria. France struggles also with Italy for domination in the Mediterranean and influence in the Balkan Peninsula. The French spheres of influence are Yugoslavia and Rumania; the Italian—Bulgaria and Albania. Tunis is also a point of clashing interests between these two countries. It is populated by Italian immigrants, and France demands their subjection.

All these manifestations of struggle among the imperialists for world re-division became more and more sharp, and, of course, cannot be solved peacefully. Preparing for new imperialist war, France spends huge sums on armament, and is one of the strongest countries in the world in the military respect. According to official data, the French army numbers 500,000 under arms and about 3,000,000 in reserve. The army is provided with powerful long-range artillery and a great number of automobiles and bicycles. The number of tanks is about 2,000. The air fleet numbers over 5,000 military aeroplanes, and the navy about 200 ships with the most modern equipment.

§ 11. Relations with the Soviet Union

Like all capitalist countries, France could hardly welcome the transformation of tsarist Russia into a country of the proletarian dictatorship, because the very existence of such a country shakes the

basis of the capitalist world. Besides this, the French bourgeoisie had invested in tsarist Russia, in loans, metal and coal industries, a great amount of capital (4.2 billion gold roubles), which she lost due to the October Revolution. On strength of this, France actively supported all the counter-revolutionary forces in Russia and the Ukraine, in 1917-1920, and participated in the blockade of the Soviet Republics.

In 1922 France gave formal ("de jure") recognition to the USSR and established normal diplomatic and trade relations. But besides partisans of Franco-Soviet friendly relations there were also in France those who strongly opposed such friendship. The most imperialistic part of French bourgeoisie did not change its anti-Soviet orientation, but kept right on with its preparations for renewed intervention.

The Soviet Union disclosed to the whole world proletariat these preparations of the imperialists, and strongly restated its own positive peace policy. Its efforts were successful and at the end of 1932 a mutual non-aggression pact was concluded between the USSR and France. It resulted in friendlier relations being established in 1933.

4. THE NETHERLANDS (HOLLAND)

§ 1. Physical-geographical outline

The Netherlands (or Holland) are situated between Germany, Belgium and the North Sea. Their territory is 34,000 sq. km.

The Netherlands are a continuation of the North-German lowlands. Only 35 per cent of the land is situated more than one metre above the sea level; 40 per cent is no more than one metre above, while 25 per cent is below sea level. The part below sea level, a fourth of the total area of the country, has been reclaimed from the sea only by the long persistent struggle of the population. Great safety dams have been built between the sandy dunes, forming a long continuous barrier against the sea. A network of canals and sluices provides for drainage. At times of flood, power from windmills and steam engines is used for pumping purposes. The population wages a never-ending struggle to retain the land it has wrested from the sea. In 1918 Holland began the great task of draining the enormous gulf of the Zuyder Zee[1],

[1] The project of reclaiming the Zuyder Zee was started in the first half of the nineteenth century, but formally adopted only in 1844. According to the project the gulf in its

a task not yet completed.

§ 2. Economy and population

Holland is a country of a high capitalist level which in the XVIIth century played predominant role in Europe, but which now is a secondary imperialist state. Its economy is industrial- agrarian, with a predominance of light branches in industry, with highly developed diary-cattle breeding in its agriculture, producing primarily for export. Foreign trade, shipping, export of capital and exploitation of colonies play important roles in the country's economics. Its government is that of a constitutional monarchy.

Holland is poor in useful minerals. Her principal mineral is peat. Only in the extreme southern part bordering on the German Rhine district is there a small layer of coal.

Holland has a maritime climate and owing to the lowlands is generally damp.

Inland waters are the rivers Rhine, and Maas that flow through Holland to the sea, and innumerable lakes and bogs.

The soil of Holland near the seashore and river beds is rich in alluvial deposits. Inland soils generally are infertile, sandy and boggy.

Holland is an old capitalist country. Capitalism there is older than in England. The high point of her development was in the XVIth and XVIIth centuries. The Netherlands at that time included the present Belgium. They made good use of their geographical situation. The centre of international trade shifted from the Mediterranean to the North Sea and Atlantic Ocean. The Netherlands developed a large merchant marine and became an important medium for both sea and land commerce.

As in the case with England, the chief part in economic development of the Netherlands was played by "primary accumulation"—the result of seizure and spoliation of colonies, and engagement in the colonial goods and slave trade. In consequence, as Marx pointed out, "Holland was a model capitalist country of the

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northern part was to be cut off from the sea by a main dam. Four inner bays were also to be dammed off, and these dried up. The water filled areas between the latter would remain for water-transport (see map 19). Section indicated for drying up covered about 211,000 hectares. The drainage operations began in 1919 and were expected to take thirty two years. By 1932 the main dam was completed and one of the sections drained. The world crisis intervened and in 1933 work was suspended.

XVIIth century." She had an important manufacturing industry (mainly textile), a powerful fleet, well developed fair and sea trade, and important dairy and fishing industries.

During the XVIIth century England gained by warfare the dominant position in Europe. After a struggle, Holland submitted to her, and lapsed more an more into a secondary capitalist country.

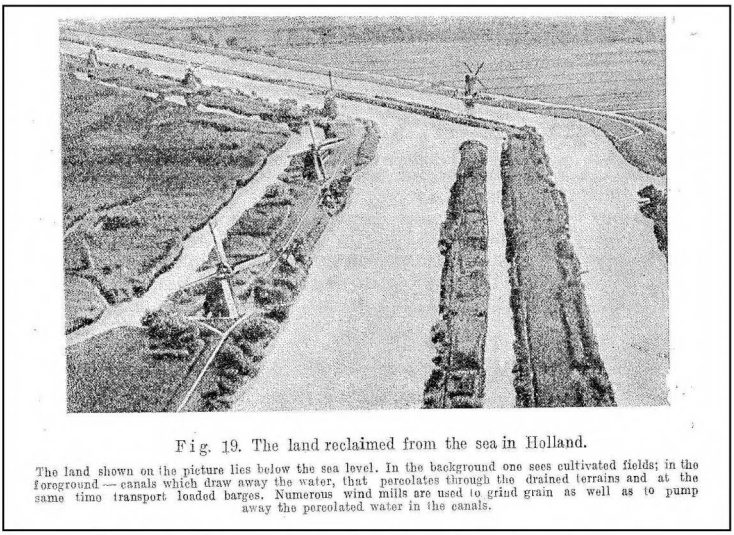


Fig. 19. The land reclaimed from the sea in Holland.

The land shown on the picture lies below the sea level. In the background one sees cultivated fields; in the foreground — canals which draw away the water, that percolates through the drained terrains and at the same time transport loaded barges. Numerous wind mills are used to grind grain as well as to pump away the percolated water in the canals.

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The national economy of Holland today may be characterised as follows: the chief part is played there not by industry and not by agriculture, though both are highly developed, but by foreign trade, shipping and exploitation of colonies. Commerce and transport play the chief part in the national income; 21 per cent of the population work in these branches.

A lesser part is played by industry, which occupies 38 percent of the population, and which is chiefly of a manufacturing character, mostly light industry. Also of lesser importance is farming, in which 24 per cent of the population engages, and which produces primarily for the market.

Holland is a country of a high capitalist level, but playing a

secondary role among the imperialist powers, being in dependence upon English capital.

Population

The population of Holland is 8.2 million, Dutch nationality. The density of population is very high—231 per sq. km. The principal towns are *Amsterdam* (750,000); the *Hague* (430,000), the capital; *Rotterdam* (540,000).

Industry

It is not possible to classify Holland as an industrial country for her industry is only developed in light branches; heavy industry is very weak.

Holland is poor in minerals. Her mining is limited to coal mining, in the south-east of the country in the province of Limburg. Before the crisis these fields yielded 12.2 million tons of coal. Holland also mines peat. The fuel supply does not satisfy the needs of the country so that, Holland imports coke from Germany, England and Belgium.

The metallurgical industry, not having its own fuel and raw material base, is developed very weakly. The annual output before the crisis was only 200,000 tons of iron a year. Metal working is best represented by ship-building (*Amsterdam* and *Rotterdam*). The food industry is of great importance, based to a great extent on the manufacture of raw materials and semi-manufactured products brought from the Dutch colonies —cocoa, beans, coffee, sugar-cane, tobacco, oil seeds, etc., but a large part also is being played by the manufacturing of local agricultural products (butter and cheese-making, milk and meat preserving).

In textiles, linen manufacture is particularly well developed. Jewellery manufacture, diamond cutting and polishing are well developed in *Amsterdam*.

Manufacturing of all branches is concentrated mostly in the north-west (in the region of Amsterdam) and in the west (around Rotterdam).

The north has cheese production; the south, the textile industry; the extreme south-west, coal mining.

Agriculture

In line with its natural resources, the agriculture of Holland is highly specialized on animal products, yielding for export butter, cheese and milk, meat, leather and pedigreed cattle, to the average annual value of 70 percent of Holland's total agriculture. Of great importance also is truck gardening and other small farming. The chief grain crops are rye and oats; technical crops, beet and flax. The grain produced does not meet the country's needs. Agriculture is carried on very intensively with wide use of fertilizers and machines, and has a high productivity. Under the conditions of intensive cultivation, farms of fifty hectares are considered very large. A farm of 5-10 hectares is a

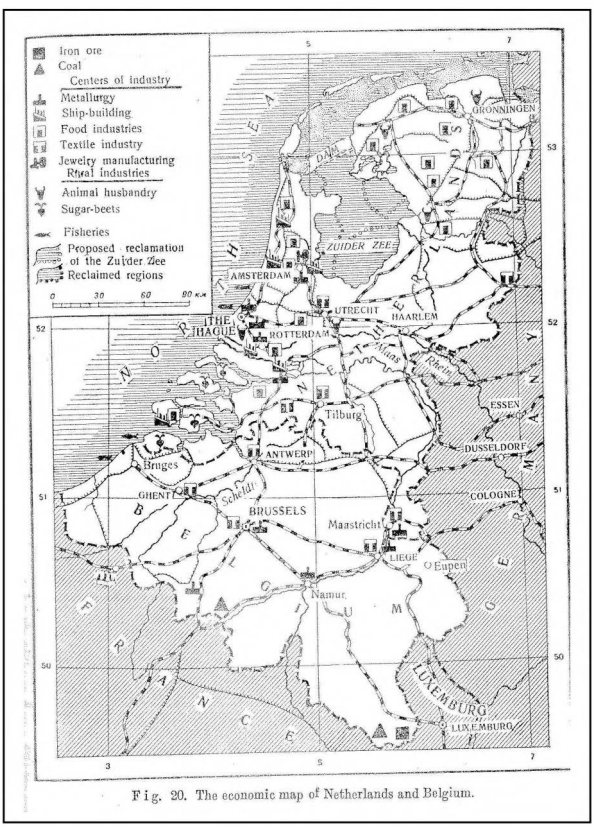


Fig. 20. The economic map of Netherlands and Belgium.

Fig 20. The economic map of Netherlands and Belgium.

middle sized one. Small and medium sized farms constitute 73 per cent of all farms, but only 31 per cent of all farm land. Large and very large farms constitute 27 per cent of all the farms, but 69 per cent of all farm land. Nearly a half of all the farms are on rented land. Rents are very high, and are a heavy burden for the small and middle farmers. Consequently large scale capitalist enterprises using hired labour extensively and able to make capital investments are dominant in Holland. Dutch agriculture, as we see, yields a very wide variety of products; butter, cheese, tinned milk, pedigreed cattle, meat—fresh and preserved,—bacon, poultry, eggs, potatoes, sugar-beets, rye, oats, flax, vegetables and fruit. A second characteristic is the high proportion produced for the market, and the dependence upon foreign markets. Before the crisis 35 per cent of the total agricultural production was exported abroad, mostly to Germany and England. With the fall of world prices of many agricultural products, this dependence brought about an agrarian crisis in Holland in 1921. The severity of the crisis was lessened, however, by the fact that Dutch agriculture had some branches of agriculture that were not then seriously involved in price declines (potatoes, and dairy products). But in 1930, during the world crisis, which affected all branches, most of the Dutch farms were brought by this dependence on the world market to a catastrophic state.

Another important branch of Holland's economic life remains to be mentioned the fishing industry, which makes catches amounting to some twenty million gold roubles a year.

Transport

Holland has an excellent transport system a thick network of railways (160 km. of line to every thousand sq. km.), the heaviest network of canals in Europe (150 km. of canal to every thousand sq. km.) supplementing the river transport, and a large merchant marine of 2.6 million tons. The biggest ports are *Rotterdam* and *Amsterdam*.

Holland derives much income from its shipping: and; from the transit of German, Belgian and French goods through its territory.

Colonies

Having lost its former significance in world trade and its domination over the seas, Holland yet retains a pretty large part of her

colonial possessions —about 8 million sq. km. In Asia she possesses a series of large islands in Indonesia (notably the Great Sunda Islands), comprising the *Dutch East Indies*, several small islands in the Caribbean Sea off the American coast, known as the *Dutch West Indies*, and *Dutch Guiana* in South America. These colonies are rich in agricultural raw material (rubber, sugar-cane) and in minerals (oil) and constitute a huge field for Dutch capital, which carries on a cruel exploitation of the native population.

Foreign trade and the export of capital

Before the crisis the foreign trade turnover was 3.5 billion gold roubles. Import exceeded export, the excess being made up by shipping revenues, and placement of capital abroad. The previously mentioned agricultural products are exported, and colonial raw materials, machines and cloth are imported into Holland.

A great role is played by the export of capital to the colonies whence Dutch industry gets an assured supply of colonial raw materials, and also great excess profits. Dutch capital is closely connected with English capital in the oil industry (Deterding's Anglo-Dutch oil Trust "Royal Dutch Shell", in rubber plantations in the East-Indies, and in steamship companies. English capital has a strong hold over the economic and political life of Holland.

5. BELGIUM

§1. Physical-geographical outline

Belgium is situated on the North Sea between the Netherlands and Germany on the East, and France on the west and south, and occupies an area of 30,000 sq. km. Its location was conducive to the economic progress of the country in the XVIIth and XVIIIth centuries, when the North Sea became an important centre of international trade, and when Belgium, which for a while was part and parcel of the Netherlands, became one of the most highly developed industrial countries. Now also Belgium's situation is favourably located as it is between the largest industrial states —England, Germany, and France, and on the great world trade way —Hamburg, London, New

York. The surface of Belgium is varied: 1) In the north, along the seashore, is a lowland of later alluvial origin, which is in certain places below the level of the sea (in such cases for protection from inundation, artificial dams are constructed, which are combined with natural dunes). The rest presents itself as a hilly elevation covered on the south with ancient mountains, the *Ardennes* which reach here and there 600 m. above the level of the sea. There are important coal and iron ore deposits in the region of the Ardennes, and north of them. These hastened the industrialization of the country at the time of industrial capitalism.

Belgium has a mild maritime climate, with adequate precipitation, conditions favourable for agriculture. The soil, on the whole, is rich, particularly in the low lying littoral.

The principal rivers of Belgium are the short but deep *Scheldt* in the north-west, and the *Maas* a tributary of the Rhine in the south-east.

Belgium possesses a comparatively great supply (11 billion tons) of high grade coking coal. The coal beds are in the eastern part of the country. In the northern part, Liege, are to be found beds of iron ore.

§2. Economy and population

Belgium is one of the advanced countries at a high capitalist level. It is small in territory and of a secondary importance in world imperialism. It has a highly developed metal and machine building industry based upon local coal resources, and has an intensive agriculture. Its government is that of a constitutional monarchy.

By the type of its economy, Belgium is a country of a high level of capitalism. Its industry is the oldest in Europe, along with that of the Netherlands, with which Belgium was associated until 1830. But Belgium differs from modern Holland, where only the lighter branches of industry are developed, Belgium has a well developed heavy industry —metallurgy and machine building, and is quite an industrial country. The agriculture Belgium is also very intensive.

Population

The population of Belgium is over eight million, consisting of French-speaking Walloons, mostly in the south, and the Flemish

people, mostly in the north, whose language is similar to that of the Dutch. The Walloons predominate in number.

47 per cent of the population are employed in industry, 18 per cent in commerce, and only 19 per cent in agriculture. The principal towns are: *Brussels* (population 900,000), the centre of large scale industry; Antwerp, a port of world importance, and *Ghent*.

Belgium has a very high density of population, 260 per sq. km. In the district of Antwerp and eastward, the density of the population is from 400-500 per sq. km., while in the south it is only from 40-50.

Industry

Belgian industry is primarily in large enterprises, using modern technique, and organized in monopolistic associations. One of the most important branches of industry is coal mining. The coal is of high quality, and is largely exported to France and Holland. Before the world crisis the total extraction of coal was 27 million tons per year. Belgium's black metallurgy works half on Belgian coal, and half on cheap English coal and mostly on French ore. Belgium occupies the sixth place in the world as to production of cast iron (4 million tons in 1929) and steel (million tons).

In the national economy important parts are played by machine building, armaments, textiles (cotton, linen and wool), chemicals, rayon, and by the food industry, especially sugar. The mining industry, metallurgy and machine building, are concentrated in the southern part of the country in the older industrial district (centres Liege and Namur), and in the north-east in the new industrial district around the city of Antwerp. The branches of light industry are concentrated in the middle part of the country around Brussels and in the northern part in the centres in Antwerp and Ghent.

As in France, it was only in the second half of the year 1930 that the world economic crisis struck Belgium forcefully.

Agriculture

Belgian agriculture is distinguished by intensive cultivation and the prevalence of small peasant holdings (averaging two hectares). Mostly there are the following branches: cattle and horse breeding: beet and flax growing, truck gardening and horticulture. The agriculture of Belgium is in a state, of decline and has not reached the

pre-war times level. The crisis has ruined a great many Belgian peasants.

Transport

Belgium possesses the thickest network of railways in the world, 365 km. of railway line per 1000 sq. km. (Germany has 120 km. of line per thousand sq. km.). Belgium also has many canals and the great port of Antwerp (the third in Europe after London and Hamburg). Belgium's sea fleet is insignificant.

Foreign trade and export of capital

Principally the foreign trade of Belgium is carried on with France, England, Germany, the USA and Holland. From Belgium machines, textile materials, glassware, zinc and copper goods, and also horses and butter are exported. The small neighbouring state of Luxembourg has a customs treaty with Belgium.

Belgium has much capital invested abroad, chiefly in the mining industry and metallurgy electric stations and tramways. Belgium has a large colony in Africa, the Belgian Congo from which she gets raw material, copper, radium, cotton, rubber, and such foodstuffs as coffee and cocoa, deriving great profits from the exploitation of the natives.

A great influence on the foreign policy of Belgium is exerted by French capital which is closely connected with Belgian capital. Under the Versailles Treaty, Belgium got territory from Germany including the towns of *Eupen* and *Malmedy* and a share in the reparations paid by Germany. Belgium has no official relations with the Soviet Union.

6. GERMANY

§ 1. Physical-geographical outline

Geographical location and boundaries

Germany occupies the central part of Europe. It is bounded on the north by the North Sea. In the southern location and part of the Jutland

Peninsula she shares a land border with Denmark which extends Eastward along the Baltic.

Germany's defeat in the world war cost her important parts of her territory. Under the Versailles Treaty of 1919 she lost in the cast, the present western and south-western parts of Poland; the city of Danzig, which became a free city and the city of Memel which was annexed by Lithuania. In the west —Alsace and Lorraine were returned to France, and the Saar District given to the League of Nations under "provisional management" up to 1935. Besides these, there were various "rectifications" of Germany's borders in favour, of Belgium, Denmark and Czechoslovakia (see map 21). Her remaining territory is about 472,000 sq. km. with a population of some 65,000,000. Regions she was deprived of in 1919 total 68,000 sq. km. with 6,500,000 population.

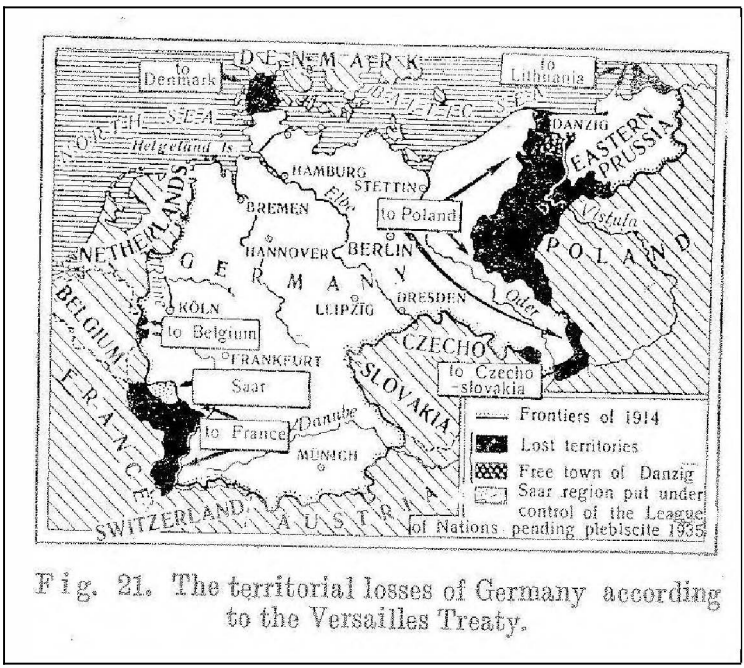


Fig. 21. The territorial losses of Germany according to the Versailles Treaty.

Fig. 21. The territorial losses of Germany according to the Versailles Treaty.

The North Sea bounding Germany on the north, has great

importance for Germany. It is the approach to the world trade highways, particularly the highway to America across the Atlantic ocean. The Baltic Sea connects Germany with the countries of North and Eastern Europe. To shorten the way from the Baltic to the North Sea and to protect German shipping in case of war, Germany built a canal at the very base of the Yutland Peninsula having its outlet in the Baltic Sea at the city of Kiel, and known as the Kiel Canal.

Germany consists of a union of seventeen states designated by "lands" (see map 22). The largest among these lands are: 1) *Prussia*, comprising the larger part of Germany. A series of provinces compose Prussia —Eastern Prussia; cut from the rest of the country by the Polish corridor; *Pomerania*, west of the Polish corridor; *Brandenburg* and the province of *Saxony*, in the centre; *Upper Silesia*, on the south-east; the *Rhine* and *Westphalian* provinces on the west. Berlin is the capital of Prussia and of Germany, 2) *Saxony* —in Middle Germany; capital *Dresden*. 3) *Thuringia*; west of Saxony, capital *Weimar*, 4) *Bavaria* in South Germany; capital *Munich*. 5) *Baden* in the south-west corner of Germany; capital *Karlsruhe*. 6) *Wurttemberg*, east of Baden, capital *Stuttgart*. Other lands seen on the map are distributed over the Prussian territory. Some of them, e.g., Oldenburg, consists of a number of unconnected areas creating political "strip holdings".

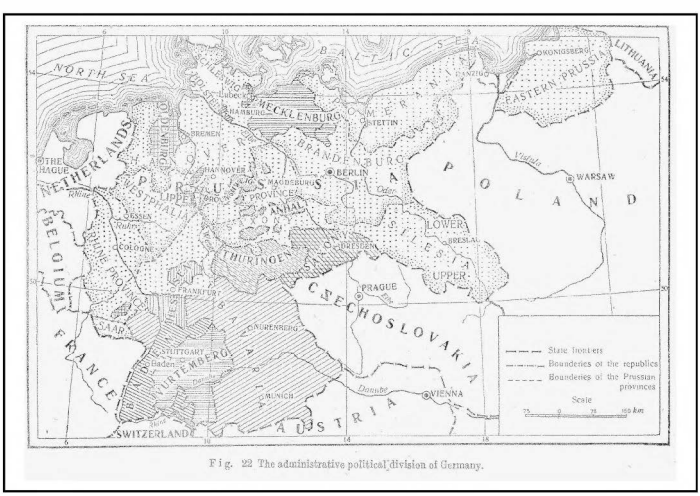


Fig. 22 The administrative political division of Germany.

Fig. 22. The administrative political division of Germany

Surface

Characteristic of Germany's topography is the rising elevation from north to south. The northern section is lowland; the middle —low hills; the southern —a high plateau; and the extreme south —high mountains.

The *North-German lowland* is carried over in the west to the North-French lowland and in the east, near Poland and the USSR, to the East-European lowland. It is covered by low hills and intersected by the valleys of great rivers flowing from the south —the Rhine, the Elbe and the Oder. The deep-lying valleys of these rivers in the south are at an elevation in Middle Germany. The greatest among these deep valleys is the Upper-Rhine.

The mountains of Middle Germany are in low chains stretching partially from the north-west to the south-east —the *Hartz*, the *Thuringian Forest*, the *Franconian Forest*, the *Sudettes* and the *Saxonian ore mountains*. As the titles indicate, many of these mountains were covered with forests; and remnants still remain.

South Germany is a plateau bounded by high mountains on the south by the Alps, on the west by *Black Forest* and on the east —by the *Bohemian Forest.*

Rivers

Germany is rich in rivers, mostly navigable. The Rhine, flowing in the western section of the country is of great depth and plays a large role in the economy of the country. It has its origin in Switzerland and falls into the North Sea on the Dutch side of the border. The upper section of the Rhine river touches the German-French border. The Rhine's main tributaries are: Maine, Neckar, Mouse. East of the Rhine, the greatest rivers, the Elba, the Oder and the Veser with their tributaries, cross the North-German lowland. These rivers are not so abundant in water as the Rhine, and in summer become shallow, South Germany, and especially Bavaria, is rich in mountainous rivers running from the Alps and affording huge potential water power —estimated at 2,000,000 horse power. 60 per cent of this amount is generated and used for industrial purposes.



Fig. 23. The Rhine River in middle course.

Having passed the narrow lowland between the Black Forest (Germany) and Vosges (France) the Rhine enters the most picturesque part of its course (at Bingen). As the picture shows the river bed is narrow surrounded by low craggy mountains. Its banks are covered by vineyards. This region is dotted by many ruins of feudal castles.

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Climate

The greater part of the country has a continental climate. The average January temperature in the east is from—3°- 4° below zero and the July temperature +20°. The mountainous south of Germany, despite its also having a continental climate, has a lower temperature than the North, due to its topography.

The north-west of Germany in respect to climate is close to eastern France. Its climate is typically coastal, with a mild winter. The average temperature is +2° in winter and +17° in summer.

The climatic conditions of the greater part of Germany require earlier ripening of agricultural crops than in France and shortens the reason for field work. The mildest climate is in the Rhine valley where viticulture is developed.

In respect to rainfall Western Germany is better situated than Eastern Germany. Rainfall in the west reaches 140 cm. and only 60 cm. in the east.

Useful minerals

Germany has great deposits of coal and potassium salts, and small beds of silver, lead, zinc, iron ores and other metals (see map 24).

Coal is the main mineral resource of Germany. Deposits are estimated at 305 billion tons, the heaviest in Europe. The chief coal mining region is the Ruhr basin in the west, in the Rhine and Westphalian provinces along the Ruhr River, the Rhine's tributary. It is one of the greatest coal fields. Coal mines now in operation have deposits amounting to 66 billion tons and the possible resources may be as much as 150 billion tons. The Ruhr coal cokes well and in quality is surpassed only by the best English and American kinds.

The Silesian region holds second place in coal deposits. There are large reserves of coal within Germany, especially in the north-east on the Polish border (Upper Silesia). Smaller deposits are found in the western section along the Czechoslovakian border (Lower Silesia). Accounted deposits amount to about 1 billion tons, and possible reserves about 100 billion tons.

The *Aachen* basin, south-west of the Ruhr, is a prolongation of the Belgium beds, and is Germany's third most important coal mining region.

There are small deposits of coal in the Hanover region and in Saxony. In spite of the fact that Germany was deprived in 1919 of 37 per cent of her coal fields (a part of Silesia, and the Saar District), her fuel base fully meets her home requirements and even serves French metallurgy. Besides high quality coal Germany has reserves of lignite (10 billion tons). The main beds are in the province of Saxony (especially near the city of *Magdeburg*), in Thuringia, in Prussia along the Oder River and in the middle section of the Rhine River near Cologne.

The iron ore base of Germany is not very great. It did not meet home requirements even in 1913. The loss of Lorraine and a part of Silesia deprived her of 75 per cent of what she had then. The main beds are located in the Rhine-Westphalian district, south Ruhr, and contain over 450,000,000 tons of low quality ore. There are also beds in Silesia and Saxony (see map 24). Germany has to use iron ore imported from Sweden and Spain.

Beds of silver-lead-zinc ores are found in Silesia and on the right bank of the Middle Rhine.

Small deposits of copper and nickel are found in Middle Germany.

Reserves of potassium salts, an important raw material for chemical fertilizer manufacture, gave Germany a monopolistic position before the war. Now she has lost her position as a monopolist in potassium salts, due to the loss of the Alsace beds, that constituted 40 per cent of her deposits, and due to the discovery of huge deposits in the Urals, USSR. The remaining deposits of potassium salts are situated in middle Germany, between the Elbe and Aller rivers (see map 25). The most important of them are near Magdeburg.

§ 2. A brief historical-economic outline

Late beginning of industrial development

In the first half of the XIXth century, the Germany of today was a purely agrarian country. Capitalism began to develop in Germany later than in England and France. The French kings had long ago overthrown feudalism and formed a central government. But Germany remained for a long time divided into many independent states with picturesque survivals of feudalism and serfdom.

Only after the seventies of the XIXth century did German economy begin rapid development.

Railways were built in Germany at about that time, which assisted her development and increased her trading. In 1871 after the conquest of France by the most powerful German state —Prussia— twenty-four German governments were united into a German Empire headed by Prussia. This considerably increased the country's weight in world economy and politics.

Besides this, the victorious Franco-Prussian war of 1870-1871 brought to Prussia a huge war contribution of 5,000,000,000 gold francs. And France had to yield to Germany the rich province of Lorraine with its huge deposits of iron ore, and Alsace with its textile industry and potassium salt deposits.

These war gains stimulated a general rise of Germany's national economy, and the lands annexed enlarged the raw material base of Germany, and enabled the formation of a formidable trans-regional combine based on Ruhr coal and Lorraine ore.

Rapid industrialisation and rivalry with England

After this German industry began its rapid development, especially in heavy industry. In the course of two decades Germany changed from an agrarian country to an industrial one occupying second place after England in the capitalist world, and began her struggle with England for the first place. In 1914, Germany held first place in the chemical industry (80 percent of the world's output) and, in the electro-technical, in complex and fine machine construction. She held second place in coal mining (20 per cent of the world's output). Simultaneously, those forms of industrial organization characteristic of countries with highly developed capitalism began to develop in Germany: monopolistic unions of capitalists, trusts, concerns, syndicates closely connected with the banks, etc.

The rapid development of Germany's economy brought the necessity for expansion of markets and the opening of areas for investments. But when Germany entered the imperialistic arena, the redivision of the world among the imperialists was about completed, and Germany was only able to get certain colonial domains in Africa, considerable in territory, but not important economically, and several groups of islands in the Pacific.

Germany orientated herself towards Turkey and the Balkan countries, making heavy investments there. German goods were primarily exported to European countries, successfully driving out the English.

Significance of geographical conditions for the economic development of Germany

The geographical location of Germany allowed her to enter international maritime trade only after its centre changed from the Mediterranean to the North Sea (after the XVIth century). The part of Germany's coast line is on the Baltic far from the ocean and this put her in an unfavourable position by comparison with England, France and the Netherlands.

Agriculture did not have here favourable conditions (except in Rhino Valley). Non-fertile soils, and mountainous country in south limited the sowing area. But in spite of this German agriculture made great strides and attained a high yield due to technical developments during the last half century, utilization of artificial fertilizers and use of

agro-technical measures.

The industrial development of Germany in the epoch of industrial capitalism had a rich fuel base but a small iron base (Lorraine belonged to France up to 1870). But the social-historical conditions (remnants of feudalism, political dismemberment of the country) retarded Germany's industrialization.

When after the seventies of the XIXth century German industry began its rapid development. it had a great coal and iron base, and had various other raw materials. The present decrease of her iron ore base (a result of the territorial changes), has made her situation worse.

Navigable rivers providing a water highway between the coal of the Ruhr basin and the iron of Lorraine and also between the different sections of Germany was another factor favourable to Germany's industrial development.

The World War and the Versailles Treaty

The sharpening of the struggle between Germany and England for supremacy, impelled German imperialism to prepare for an armed struggle with her entrenched rival.

Germany developed a first class army, built a navy, organized a great munitions industry, and concluded a war pact with Austro-Hungary and Italy, known as the "Triple Alliance". The Anglo-German struggle, which became the main contradiction of world capitalism, led to the World War of 1914, in which Germany was defeated. Being compelled to accept the heavy conditions of the Versailles Peace Treaty in 1919, Germany lost a considerable part of her territory, lost 75 per cent of her iron deposits, 70 per cent of her zinc, 40 per cent of her potassium salts and 37 per cent of her coal. All her colonies were taken from her and distributed under "mandates" among the victorious powers.

Germany also was obliged to turn over to the conquerors most of her military equipment, much of her merchant marine 10,000 locomotives, 200,000 railroad cars, 100,000 horses, 220,000 sheep, and 175,000 cows, etc.

The conquerors designated Germany as the only culprit of the war, and compelled her to re-establish what was destroyed by war, and to pay damages to her enemies. These damages were called "reparations". The amount of the reparations was set in 1921 at 132 billion gold marks. In order to prevent Germany from preparing for

"revenge", the Entente Powers forbade her the following under the peace treaty: to have an army of more than 100,000 people, to reintroduce universal military service, to, re-arm. Exhausted by war and the Versailles robbery treaty, Germany was in a very difficult position during 1919-1923. Her economy was ruined, her currency depreciated, a strong revolutionary movement was developing.

American capital helped Germany to find a way out of this situation. America, on the one hand, was afraid of a socialist revolution in Germany, and, on the other, saw an opportunity to take control of German industry.

In 1924 with the active participation of the United States there was worked out and accepted (at the London conference) the plan of squeezing out reparation payments from Germany that came to be known as the Dawes Plan, named after Charles G. Dawes, the United States representative, former vice-president and banker. It was based on the necessity of strengthening the German currency and German capitalism in order to prevent repetition of the revolutionary situation of 1923, and to assure continued payment of reparations by Germany. The Dawes Plan accordingly reduced reparation payments and provided for a scale of payments rising gradually from 1 billion gold marks in 1924 to 2.5 billion in 1929. To strengthen the German currency a loan of 200,000,000 dollars was granted. Sources for reparation payments were the railroads, the customs duties, and the duties on tobacco, beer, sugar and alcohol. To secure the reparation payments there was appointed a general agent on reparations (an American) controlling the whole national economy of Germany. A foreign commissioner was put at the head of the German State Bank; railroads and custom houses were subordinated to the control of the foreign commissioner. Under the Dawes Plan France was required to evacuate the Ruhr District which she had seized.

The Dawes Plan was superseded by the Young Plan (also designated by the name of the United States representative), which was finally adopted in January 1930 (at The Hague Conference). The Young Plan abolished all of the control bodies established by the Dawes Plan, and formed, to transfer reparation payments, a Bank of International Accounts, which came to be a weapon of expansion of American capital. Reparation payments under the Young Plan were to spread over fifty nine years.

Actually much American capital flowed into Germany, capturing enterprises at low prices. By the assistance of American capital Germany had re-established its economy in 1927 to pre-war levels,

and in 1928 even surpassed it, taking the second place in world capitalist economy. The world economic crisis, however, has pushed Germany down to a level considerably lower than that of 1913.

The bourgeoisie was able to transfer the results of the war and the heavy yoke of the Versailles Treaty to the shoulders of the workers by means of currency depreciation (inflation), reduction of wages, the taxation of the necessaries of life.

Sharpening of the exterior and interior contradictions. Fascism.

The manifestation of the economic crisis was extremely strong in Germany in comparison with other countries. It resulted in the sharpening of the exterior and interior contradictions, and interior contradictions of German imperialism. Suffocated German capitalism refused to pay reparations, and in 1930 got a moratorium for one year, and in 1931 ceased all reparation payments. At the same time it made a demand for "emancipation in armament" (preparation for a new imperialist war) and for the restoring to Germany of her former colonies. This stirred up the resistance of the victorious powers and especially of France. In Germany there was widespread ruin among the toiling masses, the peasantry and the petty bourgeoisie, tremendous unemployment among the industrial proletariat, and a systematic attack on wages by the manufacturers.

The class struggle became more acute. The German Communist Party, with a membership of about a million; gained wide mass following, and in election campaigns received upwards of five million votes. The threat of the proletarian revolution frightened capitalist Germany. Then the German bourgeoisie sharply changed its political course. In March 1933 the bourgeoisie transferred the power to the Fascists (national socialists) who threw aside the mask of democracy and began to enforce naked capitalist dictatorship. There followed the most brutal terror against the proletariat, and the German Communist Party was driven underground.

At the same time the Fascists made wide use of social demagogy and incited to nationalism and chauvinism. They succeeded in establishing a social basis on the city petty bourgeoisie and capitalist farmers, and also subordinated to their influence the more backward strata of workers.

Establishment of Fascist domination was made easier by the activities of the German Social Democrats, justly named the

"Social-Fascists"", who systematically betrayed the working class and the revolutionary movement.

In the field of foreign policy German Fascism demands complete abolition of the Versailles Treaty, the right for Germany to have a great army (instead of the present 100,000), the right to re-establish in Germany universal military service, the right to arm itself and to build an air fleet. It also demands the return of the Polish corridor, Danzig and the former German colonies. Besides this, the German Fascists want to add Austria to Germany and to subordinate to their domination the Baltic and Scandinavian States. These imperialistic plans are linked up with a plan to organize a new anti-Soviet intervention, aimed at seizing a part of the Soviet Ukraine. German Fascism is preparing for 'this intervention, as well as for war against France.

§ 3. The structure of national economy and the population

Germany, is one of the greatest imperialist powers struggling for the world redivision, after having been defeated in the World War of 1914.

A country with a highly developed capitalism, with highly developed and varied industrial branches and agriculture.

In 1929 it surpassed her pre-war economic level and occupied second place in the capitalist world after the United States, but the world economic crisis affected her more than any other country. At present it is a country of fascist dictatorship and brutal terror directed against the proletariat.

In respect to such economic indices as size of proletariat, machine power in factories, capacity and volume of steel smelting, machine construction, electro-technical and chemical output, Germany held first place in Europe before the crisis and second in the whole capitalist world. In national economy, Germany is an industrial-agrarian country. The urban population is estimated at 65 per cent, the rural 35 per cent; 41 per cent of the self-supporting population is engaged in industry, 17 per cent in transportation, trade and only 23 per cent in agriculture, 75 per cent of Germany's exports are manufactured goods (machines, textiles, chemical products, paints, electrical goods). 80 per cent of her imports are agricultural products and industrial war materials (cotton, wool, metals, grains).

These figures show the predominantly industrial character of Germany's economy.

The German proletariat numbers over 20,000,000 workers and employee's, i.e. 30 per cent of the country's total population and about 50 per cent of that population is self-supporting.

Though Germany is primarily an industrial country, she actually has also a highly developed agriculture. In grain crops and in number of cattle Germany is ahead of France.

The population of Germany is about 65,000,000. rich average density of population is 140 per sq. km. The Rhine-Westphalian, the Saxony-Thuringian, the Berlin and the Southern Silesian regions have the greatest density, exceeding 200 persons per sq. km. Prussia generally has the least density, 50 persons per sq. km. The average density in other parts of the country is 50-100 per sq. km.

City population constitutes almost two thirds of the total.

§ 4. Industry

Heavy and light industries are equally well developed in Germany. Before the crisis 58 per cent of the entire industrial output was produced by heavy industry and 42 per cent by light industry. Germany holds first place in the capitalist countries in coal mining, metallurgy, in electro-technical, chemical and textile output; and successfully competes with England and France.

Germany, among the capitalist countries of Europe, has the highest concentration of capital. Her industries are united in great trusts and syndicates connected with the banks and with similar capitalist syndicates abroad. The most important among them are: the Rhine-Westphalian Coal Syndicate; the General Electric Company; the electro-technical concerns "Siemens and Halske" and "Schuckert"; the joint stock company of chemical paints "Die Farbenindustrie"; the-Steel Trust; the Associated Metallurgical, Machine construction and Munition industries (the Plants of Krupp), etc. Over 60 per cent of the country's industrial output is produced by these monopolistic unions.

Side by side with the concentration of capital we have in Germany great concentration of enterprises. Large enterprises (employing over 500) constitute only 2 per cent of the total, but they employ 60 per cent of the country's industrial workers, and have 80 per cent of the power machines. The large enterprises, employing a thousand workers or more, employ 17 per cent of the total number of industrial workers.

The equipment of German industry is at a high level and

corresponds to modern scientific and technical achievements.

The "rationalization" which took place in the post-war period had as its aim an increase in the productivity of labour. It involved increased exploitation of the industrial workers, and also the technical reconstruction and improvement of the industrial apparatus (which was on a high level even before the war).

As a result of the war and the operation of the Versailles Treaty Germany's national economy was in a crisis during the first post-war years. But during 1924-1928 Germany rose economically, due to the great influx of foreign capital, especially America's, into her industry. By the help of these foreign investments and loans (aggregating seven billion gold roubles), by the redoubled exploitation of her workers German industry was not only re-established but even surpassed the pre-war level, producing in the first half of 1929 113 per cent of the pre-war output.

Expansion and improvement of the German industrial apparatus has played an important role.

German industry is equipped with machines of tremendous capacity and electrified 70 per cent (USA 75 per cent and England 52 per cent). Industrial processes are largely mechanized, automatic machines and conveyers are used, the coordination of different industrial branches, by uniting the technological processes, is realized (e. g., metallurgy and chemistry).

New industries began to develop during the war and post-war periods. These were extraction of brown coal and its chemical utilization —turning it into liquid fuel; extraction of nitrogen from the air; the production of synthetic rubber and artificial fibres. Such newer branches of industry as the chemical, electro-technical and the production of electric light and power have grown immensely.

All this raised the productivity of labour, cut the cost of the German industrial output, and thus increased her competitive ability. The productivity of labour in the German coal mining industry, for example, has increased 58 per cent due to mechanization (in England only 5 per cent). In metallurgy Germany's increase of labour productivity is 53 per cent, and in machine construction 49 per cent.

But the high technical level of German industry and its productive capacity far overbalanced the capacity of the home market, which had decreased since 1913 owing to the impoverishment of the population by repeated wage-cuts and widespread unemployment. Sharp competition on foreign markets made it impossible to sell anything like the whole surplus abroad. Therefore German industry even in the best

years of the post-war rise did not work at full capacity. On the average, heavy industry operated at 77 per cent, light industry at 73 per cent.

Crisis

The economic rise continuing from 1924 to 1928, and characterized by the Comintern as a temporary and partial stabilization of capitalism, ended in 1929 with the world economic crisis. This crisis hit Germany (and the USA) extremely hard, precisely because her industrial apparatus was so highly developed, that even in the boom years it was not working to capacity.

German industry, with the breaking out of the world crisis in 1929, was forced to curtail sharply its output. By the beginning of 1932 it had gone down to 67 per cent of the 1913 level. A great many German enterprises closed down. There are some 7,000,000 unemployed persons. The crisis brought poverty and ruin to the petty bourgeoisie and also to the peasantry, who suffered from the fall of prices on agricultural products.

The difficult economic situation in Germany sharpened the social contradictions and the political struggle. The German bourgeoisie further attacked the working class by wage-cuts and the destruction of social insurance. She met the radicalization of the German proletariat, the tremendous growth of the Communist Party and its mass demonstrations, by the establishment of the Fascist dictatorship and resorted to the most brutal terror.

Generation of electrical energy

The generation of electrical energy, before the crisis, was estimated at 30 billion kilowatts annually. The main (75 per cent) source of energy was coal and brown coal. Hydro-electric power stations are principally found in South Germany. They produce some 13 per cent of the total electrical energy.

First place in electric light and power production belongs to the Rhine-Westphalian region, the second to North Germany and the third to South Germany.

The Rhine-Westphalian region is mostly provided by the factory electro-stations and other regions by stations of general use.

Transmission of high voltage energy over long distances is highly developed in Germany. The transmission network covers some

200,000 km.

The mining industry

Coal-mining is the Principal branch of mining, extraction of coal before the crisis reached 174,000,000 tons. Germany holds third place (13 per cent) in the capitalistic world after the United States and England. German coal is exported primarily to France. Chief regions of the coal mining industry are the Ruhr basin producing 75 per cent of the total output, and the Silesian basin. The mechanization of mines in Germany has been accomplished 80 per cent.

Extraction of lignite is equal to that of coal.

In the extraction of potassium, Germany holds first place in the world, producing 80 per cent of the world's output. Potassium is mined in Middle Germany, especially near *Magdeburg* and *Stassfurt*. All operations are in the hands of the German Potassium Syndicate.

Iron ore mining is most developed east of the Rhine-Westphalian region (the beds of Siegerland and Lahn, Rhine's tributaries). Before the crisis this region covered about one third of Germany's ore requirements.

The metal Industry

The German metal industry holds first place among all German industries, both in respect to value of product manufactured and number of workers engaged. Characteristic of the German metal industry is that machine construction leads, followed by the electro-technical branch; and only then comes metallurgy of iron.

German metallurgy is distinguished by an exceptionally high technical level —large scale enterprises and far-going mechanization. It has increased the average productivity of the German blast furnaces. The concentration of capital is more marked in German metallurgy than in any other branch. In respect to its technical level and concentration German metallurgy yields only to that of America.

Due to this, Germany was able, despite the loss of three quarters of her iron are deposits, to climb up in 1929 to the second place in world metallurgy, after the United States. In 1929 13,200,000 tons of cast iron were smelted, and 16,200,000 tons of steel (15 per cent of the world's total smelting).

Owing to this great capacity of her industrial apparatus, which

even in 1928 was not fully utilized, German metallurgy shows an extremely sharp decline as a result of the world economic crisis.

Her richness in coal contributed greatly to the development of the German metallurgical industry. In 1871 with the acquisition of Lorraine, Germany gained a rich source of iron ore, in the minettes. These minette ores contain a large percentage of phosphorus and can be advantageously used in the so-called Tomass furnaces, producing chemical substances in addition to the iron. Therefore German metallurgy before the war developed on the basis of the peculiar quality of minette ores. When Lorraine in 1919 was turned back to France, Germany still remained dependent upon the iron resources of Lorraine. Of the ore that the German metallurgical industry imports, 19 per cent comes from France. Swedish high quality ore constitutes 44 per cent, Spanish —18 per cent and North African —9 per cent. But the other imports are unable to push out the French, and even now the Tomass steel produced by German metallurgy does not yield much to that of the Martin. It covers 45 per cent of the total smelting.

The main metallurgical region of Germany is the Rhine-Westphalian, producing 80 per cent of the country's total metallurgical output. The upper Silesian region plays a lesser role.

Machine building is the main branch of' the metal industry in respect to value of product, number of workers, capacity of machinery, and amount of investment. German machine building is of a universal character. Side by side with the old established manufacture of steam engines and boilers, new machines—locomotives, automobiles, ships, railroad cars, agricultural, textile and printing machinery, instruments of precision are produced. In respect to machine output Germany occupied before the crisis the second place in the world after the United States. About three quarters of the machine output serves the needs of the home market, and about one fourth is exported.

After the war Germany dropped to third place after the United States and England in machinery export.

Ship-building, auto and avio construction have to be considered separately. Before the war Germany occupied second place in the world after England in ship-building. But after the war this branch declined and even before the crisis it was estimated at only 55-60 per cent that of pre-war. Automobile construction, on the contrary, increased its output from 14,600 in 1913 to 92,000 in 1929. German automobile manufacture is behind that of England and France, and far behind that of the United States. Its main centres are Berlin, the Rhine-Westphalian region, Saxony and South Germany.

The electro-technical industry of Germany was first in the world before the war, but now is second to the United States. Its output increased from 1913 to 1928 almost fifty per cent, but its relative

weight in the world's production decreased from 35 per cent to 23 per cent.

The German electro-technical industry, and the machine building industry, are very active exporters, in which their monopolistic associations playa leading role.

Berlin, the Rhine region, and South Germany are the main centres of the electro-technical industry.

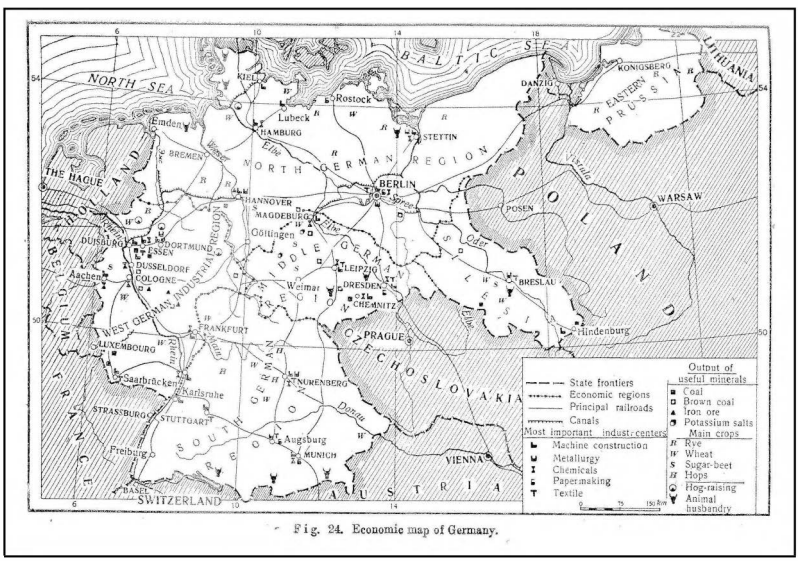


Fig. 24. Economic map of Germany.

Fig. 24. Economic map of Germany

The chemical industry

The chemical industry of Germany is another industry that after the war lost its supremacy to America. Germany produces sulphuric and other acids, potassium. phosphorus, nitrogen, fertilizers, dyes (chiefly aniline), photographic preparations, drug and perfumery products. The manufactures of synthetic nitrogen, rubber, film, rayon and explosives are also branches of the chemical industry.

The chemical industry of Germany plays an important role on the world market (23 per cent) though its relative weight has decreased lastly, due to the growth of the chemical industry in the United States, France and England.

The textile industry

The German textile industry is also highly developed. Its cotton branch is fourth in the world, after that of England, France and the United States (6.6 per cent of the world total). Two-thirds of the raw cotton is imported from America, and one third from Egypt and India.

The German wool industry also holds fourth place in the world importing Australian, Argentinean and South-African wools.

The linen and silk branches of the textile industry are also developed.

Paper and printing industry

In paper manufacture Germany holds second place in the capitalist world after the United States, and in the printing industry it holds the first world.

Food industries

The German food industry in some of its branches is of a large-scale capitalist character; e.g., sugar, distilling, brewery, etc. Some branches such as bread-baking, meat production, are of a domestic craft type.

The German sugar industry holds first place in the world. After the war Germany was deprived of part of her sugar manufacturing regions in the east, and almost ceased to export sugar.

The principal producing regions are Prussia and Saxony.

25-30 per cent of the world's beer is brewed in Germany, mostly South Germany (Bavaria).

§ 5. Agriculture

The social structure

The social structure of German agriculture has a different character in the eastern part of Germany than it has in other parts. The east, and especially East Prussia and Silesia, are regions of large scale land ownership. As late as the first part of the XIXth century

feudalism still prevailed in Prussia and Silesia. When serfdom was abolished (1848) in Germany, the landlords turned their estates into big capitalist enterprises using hired labour to produce for the market. The peasants "liberated" from serfdom (and simultaneously from the land) provided cheap labour power for the landlord-capitalists.

Peasant farming predominates in other parts of Germany, especially in the Rhine region and in Bavaria. The development of capitalism caused division of the peasantry into a small group of capitalists holding considerable land, and a large number of very small farmers leading a sorry existence. Many fell into bondage to the capitalists and brokers. Soon they swelled the ranks of the city proletariat; 18,000 landowners and 200,000 capitalist farmers own almost half of Germany's agricultural territory, each domain exceeding 20 hectares; whereas no fewer than 4,000,000 peasants share the other half, their little farms being less than five hectares. Parcelled farms (less than 1 hectare) number 3,000,000. The number of hired farm labourers is about 6,000,000. German agriculture, especially the large-scale landlords' and capitalist farmers, is at a high technical level. Crop rotation systems were long ago introduced. Artificial fertilizers and agricultural machines are in wide use. Animal husbandry yielding meat and dairy products for market is well developed, as also is forestry. Despite rather unfavourable soil and climatic conditions, German agriculture gets high crop yields, due to its high technical level.

The 218,000 big farm establishments, less than one per cent of the total farms, own a large proportion of the basic means of production. They have 47 per cent of the total area under cultivation, engage 60 per cent (2,000,000) of the agricultural workers, have 31 per cent of the seeding machines, 73 per cent of the heavy motors, 90 per cent of the tractors and motor trucks, and 91 per cent of the steam and motor ploughs. The landlords' estates are still better equipped with machinery than the kulak farms. But even the great estates, that possess expensive machinery, are not big enough to fully utilize it. Therefore, as Comrade Yakovlev pointed out at the XVI Party Conference: "A theory concerning the uselessness of tractors and their disadvantages as compared with horses, is widely held by German bourgeois economists and agronomists. Here the German economists are found in the position of the fabled fox who the grapes unattainable, declared them green and undesirable".

The Crises

The small and middle peasants cannot withstand the competition of big capitalistic estates.

They become impoverished in large numbers. The world economic crisis cut agricultural prices more than industrial prices. It sharply cut the already small peasants' incomes, and has resulted in increasing their indebtedness. Average farm indebtedness in-Prussia has reached 73 per cent of the value of the farm itself. The German government introduced high tariffs on imported, agricultural goods but that did improve the condition of the peasantry. The peasants unable to with their growing debts become bankrupt, and their pieces of land are put up for sale.

Branches of agriculture and their geographical distribution

Even in 1928, before the crisis, grain production did not reach pre-war levels. Affected by the crisis it is now less than in 1913. Rye takes the first place among the grains (10,000,000 tons in 1913 and 8,700,000 in 1933) and also gives Germany first place among the capitalist countries, second only to the USSR. Rye is grown chiefly in Prussia, in the North-German lowland, and in Silesia.

Home grown wheat does not even meet the needs of the home market. The crop of wheat is higher than before the war (5,500,000 in 1933 and 4,000,000 in 1913). Wheat is grown mostly in the south-west.

Oats are extensively grown in Germany, more than anywhere else in Europe.

Potatoes, sugar beets and fodder grasses are the most important crops in Germany other than grains.

Germany holds first place in Europe in potato growing. It is grown in all parts of the country and is the main food of the broad toiling masses of Germany. In the north it is also used as a fattening food for cattle and as a raw material for the manufacture of alcohol and starch.

In sugar beets also, Germany takes first place in capitalist Europe. They are grown principally in Silesia, Saxony and in the Westphalian region, where there are located the sugar mills.

Fodder grasses are extensively grown, alternating with other crops. Truck gardens for vegetable growing are generally developed

around the great cities. Grapes and other fruits are grown in the south-western part of the country, hops and tobacco in the South (Bavaria).

Animal husbandry, the predominant branch of Germany's agriculture, is represented primarily by cattle breeding and hog raising. Germany raises more hogs than any other country in Europe. The raising of big horned cattle is centred in the north-eastern section of the country in the Rhine-Westphalian Region, and in the south. In the two former regions. concentrated fodders are used. In the south the natural pasturage of the mountains is depended on. Hog raising is best developed in the north-west and in central Germany.

Thus, the agricultural specialization of the regions is as follows:

1) The North —rye, potatoes and cattle-breeding.
2) Silesia —rye and sugar beet.
3) Central Germany —wheat, sugar beet, hog raising, and truck farming.
4) The Rhine-Westphalian region —animal husbandry, hog raising, truck gardening.
5) The South —cattle-breeding, hops, barley, tobacco.
6) The South-west —wheat, grapes and other fruit.

§ 6. The main economic regions

Germany may be divided into five main economic regions: 1) the Rhine-Westphalian or the Western industrial region; 2) the Middle German industrial region; 3) the Silesian mining, metallurgical, and agricultural region: 4) the South German agricultural and industrial region and 5) the North German agricultural region, having some industrial "spots".

The Rhine-Westphalian Region

1. The Rhine-Westphalian Region occupies two western provinces of Prussia—the Rhine District and Westphalia. On the banks of the Rhine and of its tributary the Ruhr are found the main coal resources of the country.

Germany's industrialization was closely connected with the utilization of these resources. It favoured the rapid industrial development of the Ruhr basin and of the whole Rhine-Westphalian region.

Westphalia is the main industrial region of Germany where the greater part of the German heavy and textile industries are. The mining of coal and iron, metallurgy of iron and steel, the building of heavy machinery, the manufacture of hardware and the coke-chemical industry are dominant here. Here the principal munitions plants are found, notably the Krupp plants. Formerly they used to supply other imperialist countries with implements of war. The combination of complementary industrial branches that reduce costs of production, for example metallurgy and the coke-chemical industry, metallurgy and machine building, are especially well developed in the Rhine-Westphalian region.

The textile industry —cotton, linen and silk is also very much developed there.

The agriculture of this region is of an intensive character, specializing in truck gardening and cattle-breeding. Its social structure is characterized by the predominance of capitalist farms.

The Rhine-Westphalian region is the main industrial region of the country, and has the thickest network of railroads. Besides this it is criss-crossed by a network of canals uniting the Ruhr Basin with the Rhine River and its outlet to the Baltic Sea. (The water ways of this region handle 85 per cent of Germany's total river freight.)

The greatest concentration of towns in Germany is found in the Ruhr Basin Region. The main cities are *Cologne* (750,000 inhabitants), the administrative centre of the Rhine District, the third largest city of Germany, a great industrial machine construction and textile centre, and a centre of trade and transportation; *Essen*, city in the Ruhr Basin (650,000 inhabitants), the greatest centre of the coal mining industry, of metallurgy, of heavy machine building, the location of the famous Krupp plants; *Dusseldorf* (500,000 inhabitants) and *Duisburg*—centres of the metal and coke-chemical industries; *Solingen*, a centre of small hardware; *Frankfurt* on Main (550,000 inhabitants) and *Dortmund*, industrial and trade centres; *Wuppertal*, a great textile centre.

The Middle German Region

2. The Middle-German, or the Saxony-Thuringian Region consists of Saxony. Thuringia, and the Prussian province of Saxony. This is an old industrial region which had long ago a developed domestic craft industry and large numbers of skilled workers. Potassium salts are here in great quantity. Considerable brown coal

and small deposits of coal and iron ore are found in Saxony.

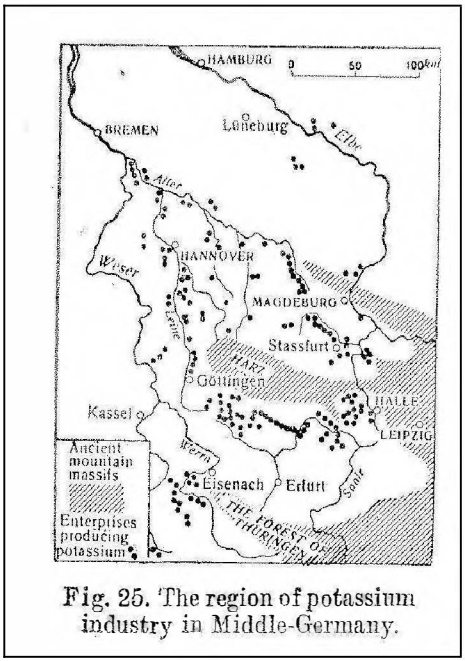


Fig. 25. The region of potassium industry in Middle-Germany.

Fig. 25 The region of potassium industry in Middle Germany

Various light industries, machine building and the chemical industry are developed there. The textiles hold first place. Machine building is second, chiefly fine machinery using but small amounts of metal, for example the manufacture of textile and printing machines. The food industry, especially sugar, is highly developed in the province of Saxony, but less in other parts of the region. The paper-cellulose, and printing industries are well developed. Extraction of brown coal is highly developed in Saxony, and used largely for the production of electrical energy. Over a high voltage transmission network, electric energy is transmitted to different cities, principally, to Berlin. The deposits of potassium salts and sodium chloride, basic raw materials for the chemical industry of the region, used for the production of fertilizers and soda, are well worked here.

In agriculture, the sugar beet plays the main role, especially in Saxony; then potatoes, wheat, rye, and oats. Truck gardening plays a very important role in Saxony. The relative weight of the landlord's

domains here is higher than in the Rhine-Westphalian Region. It is especially high in Saxony, where 25 per cent of the farm households are those of landlords. The Middle-German Region is characterized by intensive agriculture and high crop yields.

The main cities are *Dresden*, the capital of Saxony (650,000 inhabitants), and *Leipzig* (710,000 inhabitants). Both are important centres of the machine building, printing and food industries; Chemnitz (350,000 inhabitants), a textile and machine building centre; *Magdeburg* (300,000 inhabitants) potassium salts and sodium chlorides, chemical industry, sugar, machine building, and textiles; *Stassfurt*, potassium salts and chemical industry; *Halle*, mining of brown coal and generation of electric energy, chemical and metal industries; *Merseburg*, chemical industry.

The Silesian Region

3. The Silesian Region, comprises the Prussian provinces, Upper and Lower Silesia. There are great coal reserves, and small deposits of lead, zinc and nickel.

It is a mining region, chiefly coal mining, and a region of metallurgy. The textile, glass and. sugar industries are highly developed.

The heavy industries of Upper Silesia are grouped along the Polish border, in the south-western corner (centre—*Hindenburg*).

Grain crops (wheat and oats) and sugar beets predominate in the agriculture of Silesia. There is large-scale capitalist landownership, using hired labour and making wide use of agricultural machines.

The South German Region

Breslau is the chief city (600,000 inhabitants), a great commercial and industrial centre.

4. The German Region comprises Bavaria, Vürtemberg and Baden. This region is poor in minerals, but rich in water-power. South Germany, like Middle-Germany, for a long time had a domestic handicraft industry, and owing to this has much available labour power. Machine building, cotton, the clothing trade, food industry, especially brewing, printing and pottery manufacture are developed here.

The agriculture of the South German Region is primarily represented by cattle-breeding and other animal husbandry, and by

the cultivation of oats, barley, wheat, hops and grapes. Characteristic of the South German Region is the extraordinary parcelling of land and the large number of poor small farmsteads at the mercy of the capitalist farmers. As a result of this, agriculture is backward and crop yields low.

The chief cities are *Munich* (750,000 inhabitants), capital of Bavaria; *Stuttgart*, capital of *Vütemberg*; *Mannheim* and *Nurenberg*. They are all industrial centres.

The North

5. The North German Region comprises the whole northern part of the country—from the Dutch border to the Polish corridor, together with Eastern Prussia. It is the main agricultural region of Germany, with spots of industry developed here and there. Grain growing, especially rye and oats, is carried on in the east; cattle-breeding and hog raising in the west.

North Germany is a region of landlord ownership, with large scale capitalist economy.

The industrial spots are distributed over this region as follows:

a) *Berlin* (4,200,000 inhabitants), the capital of Germany and of Prussia, the largest city in Germany and the third largest in Europe. *Berlin* has neither its own raw material nor its own fuel or power. It is the political, financial, and commercial centre of the country. It is also a main centre of Germany's great railroad network. Metal and electro-technical industries, automobile building, clothing factories, etc. are well developed in this region, all using imported raw materials and fuel.

b) The port cities are—*Hamburg, Bremen, Stettin*, and Hannover. They are all centres of machine building, and of the rubber, textile and leather industries.

Hamburg (1,200,000 inhabitants) at the estuary of the Elbe, is a port of world importance. It has the second largest population in Germany, and is a greatest commercial and industrial centre. *Bremen* is located on the North Sea in the Veser estuary, and *Stettin* on the Baltic, at the estuary of the Oder. *Hannover* is in the western part of the North German Region, population 450,000. It, has small amounts of iron and petroleum.

One must notice from other towns ports Königsberg (in East Prussia), *Kiel* and *Rostock*.

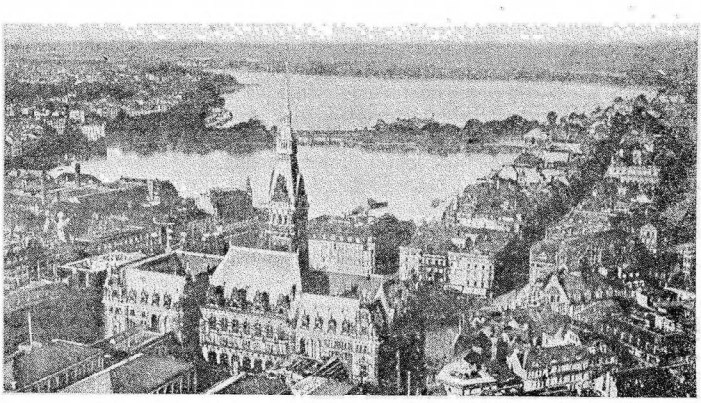


Fig. 26. Hamburg. A part of the port.

Fig. 26. Hamburg. A part of the port.

§ Transportation

Germany has a variety of good transportation facilities. The thick network of railroads, most of them built in the second half of the XIXth century, were a most favourable factor in the rapid promotion of German industry. The total length of the German railroads is about 60,000 km.; 120 km. of line per thousand square km. of territory. The Rhine-Westphalian Region and the central part of Prussia around *Berlin* are the best served by railroads.

Waterways play a very important role in the country, though in length they are much less than that of the railways. The navigable rivers, the Rhine, the Elbe, the Oder, the Veser, are connected by a system of canals. The Dortmund-Ems Canal connecting the Ruhr Basin with the North Sea through the River Ems is the most important. The inland water transportation system of Germany is characterised by a high technical level. The main river ports are *Berlin*, on the river Spree, Hamburg, at the mouth of the Elbe, and Duisburg, on the Rhine.

Before the World War Germany's merchant marine had a displacement of 5 million tons, i.e., 11 per cent of the world total, and held third place after Great Britain and the United States. Under the Versailles Treaty almost the whole German merchant marine went to

the victors. After the war period, however, Germany replaced it almost completely and again came to occupy one of the first places in world shipping.

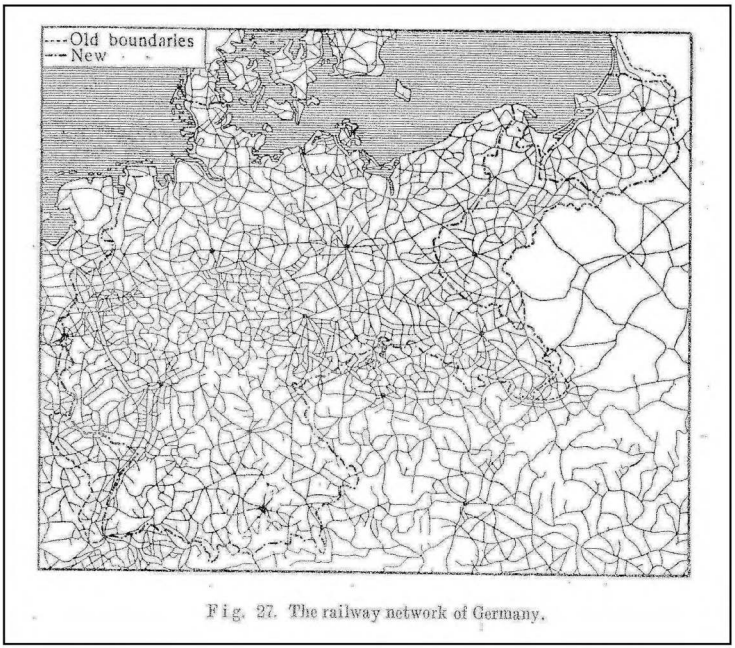


Fig. 27. The railway network of Germany.

Fig. 27. The railway network of Germany

The greater part of the German merchant marine belongs to the great shipping companies. "The Hamburg-American line" and "The North German Lloyd." The main sea ports are *Hamburg*, of world significance, *Bremen*, *Stettin*, *Kiel* and *Konigsberg*. The Kiel Canal connecting the Baltic and the North Seas runs close to Kiel across the Jutland Peninsula. It shortens the way, and is of trade and strategic importance.

Air transport is widely developed in Germany.

§ 8. Foreign trade and the movement of capital

Foreign trade

Germany's foreign trade, growing rapidly before the beginning of the World War, resumed its growth after the end of the war. Germany's devaluation of currency during 1919-1923, together with her extensive resort to dumping, made it easier for German goods to compete on the world market. Germany's exports consist principally of manufactured goods—machinery and other metal manufactures, textiles, chemical products, dyes, etc. She also exports coal and certain food products. The proportion of Germany's export of manufactured goods to her total export increased from 60 per cent in 1913 to 73 per cent in 1929. Total exports reached their highest level in 1929—13.4 billion marks, 75 per cent of Germany's exports are to European countries—Holland, Great Britain, France, Czechoslovakia, Belgium and Italy. To the United States go 7 per cent, to Argentine 7 per cent, to Brazil 7 per cent and to the countries of Asia 8 per cent.

Of German imports 55 per cent consists of raw materials and semi-manufactured goods—cotton, wool, silk, ores, metals and lumber. 26 per cent are foodstuffs—grain, meat, dairy products, coffee, cocoa, etc, 19 per cent are manufactured goods, In 1928 imports reached their highest point—4 billion marks, but with the world crisis fell sharply. Germany's imports come 53 per cent from Europe, 28 per cent from American countries and 12 per cent from countries of Asia.

Both before and since the war, Germany's imports have usually exceeded her exports, that is, she had an adverse trade balance. Only since 1930, when imports began to contract own more sharply than exports, has Germany had a favourable trade balance.

The payment balance and the movement of capital

The payable balance of Germany each year since the Dawes Plan went into operation, and up to the time of the world crisis, is shown in the following table:

Year	1913	1924	1925	1926	1927	1928	1929	1930	1932
					(in millions of marks)				
Reparations payments	-	-281	-1057	-1191	-1584	-1999	-2501	-1699	-162
Interest receivable and interest payable balance ...	+1060	+100	-6	-173	-345	-563	-873	-1000	-900
Import and export of capital balance ..	-592	+3644	+3135	+442	+3925	+4298	+2729	+1730	-423
Foreign trade balance	-1008	-1811	-2439	-793	-2960	-1285	-44	+1563	+1037
Income from insurance and transportation enterprises	+660	+243	+309	+653	+379	+415	+503	+223	+357

In 1913 Germany was exporting capital and had a passive trade balance, covered by interest on capital invested abroad and by the revenue of her transport and insurance enterprises on foreign operations. In the post-war period the payable balance was made up of adverse trade balance, plus indemnity payments that amounted to nearly twelve billion marks during the seven years 1924-1930, plus the excess of interest payable on foreign debts over and above interest receivable on foreign investments, an adverse balance that increased with the growth of the German indebtedness. But with what are these liabilities met? Primarily with interest receivable on foreign investments. But this has shown a heavy falling of. The secondary source, the revenue from transport and insurance services rendered abroad has also shrunk considerably. The principal amount received appears to be the excess of capital imported over capital exported—the balance of the movement of capital. During the seven years, 1924-1930, twenty billion marks of capital was imported into Germany in excess of the amount of capital exported.

By 1931 foreign investments in Germany had reached thirty billion marks, and German investments abroad, ten billion marks. The leading foreign investor was the United States which came to control significant sectors of German industry. This influx of capital made possible the economic revival of the country from 1924-1928. Much less sizable were the French and English investments of capital in Germany. Germany, as a highly developed capitalist country would normally have a surplus of capital for investment abroad, but as we

have seen, post-war Germany is characterized by her deficiency of it. It is necessary to consider Germany's post-war investments of capital abroad not so much as export of capital, but more as a flight of German capital, due to the general economic and political instability of Germany. In the years of the world crisis there is a drop in the foreign import of capital (in 1931 4.9 billion marks is called off), but the trade balance becomes very active.

Financial situation

In 1931 Germany was unable to make her indemnity payments, and found herself facing a financial crash. United States investors began to be afraid of the fate of their tremendous investments, and of the fate of the whole German capitalist system.

The Allied powers, Versailles creditors, under pressure of the United States, granted Germany postponement (moratorium) of the payments of indemnity for one year. But the flight of capital from Germany increased. Foreign investments in Germany were also seriously affected. In the summer of 1931 the crash came, the very largest banks going into bankruptcy. The intertwining of the financial and industrial crises acutely worsened the general economic situation of the country. The following year Germany flatly repudiated all further liability for indemnity payments.

§ 9. Imperialist contradictions

The post-war stimulation of the national economy of Germany, which restored its foreign trade, caused a sharp renewal of its struggle with the "victorious" powers.

German goods, thanks to the high technical level of the now re-equipped industry, thanks to her intensified exploitation of the proletariat and by means of "dumping", began successfully to drive out English and French goods (whose production had also greatly increased since the war), from both foreign and home markets. They penetrated into India and China, colliding there also with Japanese goods, and into South America and Africa.

The now revived German imperialism began to demand revision of the Versailles Treaty, and return of Germany's lost territory, especially of the Polish corridor and her former colonies. She

demanded revocation of the clause that limited Germany to an army of one hundred thousand, that prohibited compulsory military service, that denied her the right to build up her navy and air force.

The Fascist Government advanced these demands with particular force in 1933, and began to prepare to force their realization. Naturally this sharpens the conflict with France. England, because of her contradiction with France is sometimes ready to support Germany in individual cases, but hastens to oppose any real revival of her old rival. England reacts especially painfully to Germany's demand for the return of her former colonies.

The military forces of Germany are limited by the Versailles Treaty. Her land army is supposed to have 100,000 men. The naval fleet consists of eight battleships and seven cruisers. According to the Versailles Treaty Germany shall not have any military air fleet.

In spite of all this Germany is intensively preparing for a new war. Numerous Fascist organizations, patriotic sport unions, all are preparing new forces for the future war. Military technique and war chemistry are developing. Germany has a very great civil air fleet, able to be used for military purposes.

Germany's relations with the Soviet Union

Up to 1933, German-Soviet relations, regulated by the Rapallo Agreement of 1926, were developing normally. Germany was interested in pushing her trade with the USSR, selling to the Soviet Union mining and metallurgical machinery and equipment, electrical equipment, precision instruments and chemical products, buying from the Soviet Union petroleum, timber, furs, flax and grain. Soviet trade with Germany was one-fourth of the total trade turnover of USSR. In connection with the general shrinkage of German export under the influence of the world crisis, the Soviet Union was the second largest purchaser of German goods in 1932. In the development of German-Soviet relations an important part was played by Germany's clashing interests with France and Poland. Germany counterposed to the hostility of her enemies, east and west, her friendly relations with the USSR.

In 1933 the situation changed with the coming to power of the German Fascists. On the one hand, Germany strained her relations with France by demanding revision of the Versailles Treaty, portending another war. On the other, she adopted a sharply anti-Soviet attitude, trying to organize intervention against the USSR.

German imperialists proposed an agreement with Poland at the expense of the USSR, Poland was to return to Germany the Polish (Danzig) corridor, while Poland was to receive part of the Soviet Ukraine, and an outlet to the Black Sea, following successful intervention. However, increasing German aggressiveness led France and Poland to change their former attitude towards the Soviet Union. French-Polish-Soviet relations became friendly.

Police raids on Soviet trade organizations and arrests of and discriminations against Soviet journalists unfavourably affect Soviet-German relations.

7. SWITZERLAND

§ 1. Physical-geographical outline

Switzerland is situated in central Europe without her own outlet to the sea. She is surrounded by great imperialist powers, France, Germany, and Italy and also by Austria. Switzerland is separated from France and Italy by the Alps. The area of the country is only 41,300 sq. km. Switzerland is a highly mountainous country. Over two-thirds of its surface in the south-eastern part are the *Alps*. Across the north-western part runs a ridge, the *Jura Mounts*. The centre of the country, lying between them, is the Mid-Switzerland plateau (Mittelland). The Swiss Alps consist of a number of ridges —the Bernese Alps, the Pennine Alpson the west, St. Gotthard and Rhaetian Alps in the east. A great many of the Alpine peaks are more than four km. above sea level, perpetually covered with snow and glaciers. The chief peaks are the Monte-Rosa, the Matterhorn, and the Jungfrau. Many rivers originate in the mountains of Switzerland, affording enormous power possibilities. At the Saint Gotthard ridge begin some of Europe's greatest rivers, flowing in different directions. The Rhine with its tributary, the *Aare* flow to the North Sea, the *Rhone* flows to the Mediterranean Sea. In the valleys are lakes of glacial origin, notably *Lake Geneva*, *Lake Neuchatel* and *Lake Constance* (Boden).

The climate of Switzerland is varied. It is similar to that of the Mediterranean in the valleys of southern Switzerland, becomes more severe with attitude and even cold on the mountain heights.

The Swiss mountains are covered with very rich vegetation.

Forests (leafy trees in the lower section and coniferous in the upper) are found at a height of three km. and the rich Alpine meadows are found higher.

Switzerland does not have useful minerals.

The geographical location of Switzerland does not give her (as we already mentioned) a direct outlet to the sea. This was unfavourable to her economic development. The high mountains separating her from the neighbouring countries hampered her in her trade relations. But this difficulty was overcome with the development of railroads.

Absence of coal and ores were also negative conditions for the country's industrial development in the XIXth century. But in the XXth century the lack of coal was met by utilization of her rich water-power.

The mountainous character of the country hindered agriculture, but was favourable to cattle raising, due to the Alpine meadows.

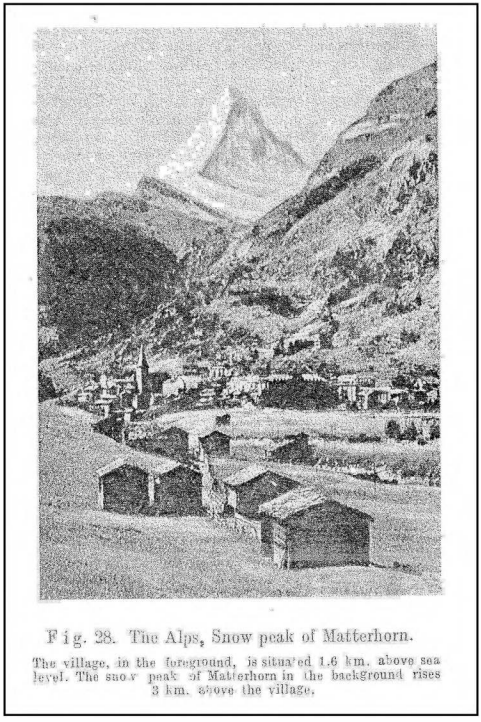


Fig. 28. The Alps, Snow peak of Matterhorn.
The village, in the foreground, is situated 1.6 km. above sea level. The snow peak of Matterhorn in the background rises 3 km. above the village.

Fig. 28 The Alps, Snow peak of Matterhorn. The village, in the foreground, is situated 1.6 km. above sea level. The snow peak of Matterhorn in the background rises 3 km above the village.

§ 2. A brief historical-economic outline

Back in the epoch of feudalism individual Swiss cantons (districts) attained independence from the German Empire (the Holy Roman Empire) to which they had before been subordinated. They concluded an alliance among themselves—the prototype of the Swiss federation of today. The mountainous relief helped in the maintenance of this independence. Up to the XIXth century Switzerland's national economy was characterized by its developed agriculture and cattle-breeding, and by the transit trade of Italy with Germany that passed over Swiss territory.

Social structure of different cantons varied. In some, especially in the forest cantons of the south-eastern section, free peasantry predominated; in others the peasantry were under the feudal yoke of the gentry landowning families.

The urban trading bourgeoisie and craftsmen were subjected to feudal orders and to control of the aristocrats.

Accumulation of the capital which towards the end of the XIXth century contributed to the creation of her big scale industry, had begun in Switzerland long years before. There had been the following sources of accumulation: (a) supply of the European armies with hired Swiss soldiers; Switzerland received huge amounts of money for this supply (e. g. in 1705 France paid to Switzerland 5,000,000 livres). Besides this the hired Swiss troops participating in plundering the conquered localities brought much loot home; (b) duties on the transportation of goods from Italy to Central Europe over the Swiss mountain highways; (c) guard pay for goods transported. Owing to this, Swiss trade capital developed in the XVIIIth century, selling abroad products of Swiss small-scale manufacture.

During the Great French bourgeois Revolution in 1798 Switzerland was occupied by French troops, and this aided to free the peasantry from feudal obligations and the urban trade and small bourgeoisie from aristocratic control.

The Revolution of 1830 in France was contributory to the further democratization of Switzerland. Together with this, as Lenin noted of Switzerland, the epoch of the Great French Revolution which gave the most democratic solution of the current problem of transition from feudalism to capitalism was able incidentally "to solve" the national question.

The industrial revolution did not touch Switzerland until about the last quarter of the XIXth century. At that time, according to Marx and Engels (article "political situation of the Swiss republic": "The mass of the Swiss population follow either pastoral or agricultural pursuits. The agricultural population is quite as stationary as the pastoral... The third component part of the Swiss people, the industrial population, although necessarily far more advanced in civilization than the two classes mentioned before, yet live under

circumstances which exclude them in a great degree from the progressive giant impulse which the modern manufacturing system had imparted to Western Europe.

Steam is hardly known in Switzerland; large factories exist in a few localities only; the cheapness of labour, the sparseness of population, the abundance of small mountain streams fit for mills; all these and many other circumstances tend to produce a petty and sporadic sort of manufactures mixed up, with agricultural pursuits, the most eligible industrial system for Switzerland. Thus watchmaking, ribbon weaving, straw plating, embroidery etc., are carried on in several cantons, without ever creating or even increasing a town; Geneva and Basel, the richest, and with Zürich, the most industrial towns, have hardly increased for centuries."

Approaching the epoch of imperialism, the accumulation of capital in Switzerland became more considerable. Foreign capital was imported. Economic development became more intense. Railroad construction proceeded apace, which facilitated the approach to the mountain regions and improved communication with Germany, France and Italy. Railroad afforded the possibility of importing cheap grain from abroad, that resulted in it reduction of agriculture and an increase of animal husbandry. In the last quarter of the XIXth century, to the formerly developed industries, textile and watchmaking, were added such new industrial branches as chocolate production, the canning of milk, the production of malted milk and infant foods. There also developed chemical industry and machine building. Unlike the old branches which were of a small domestic character, the new branches are of a big scale machine type, using imported coal and in part, imported raw material. The development of technique has made possible the production of electric energy from Switzerland's only energy base—water power.

The establishment of machine industry was naturally accompanied by the formation of a considerable industrial proletariat.

Catering to foreign tourists came to be of great importance in Swiss economies. The mountainous landscape, its great natural beauty, the healthy climate, attracted to Switzerland many foreign tourists and persons in delicate health, mostly of the bourgeois class. The construction of mountain railroads, begun in the eighties, was contributory to the rapid growth of Switzerland as a tourist resort.

So in 1880 the daily capacity of the tourist hotels alone, excluding sanatoria, was 44,000 persons, and in 1912—170,000. The growth of investments in tourist hotels stimulated this; (320,000,000 francs in 1880, and 1.2 billion in 1912. Tourists, mountain climbers and resort patients used to bring great profits to Swiss capital invested in hotels, contributed to Switzerland's development, and increased the demand for her food products.

Financial capital, exporting capital abroad, also increased. Switzerland became an imperialist power.

During the World War the Swiss bourgeoisie was preparing for a "profitable" joining with the Entente, but in fact maintained neutrality to the end of the war, raising loans for both belligerent sides.

The heavy industrial branches—machine building and chemical, greatly developed during the war, and finance capital greatly expanded. After the war on the background of the new imperialist contradictions by the Versailles Treaty, Switzerland played the role of an international banker. The Swiss money market attained great importance is short term loans. Swiss capitalists penetrated German economy, ruined by war and reparations.

With the organization of the League of Nations, Switzerland. became its headquarters.

§ 3. Population

The population of Switzerland is over 4 million. The average density is 97 persons per sq. km. The national composition is not homogenous. 72 per cent of the country's total population speak the German language, 21 per cent the French and 7 per cent the Italian. French and Italian are spoken in the border localities.

Switzerland is a bourgeois federal republic. It unites twenty-two small republics, designated cantons. The most important among them are *Zurich, Berne, Basel, Geneva*.

The greater portion of the population—72 per cent is located in the rural localities and only 28 per cent in the cities. The main cities are: *Berne* (120,000 inhabitants), the capital of the Union; *Zurich* (250,000 inhabitants), the largest city of the country, an industrial centre; *Basel* (150,000 inhabitants); *Geneva* (140,000 inhabitants), the centre of French Switzerland, headquarters of the League of Nations, and Lausanne.

45 per cent of the self-supporting population is engaged in industry, and only 26 per cent in agriculture and forestry.

§ 4. Economy

Switzerland is a country of a high level of capitalist development, playing a secondary role among the imperialist countries. She is an industrial-agrarian country with a developed production of hydroelectric energy, with metal textile and food industries, with a model dairy cattle breeding industry, with a hotel industry of great significance and with a developed financial capital. Her governmental structure is a bourgeois federal republic.

In the economics of post-war Switzerland the predominant role has been taken by big scale industry, mostly producing for export and to financial capital, closely connected with foreign banks and industrial enterprises. The relative importance of the hotel industry and of foreign tourism has decreased in comparison with pre-war time. Agriculture is chiefly represented by the exemplary dairy cattle raising.

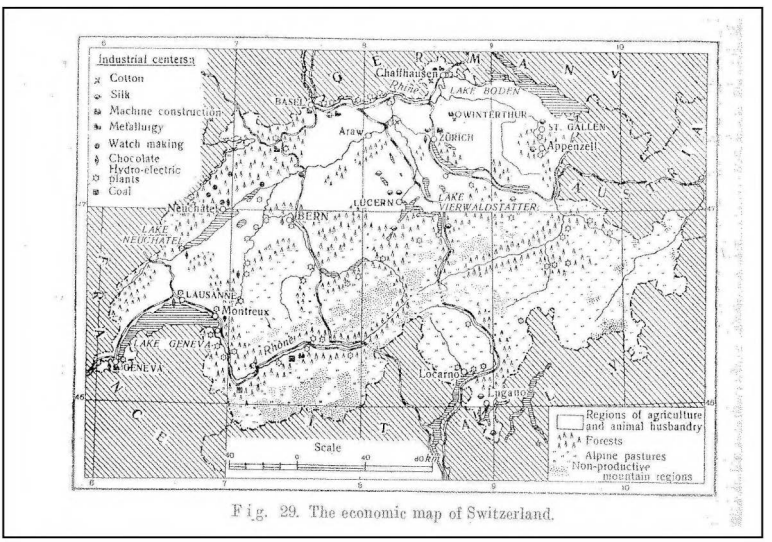


Fig. 29. The economic map of Switzerland.

Fig 29. The economic map of Switzerland.

The Swiss bourgeoisie are closely linked up with world imperialism. As Lenin pointed out as far back as during the World War, "the modern, highly developed and extremely rich Switzerland cannot be extricated from the network of imperialist world relations."

Speaking about the imperialist character of Switzerland, Lenin pointed out in 1917 (in an article on "The defence of neutrality"): "Imperialist interests express themselves, as is well known, not only in territorial acquisitions but in financial penetration as well. It has to be borne in mind that the Swiss bourgeoisie has capital exported abroad amounting to not less than three billion francs, i.e., the imperialists are exploiting the backward nations, Such is the fact. There is also the fact that Swiss bank capital is very closely connected and linked up with the capital of the great powers, and that the Fremdenindustrie (the hotel industry) of Switzerland, etc. indicates a constant division of the

imperialist wealth between the great powers and Switzerland."

Industry

The most important industrial branches are the following: the production of electric power, the metal-industry, textile and food industries. Chemical industry is also developed. Switzerland's production of electric power (5.4 billion kilowatt hours), developed from water power, supplies Swiss industry and transportation. 33 per cent of the energy produced, transmitted by wires to neighbouring countries, becomes an item of export.

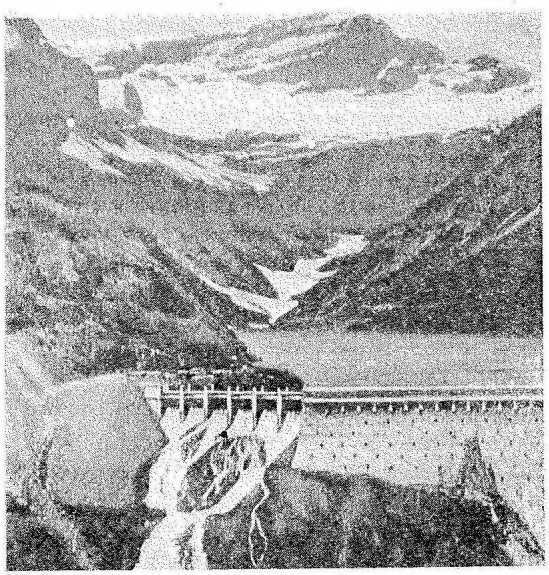


Fig. 30. A hydro-electrostation in Switzerland.

Fig. 30. A hydro-electro station in Switzerland.

The metal industry is represented by machine building, in the Zurich canton, watch production in French Switzerland, especially in Geneva, and by electrometallurgy—the production of aluminium.

The textile industry is represented by cotton manufacturing (1,500,000 looms), in the north, and by silk in Zurich, Lucern and

Basel. The chemical industry, the production of rayon, wood pulp and paper have their main centres in Basel.

The food industries—the production of chocolate, condensed milk, baby foods (Nestles) and cheese are chiefly found in the centre of the country. The enterprises of the machine building, chemical and food industries are primarily of a large mill factory scale. In the watch and textile branches capitalist production at home and domestic handicraft are widely developed.

The relative weight of the different branches (in point of workers employed) and the relative tendencies are shown in the following table:

Number of workers in thousands / Industrial branches	1901	1913	1929
Metallurgy and machine building	45	74	115
Watchmaking	25	37	38
Cotton manufacture	32	30	35
Silk manufacture	34	32	32
Food industries	18	27	26

Some manufactures are primarily of an export character, exporting the following percentages of their output:

Machine building..... 80 per cent
Chocolate production..... 85 " "
Silk manufacture..... 95 " "
Watchmaking..... 98 " "
Chemical products..... 98 " "

The world crisis did not strike Switzerland at first. Swiss financial capital and the Swiss currency held their position up to 1931. That year, however, marked the end of capitalist stabilization for Switzerland. In 1931 the crisis rapidly engulfed the whole economy of Switzerland, affected its export and its finances. In 1932 the output of Swiss industry was down to 35 per cent of the 1930 level.

Agriculture

The social structure of Swiss agriculture is characterized by the predominance of homesteads of from 3 to 30 hectares, estimated at 60 per cent of the total; very small ones (up to 3 hectares) constitute 36 per cent of the total. Only 4 per cent are big farms (over 30 hectares).

Cattle raising, yielding 80 per cent of the total agricultural produce plays a very important role. 35 per cent is dairy farming.

Horticulture accounts for only 20 per cent of the total agricultural produce, half of that being grapes and other fruit. Grain crops, such as wheat and barley, amount to only 3.5 per cent of Switzerland's total territory, only 12 per cent is under cultivation. 42 per cent is meadow, 22 per cent forests and 24 per cent lands that are too mountainous or otherwise unsuitable for cultivation.

Dairying is the main branch of Swiss agriculture. It is organized in exemplary fashion and produces for export. The other branches meet only 30 per cent of the home demand.

The world crisis has affected the Swiss agriculture, despite the high import tariffs established by the government.

Tourist resorts and the hotel enterprises

The invigorating climate, pure mountain air and the sheer beauty of its mountains and valleys have made Switzerland the mountain resort of wealthy Europeans. and a favourite attraction for European tourists. The annual influx of tens of thousands of invalids and tourists came to be a great source of income. Hotel enterprises alone, before the war, used to bring in 50 million francs annually. The total income from tourists and other industries serving them amounted to 215 million francs in 1913 and 442 million francs in 1929. The crisis all but destroyed these sources of income.

Main economic regions

Economically Switzerland is divided into three areas: 1) the Northern industrial area, with the metal and textile industries, centred in Basel and Zurich; 2) the Middle, agrarian-industrial, with a developed agriculture, a food industry and watch manufacturing in the west (centres —*Berne, Lausanne, Geneva*), and 3) the Southern

Alpian region of forests, mountain pastures and tourist resorts.

Transport

Switzerland has a highly developed transportation system. Railroads extend over 6,000 km.; half of which is electrified. These lines cut the Alpian ranges by numerous tunnels. Greatest among them is the Simplon Tunnel on the road to Italy, 20 km. in length, longest in the world, and the Saint Gotthard, 15 km. in length. The Swiss railroads have great international significance, connecting as they do, Germany with Italy (the Basel—Como Lake line) and Austria with France (the Constance-Lake—Geneva line).

A network of automobile roads totalling 15,000 km. has recently been developed in Switzerland.

Foreign trade

Foreign trade is highly developed in Switzerland, the turnover before the crisis having reached some two billion gold roubles. Imports always exceeded exports. Grains, coal, and raw materials (metals, cotton, raw silk) are imported primarily from Germany, France and Italy. Silk goods, machines, watches, dairy products (cheese, canned milk) and chocolate is exported to Germany and England, France and Italy.

Swiss goods are exported not only to Germany, France, Italy and England but also to the United States, Argentine, Canada, Japan, etc. The world crisis greatly reduced Swiss exports, seriously affecting Swiss industry, which was geared primarily to foreign markets.

Export of capital from Switzerland began before the war, directed to Germany, Russia, Turkey (the Bagdad railway), Japan, China and Argentine. During the war and post-war years, Swiss financial capital penetrated many countries in the form of investments in industrial enterprises and in the form of loans.

The adverse trade balance of Switzerland during the pre-crisis years was covered by revenues from capital exported and by the expenditures of tourists.

	1913 (in millions of Swiss francs)	1928 (in millions of Swiss francs)
Trade balance	–581	–586
Revenues from capital abroad	+260	+330
Expenditures of tourists	+215	+442
Income from the transmission abroad of electric power	–	+21
Payment balance	–106	+207

Switzerland's "neutral" position in international relations

Long before the outbreak of the World War Switzerland declared its "neutrality" in all future wars. Such in "neutrality" in the war of 1914 enabled the Swiss bourgeoisie to profit by supplying both sides.

The Swiss status of "neutrality" was "guaranteed" to her as far back as the Vienna Congress of 1815. However, as Lenin pointed out, in the epoch of imperialism the "neutrality" of imperialist states generally, and in particular of Switzerland, indicates only hesitation between the belligerent sides and preparation for a "profitable" attachment to the victorious coalition. Due to its being "neutral" territory, Switzerland became a favourite place for international conferences, and after the signing of the Versailles Treaty it became the seat of the League of Nations.

Relations with the USSR

Switzerland was one of the first to establish diploma relations with Soviet Russia. But being influenced by the growth of the revolutionary movement in Switzerland the Swiss bourgeoisie severed these relations. The sharpening of relations resulted in the assassination in Switzerland of the Soviet delegate to the International conference, Comrade Vorovski in May 1923. The murderer was acquitted by the Swiss court. In answer, the USSR declared a boycott on Swiss goods, which was only removed in 1927.

8. AUSTRIA

§ 1. Physical-geographical outline

Austria in respect to its geographical location and surface in similar to Switzerland. It also occupies a small territory, some 84,000 sq. km., does not have a direct outlet to the sea, and is mountainous. The Austrian mountain system is that of the Eastern Alps. Only in the north-eastern section of the country, in the valley of the Danube, are there lowlands. They are known as the Vienna Valley.

Besides the Danube there are many other mountain streams, whose potential power is estimated at 1,700,000 horse power, utilized however only 14 per cent.

The Austrian climate is similar to that of Switzerland.

38 per cent of Austria's territory is covered by forests, 27 per cent by meadows and pastures. Only 23 per cent is suitable for agriculture. There are deposits of high quality iron are and of brown coal in the south-eastern section of the country (Styria and Carinthia).

§ 2. Economy and population

Austria is a country at a high level of capitalist development and plays a secondary role among the other powers. The structure of its economy is industrial-agrarian, with well developed machine building and textile industries. It is the nucleus of the former Austro-Hungarian Empire, but deprived of a huge home market after the downfall of the latter. It caused a depression in its industry and financial dependence upon foreign capital. Its governmental structure since 1934 is a fascist dictatorship.

Population

6,700,000 people inhabit Austria. The average density is 81 per sq. km. National composition is homogeneous: 98 p.c. are Germans. Almost 30 p.c. of the population is in the city of *Vienna* (2,000,000), the capital of the country, and a large trade and industrial centre.

Only 33 p.c. of the self-supporting population is engaged in industry; 41 p.c. are in agriculture. The proletariat constitutes about 36 p.c. of the total population.

The pre-war situation in Austria

The Austria of today covers one eight of the former Austro-Hungarian Empire. The latter had a territory of 675,000 sq. km., and included besides Austria the present Czechoslovakia. Hungary, the north-western section of Rumania, the south-western part of Poland and the greater part of the present; Yugoslavia. Before the war, Austria was the dominant part of the huge empire. It had the only outlet to the sea, and possessed considerable mineral resources —coal, iron, petroleum (in the present Czechoslovakia, Poland and Rumania). Austria had a highly progressive manufacturing industry, machine building, electro-technical, textile. The agrarian areas provided food, raw materials and fuel, and also served as markets for Austrian industrial goods.

The present economies of Austria

The collapse of the Austro-Hungarian Empire after the war had dire effects upon Austrian economic life. Being deprived of a large part of her home market intensified her necessity to compete with the industries of other countries on the foreign markets. Austria was not victorious in this rivalry and her industry practically came to a standstill. Even during the most prosperous years before the crisis the Austrian metal industry operated at only 75 per cent and the number of unemployed reached 300,000.

The difficult financial situation of Austria during the first post war years caused her to become dependent upon English and French capital.

Austria was one of the first countries to be affected by the world economic crisis. In 1932 the output of her steel plants was down to 20 per cent of their productive capacity. The textile output decreased 30 per cent. Unemployment grew to 500,000. Great enterprises and important banks became bankrupt. The class struggle sharpened and after the suppression of the workers revolt in April 1934, there was established a Fascist dictatorship.

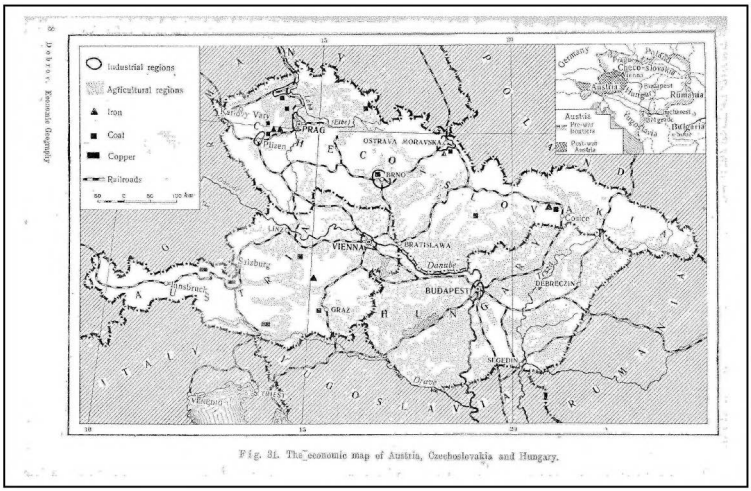


Fig. 31. The economic map of Austria, Czechoslovakia and Hungary

Industry

The metallurgical, machine building, electro-technical, textile, clothing, paper and wood-pulp industries are developed in Austria. *Vienna* is the main industrial, commercial and transportation centre of Austria. *Graz* and *Linz* are main centres of metal industry. The serious situation of Austrian industry after the war, the attempts to "rationalize", it, and then the economic crisis have profoundly affected the conditions of the working class. They have caused much unemployment and great reductions in wages.

Agriculture

A sharp social stratification is observed in Austrian agriculture. The small farms (five hectares) are estimated at 50 per cent of the total, but have only 6 per cent of the agricultural land. Capitalists and landlords estates (over 20 hectares) constitute 15 per cent in number but 73 per cent in area. A fifth of the small farms are on rented land. Peasants' households have a great indebtedness, which has further increased during the crisis, threatening entire ruin to the peasantry. Grain growing is the predominant branch of agriculture. It meets two thirds of the country's needs. Rye and wheat are the main crops. They

are found in the north-east, in Styria.

Cattle breeding and animal husbandry, generally, are predominant in the more mountainous sections of the country.

Lumbering also is developed in the mountain areas.

Foreign trade

In Austrian foreign trade imports exceed exports (adverse balance of trade). Industrial goods are mostly exported to the Balkan Peninsula, Hungary and to the Near East. Exports go by way of the Italian port of Trieste and the German port of Hamburg.

Raw materials and foodstuffs are imported. Germany, and countries formerly within the Austrian-Hungarian Empire, are the chief sources of supply.

Foreign relations

The difficult economic situation of Austria after the downfall of the Empire, and the activity of foreign capital (French, English, American) within the country, impelled the Austrian bourgeoisie to campaign for "Anschluss" to Germany. This plan met resistance from France and the Little Entente (Czechoslovakia, Yugoslavia, Rumania), arising out of fear of German imperialism. This resistance obliged Austria to renounce the "Anschluss." But Germany since the Fascist turnover of 1933 is attempting to absorb Austria. As a counterpoise to this Austria considers a plan to unite with Hungary. Italy favours and supports this plan, but France and the countries of the little Entente oppose.

Austria has normal diplomatic and trade relations with the Soviet Union.

9. HUNGARY

§ 1. Physical-geographical outline

Hungary is located to the east of Austria. Its other neighbours are Czechoslovakia, Rumania and Yugoslavia. It has no direct outlet to the sea.

It covers a territory of 93,000 sq. km. Before 1919 Hungary as a part of the Austro-Hungarian Empire occupied a territory of 325,000 sq.

km. More than two thirds of her former territory was added to Rumania.

In respect to its topography Hungary is a lowland. It has the *Carpathian ranges* on the north and east on the Czechoslovakian territory, and the Austrian *Alps* on the west. The not very high Bacon Forest runs across the western part of the lowland.

The climate of Hungary is continental, with low rainfall.

Due to the dry climate, most of the lowland is steppe, known there as "pushta." A considerable part of the pushta is under cultivation and produces good crops.

The deep *Danube* with its tributary, the *Tissa*, traverses the Hungarian lowland. Of useful minerals, there are brown coal, peat and bauxites. The former Hungarian regions, since 1919 part of Rumania, possess the petroleum, copper, iron and other metal deposits.

§ 2. Economy and population

Hungary is a country at middle level of capitalist development; its national economy is largely agrarian and grain crops predominate. Its social structure is characterized by big gentry landownership. Politically it is a Fascist dictatorship.

The population of present day Hungary is estimated to be about 8,500,000. 90 per cent are Hungarians (or the Magyars); 7 per cent, Germans.

The main cities are *Budapest* (population about one million), the capital, and *Segedin* (120,000).

57 per cent of the population is engaged in agriculture. Numerically the big landowners are only one per cent of the population, but they occupy half of the entire agricultural area. The number of small peasant farms is very considerable, as is the number of landless farm labourers—the agricultural proletariat.

Grain growing (wheat and maize), dairying, and fruit growing are well developed in Hungary. Grains occupy 60 per cent of the total territory, principally the plains. Animal husbandry is engaged in the more mountainous parts. Grain growing decreased after the war, and the number of cattle decreased by 60 per cent.

Industry is but slightly developed in Hungary, and is mostly food industry, primarily flour milling. Sugar manufacture, brewing and distilling, are less developed.

Foreign capital (French, Italian and English), play a very

important role in the economic life of the country. It practically controls the financial resources of the country.

The Hungarian workers, and peasantry have suffered still heavier exploitation since the world crisis began. The Hungarian Soviet Republic formed in 1919, was overthrown by the assistance of Rumanian and Czechoslovakian troops, after four months existence. A monarchy was re-established but the throne remained unoccupied. The country is run by a regent (ruler) appointed from military circles. Since then Fascist dictatorship, accompanied by brutal terror against revolutionary toilers, has dominated Hungary.

In the matter of foreign relations, Hungary has had an alliance with Italy since 1927. At the same time English capital has great influence upon Hungary's policies. Under Italy's influence, Hungary shows a tendency to unite with Austria. Even as late as February 1934, Hungary decided to establish diplomatic relations with the USSR.

10. CZECHOSLOVAKIA

§ 1. Physical-geographical outline

The Czechoslovakian Republic, established in 1918 after the World War out of part of the former Austro-Hungarian Empire, is located in Central Europe. It is a narrow zone about 150 km. wide, running north-west and south-east for some 900 km., with an area of about 140,000 sq. km. It has no direct outlet to the sea.

In respect to physical conditions Czechoslovakia is divided into the Western, Bohemian, Eastern and Carpathian sections.

Bohemia or Czechia is the main part of the western section. It is a high plateau surrounded on three sides by mountain ranges of medium height —the *Bohemian Forest*, the *Ore Mountains* and the *Sudettes*. These ranges run into German territory. The Bohemian plateau is an ancient granite massif covered by a thick layer of fertile soil.

The Moravian Plain is a prolongation on the south-east of the Bohemian plateau. The plateau an inclines downward here and in certain places becomes a lowland. The small mountain region of *Silesia* is located between the Sudettes and the Carpathians, touching Bohemia on the east.

The eastern Carpathian part of Czechoslovakia is composed of

Slovakia and Carpathian Ukraine (according to the Czechoslovakian Constitution the latter is officially designated Carpathian Russia). Both are highly mountainous countries. Slovakia, located between Poland and Hungary, has mountain ranges up to two and a half km. in height, the Western Carpathians, the *Tatres* and the *Hungarian Ore* Mountains. But the southern section of Slovakia (touching the Danube) is a part of the Hungarian lowland.

Carpathian Ukraine, at the extreme east of Czechoslovakia, occupies the southern slopes and foot-hills of the Central Carpathians.

The rivers of Czechoslovakia run in different directions, according to surface. They have rapid currents and are a great source of water energy. Among the more important rivers of Czechoslovakia are the Moldava (Vltaya in Czech) in Bohemia, a tributary of the Elbe. Only Elbe's upper reaches flow through Czechoslovakian territory, but that gives a water outlet for the country to the North Sea through Germany. Another river is the *March* (Morava) in Moravia, tributary to the Danube, which connects Czechoslovakia with the Balkan countries and gives her an outlet to the Black Sea.

Czechoslovakia has a series of hot mineral medicinal springs in the north-west of Bohemia. Most famous among them are *Carlsbad* (Carlovy-Vari) and Franzensbad (Franzishkovi Lasne).

Czechoslovakia has a continental climate, temperate in Czechia, severe in Slovakia and in the Carpathian Ukraine. Her soils are mostly rich in humus.

Czechoslovakia is rich in useful minerals. Great coal fields are found in Czechia, Moravia and Silesia (the Ostran basin and that of the Cladno, Plsen and Brno). The output of coal in Czechia gave pre-war Austro-Hungary fourth place in the world's total. Czechoslovakian coal is coking coal, but not of high quality. There are also great deposits of brown coal. There are deposits of iron and silver-lead ores, of kaolin and of fire clays (raw material for the glass and chinaware industries). Copper is also found in the Carpathian mountains.

§ 2. Population

The population of Czechoslovakia is 15,000,000. Its national composition is motley. 47 per cent are Czechs, 16 per cent Slovaks, 26 per cent German, 6 per cent Hungarians, 4 per cent Ukrainian Russian, Jews and Poles. The national minorities are located in different regions. 65 per cent of the Ukrainians of Czechoslovakia are

in the Carpathian Ukraine, 41 per cent of the Germans are in Silesia and 33 per cent in Bohemia.

The average density of population is 132 persons per sq. km. in the western section of the country and 63 in the eastern. In some parts of Bohemia it reaches even 400, 40 per cent of the population is engaged in rural economy and 37 per cent in industry. The city population is 43 per cent. The main cities are: *Prague* in Bohemia, the capital (population 900,000); *Brno* in Moravia (formerly Brunn); *Ostrava* (in Moravia); the *Plsen* (Pilsen), *Bratislava* (Pressburg) in Slovakia.

§ 3. Economy

Czechoslovakia is a country of high capitalist level, but plays a secondary role among other capitalist countries. It has highly developed metal, textile and food industries. Its agriculture is of an intensive character, and specializes in wheat and sugar beets. The government structure is a bourgeois republic.

In respect to its national economy Czechoslovakia is an industrial agrarian country. Its industry generally, light as well as metallurgical and machine building, is on a very high level. Industries are not uniformly distributed over the country. They are but slightly developed in Slovakia and Carpathian Ukraine. There agriculture predominates.

Industry

Metallurgy and machine building hold first place. Iron casting and steel smelting plants are in Czechia, Moravia and Silesia. The largest are in Vitcovitzi (20,000 workers) and in Cladno (10,000 workers).

Plants building machinery and equipment for the sugar mills, breweries and distilleries—steam boilers, all kinds of engines, turbines, pumps, locomotives and cars are found in Prague, Plsen, Brno and the Moravian Ostrava.

Agricultural machine building has long been established in Czechoslovakia.

The great munitions plants of Skoda in Brno (30,000 workers) are particularly noteworthy. After the war they were transferred to French and partly to English capital.

Partially they switched over to the manufacturing of locomotives, tractors, steam engines, automobiles and aeroplanes, but in the main they are still producing artillery, shells, machine-guns, tanks, armour plate, etc., their customers being the imperialists of different countries.

Among the lighter branches of industry, the manufacture of beet sugar is one of the most highly developed, giving to Czechoslovakia the second place in the world in sugar manufacture. Important also are brewing (centre—Plsen), cotton, woollen, glass, china, wood-pulp and paper.

Concentration of capital has reached a high level in Czechoslovakian industry.

Nearness to such agrarian countries as Hungary and Rumania and to the Balkan States was contributory to the development of Czechoslovakian industry.

The world economic crisis of 1929 struck the light industries of Czechoslovakia, especially the textile. In 1930/1931 the heavy industries were affected. 35-40 per cent of the Czechoslovakian proletariat came to be unemployed.

Agriculture

Czechoslovakian agriculture is characterized by the marked predominance of large-scale landlord and capitalist ownership. Numbering 13 per cent of the total, they possess 50 per cent of all agricultural lands. The small farmers are estimated at 71 per cent of the whole. More than a third are veritable pygmies, holding less than a hectare apiece. The big landlord and capitalists estates run on a capitalist basis. They make extensive use of hired farm labour (though the medium sized farms also use hired labour), crop-rotation systems, modern agricultural machinery and mineral fertilizers. The general level of agriculture and the crop yields are high on these estates. Small farmers are especially predominant in Carpathian Ukraine and Slovakia. They lead a miserable existence, and are too poor to use modern methods of farming.

Grains form the principal crop in Czechoslovakia, especially wheat, rye and oats, then barley. Sugar beet and hops are also well developed.

Animal husbandry and hog raising are based on natural meadows and fodder grasses. Forests cover over 30 per cent of the country's total territory, so the country has an important timber industry.

Transport

Czechoslovakia is located on the railway line from Poland to Western Europe. Within the country she has a thick network of railways, aggregating 16,000 km. Her water transport lines to the North Sea cross the Elbe to the Baltic, then go via the Oder to the Black Sea over the Danube and through the Balkans. These waterways are kept open to Czechoslovakian ships by the peace treaties of 1919 (Versailles, etc.).

Foreign trade

Czechoslovakian foreign trade is characterized by import of such agricultural products as cotton, wool and grain, and by export of coal and manufactured goods—cotton and woollen textiles, machinery, glass, china, beer, etc. Most of the import comes from Germany, Austria, United States. The export is directed to Germany, Austria, Hungary and Poland.

The living conditions of the workers

Created in 1918 at the break-up of the Austro-Hungarian Empire, the bourgeois republic of Czechoslovakia has established a strong dictatorship of the bourgeoisie, which is effecting a capitalist "rationalization based on the most severe exploitation of the workers. The results of the world economic crisis—unemployment, wage-cuts, lengthening of the working day, the drop in prices on agricultural products—have caused sharpening of class contradictions and growth or a revolutionary movement in the cities and on the countryside. In membership the Communist Party of Czechoslovakia occupies second place among the communist parties of the capitalist world, and has drawn almost a million votes during elections.

Foreign relations

Czechoslovakia has close economic relations with France and England, and is under their political influence. French influence is very strong. Czechoslovakia is a member of the so-called Little Entente, i.e., in alliance with Yugoslavia and Rumania, developed in order to

strengthen her in the struggle against Germany and Italy. Large numbers of whiteguard and Ukrainian emigrants have found refuge in Czechoslovakia. Like the other members of the Little Entente, Czechoslovakia for a long time had not maintained normal diplomatic relations with USSR and in 1934 these relations were set.

11. ITALY

§ 1. Physical geographical outline

Italy covers the Apennine Peninsula and the narrow zone to the north of it; two large islands, Sicily and Sardinia, and several small islands (Elbe and Lipari Islands). Her territory covers 312,500 sq. km., the population is 41,000,000. Nearness to the sea of all its parts is characteristic of Italy's geographical location. The width of the Apennine Peninsula does not exceed 200 km. and the seas on both sides are observable from its mountain tops. These are the Tyrrhenian Sea on the west extending to Corsica, Sicily and the Islands of Sardinia; and the Adriatic on the east, between the Apennine and the Balkan Peninsulas. Both these seas are part of the Mediterranean. On the north, along the Alps, Italy borders France, Switzerland, Austria and Yugoslavia.

As a result of the World War there was an expansion of Italy's territory at the expense of Austria. Italy received the north-eastern section of the Adriatic coast line, the ports of Trieste, Polo, Fiume and Zara, and the Austrian Tyrol in the Alps.

Natural conditions vary between the northern and continental sections of Italy and that part on the Apennine Peninsula. In surface the continental part (*Lombardia*) is a lowland of alluvial origin (the Adriatic Sea at one time covered it). It is bordered in the north by a chain of Europe's highest mountains—the *Alps*. Only the southern craggy Alpian slopes, among them the southern slopes of the highest peaks, Mont Blanc and Mont Rose, belong to Italy. Despite the height of the Alps (4-4.5 km.), they do not deprive Italy of communication with France, Switzerland and Austria. The peninsula part of Italy is mountainous country crossed by the *Apennine mountains*. The Apennine range consists of strata of limestone, and its peaks are from 2.5-3 km. in height. They stretch along the Island of Sicily. Both active and extinct volcanoes are found among the Apennine foothills. The

most famous among them are *Vesuvius* near Naples and *Etna* on the Island of Sicily. The pent-up underground forces frequently manifest themselves in earthquakes in the southern section of the peninsula and in Sicily. The most disastrous of recent times was in 1908, costing 200,000 human lives.

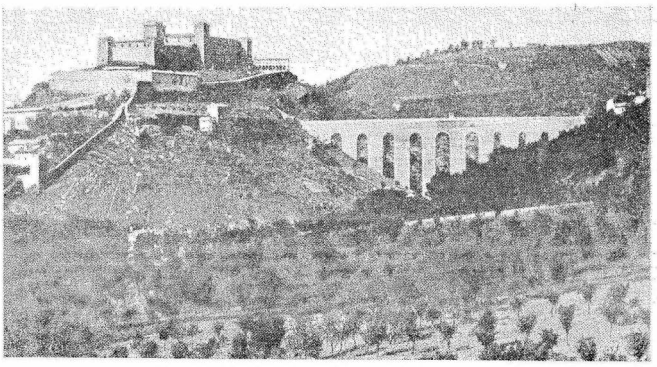


Fig. 32. Orchards in the Middle Appenines.

Fig. 32. Orchards in the Middle Apennines.

A series of mountain streams originating in the Alps run through the Lombardian lowland. These rivers are not navigable, but have tremendous economic significance as power for industry and irrigation for agriculture. The deep Po is the most important among them. Many picturesque lakes are found among the Alpian slopes. Rivers flowing over the peninsula part are not so deep and turbulent as those in Lombardia. The navigable Tiber is the most important among them.

The Apennine Peninsula and the islands have a definitely Mediterranean climate with a warm winter and a hot dry summer. Lemons, oranges, olives and grapes grow here, and in Sicily palms, bananas and cotton. The climate of the Lombardian lowland is continental, similar to that of Middle Europe. The winter temperature is from 0 to +2. In summer it reaches +25. The winter cold precludes the growing of southern crops.

Only in the valleys of the Alps on the shores of the lakes, where cold winds are kept out by the mountains, the winters are warm and southern plants grow.

Italy is poor in minerals. Great quantities of marble are found in the middle section of the peninsula, and much sulphur in Sicily. Small

deposits of iron ore are found on Sardinia and the Island of Elba. Lade of coal and petroleum necessitates importation. Of recent years there has been much utilization of the country's great water power.

§ 2. A brief historical-economic outline

Italy, once the directing head of the powerful and economically well developed Roman Empire, disintegrated in the epoch of feudalism. Conquered by the Germanic tribes, it broke up into numerous states which in the Xth century fell under the vassalage of the German emperor.

By the XVth century five large states had been formed from tens of small ones. These were Milano, Venice, Florence, Rome and the Kingdom of Sicily.

Feudalism in Italy is a return from a developed trade economy to that of natural economy. Despite the growth of big landownership (the feudal estates) the agricultural produce was on a small scale. But in contradistinction to other countries Italy developed a considerable number of commercial and handicraft cities. The cities of *Florence, Milano, Pisa* and especially the seaports of *Venice* and *Genoa* made use of the struggle between the feudal lords and the church, and early liberated themselves from the feudal vassalage and became independent trade republics. Their geographical location on the Mediterranean, which was the main highway of international communications was favourable to the development of great trade between these city-republics and the trading countries of the world, particularly with Orient. Particularly in the XIIIth century trade-monetary relations were established in these city-republics and industries developed. It created a numerous handicraft class and a commercial bourgeoisie.

Serfdom was abolished within these city-republics. Serfs from neighbouring feudal states, taking refuge in these city-republics, were not extradited.

The bourgeois democratic order did not please the feudal aristocracy as it affected their interests. In the XVth century, uniting with the upper layers of the trade bourgeoisie, the aristocracy began a victorious struggle with the craftsmen and the lower strata of the bourgeoisie that had run the government. The majority of the city states became monarchies; *Venice* and *Genoa*, aristocratic republics. Rivalries followed by wars, developed among the small states. They fenced themselves in by customs barriers in order to stop the influx of neighbouring states goods. Markets narrowed, trade and manufacture decreased. The unproductive expense of the monarchic and aristocratic governments, the costly magnificence of the courts, wars and heavy taxes, exhausted the country's economy. The capture of Constantinople by the Turks in 1463 deprived the Italian merchants of their role as middlemen between Europe and the Orient, and was injurious to the economic life of the Italian states. The discovery of America, the discovery of

the sea highway to India, depriving the Mediterranean of its former importance, and the establishment of new trade centres in the North Sea, did even more harm to the Italian states. In the XVth century England began successfully to compete with Italy in the cloth industry, France in silk, South Germany in cotton manufacturing and munitions. And finally, in the XVIth century Spain, in the heyday of its power, quite crushed the much weakened Italy. A considerable part of it was added to the Spanish possessions—Naples, Sicily, Florence, Genoa, Sienna and Lukka, all went under vassalage. Only the Papal State and Venice remained freer.

The Spanish domination sped the decay of Italy's economy, re-established the feudal privileges of the nobility, introduced serfdom, heavily limited handicraft and trade, and increased taxation. After the collapse of the Spanish hegemony, a considerable part of Italy's territory fell together with the other "Spanish inheritance" under Austrian domination. The French revolution of 1789 and the conquest of Italy by Napoleon assisted in eliminating the remnants of feudalism. The reaction in France and in the whole of Europe after 1815 was expressed by feudal revivals in Italian agriculture, and by intensification of the Austrian domination in the Italian provinces (mostly in the north). The free sections retained their political independence. These were the kingdoms of Naples and Sicily, the Papal State, and the Genoa Republic. The unification of Italy was only realized after the Austro-Italian war of 1859.

Even after unification in 1859 Italy progressed but slowly, for the following reasons: 1) feudal survivals in agriculture: 2) lack of capital for industrial development as a result of continuous wars and the ravaging of Italy by Austrian and French troops towards the end of the XVIIIth century; 3) inability to compete with England and Germany in the capture of world markets. Lack of war materials and fuel was a very unfavourable factor, in the light of these social-historical conditions.

§ 3. The structure of Italy's national economy and the post-war upheavals

Italy is a country of medium capitalist development, belonging to the group of strong imperialist powers. During the war and afterwards she considerably developed her industry. Heavy industries were established, in spite of the lack of coal and iron. The pre-capitalist survivals are very strong in agriculture. She specializes in wheat, fruits and viticulture. It is a country of Fascist dictatorship. Its governmental structure is a constitutional

monarchy.

Before the World War Italy was an agrarian industrial country, with a slight industry and strong feudal survivals.

In the war, Italy, despite her treaty of alliance with Germany and Austria, went on the side of England and France. The war was followed by decisive upheavals in Italian life. It. stimulated industrialization, as it did in France. Output rose 39 per cent from 1913 to 1929. There developed in Italy such new industrial branches as electro-metallurgical, chemical. automobile and aeroplane building. Metallurgy doubled its output and ship-building increased eight times. The war necessitated munition manufacture and promoted her industrialization. Other favourable circumstances were the huge credits given to the manufacturers by the government. The preparation of Italian Fascism for new imperialist wars is further developing the munitions industry, and general industrial development is fostered by the high tariffs on goods imported. Foreign investments, too, played a large role in Italy's post-war development. Lack of fuel and iron was overcome by wide utilization of water power, also by importing coal and iron ore. Low wages lessen the cost of her produce and enable her to compete with other countries.

After the World War the national economy of Italy underwent a crisis. Industry having been developed (during the war) on war materials, at once found itself without a market and stopped functioning. Great unemployment occurred, wages dropped. The devaluated Italian currency lowered still more the earning capacity, and caused the impoverishment of the petty bourgeoisie and the peasantry. Agriculture was undermined by the war and the world agrarian crisis.

All this spread the revolutionary movement not only in the cities among the petty bourgeoisie and the proletariat, but also among the peasantry. In 1919 all over Italy there were occurrences during which peasants seized the landowners land and divided it among themselves; workers seized factories and managed them by the elected factory committees. The proletariat and the peasantry acted independently of one another; the masses did not have Communist leadership. The "socialist" parties of the Mensheviki type, sold out the revolutionary movement and did not give it the opportunity to take advantage of the confusion of the bourgeoisie.

In 1919 groups of former participants in the World War who came to be known as the "Fasci du combattement", or "groups of struggle,"

were established. Putting forward demagogic and utopian slogans these groups joined together in 1922 to form the Fascist Party. At first its social base consisted of the petty bourgeoisie of the city, of workers disorientated by the Fascist demagogy and of different strata of peasantry. In the fall of 1922 the Fascists organized "a march on Rome", demanding resignation of the cabinet of ministers and yielding of power to the Fascists.

The "march», styled by the Fascists themselves a "Fascist revolution", resulted in the accession to power of the Fascist leader ("duce") Mussolini. Having been in power since 1922 Italian Fascism has fully revealed its class base. Using anti-capitalist demagogy and reactionary utopian slogans to disorientate the masses (i.e., "an above class, impartial, national state", which would protect the petty bourgeoisie from the impending ruin at the hands of financial capital; "collaboration of the classes", etc.). Fascism in reality materialized an open dictatorship of financial capital. The revolutionary movement was suppressed by the use of terror, the Communist Party driven underground, and since 1926 even the bourgeois parties dissolved, only the Fascists remained. The workers' trade unions were dissolved, and Fascist unions created in the different economic branches. These "unions" engage in class collaboration with the employers' association, forming corporations with them. With the exposure of the real face of Fascism, its social basis is changing. Fascism is supported by the industrial and financial bourgeoisie and by the well to do strata of the peasantry, but the petty bourgeois and the working class elements are leaving it.

It is interesting to note that Italian Fascism has come to terms with the Catholic church which has much influence in Italy (chiefly among the peasantry, the petty bourgeoisie and among the more backward elements of the working class, especially in South Italy). In 1929 the Fascist government concluded an agreement with the Pope of Rome, the head of the Catholic church, concerning recognition of the territory where the Papal palace is located (an area of about 14 hectares) as an independent state called the *Vatican city*[1].

Now, despite the fact that 56 per cent of the self-supporting population of Italy is engaged in agriculture and only 25 per cent in

[1] The Papal State had recognition from the VIIIth century until 1870. When after Italy's unification *Italian* troops occupied Rome; they deprived the Pope of civil power. In protest the Popes there after *never went* outside the borders of the Vatican area, and called themselves "prisoners of the Vatican".

industry, the value of her industrial products exceeds those of agricultural.

§ Population

The population of Italy is 42,000,000. The average density is 132 persons per sq. km. The density varies from 200 per. sq. km. in Lombardy to 30 in some parts of the peninsula. 56 p.c. of the self-supporting population is engaged in rural occupations, 25 p.c. in industry, 6 p.c. in trade.

The proletariat is estimated at one fourth of the entire population, i.e. 10,000,000, including 6,000,000 agricultural proletariat.

The cities of the Apennine Peninsula are *Rome* (population 800,000), the capital, the financial and industrial centre; *Naples* (population 900,000), a great port; *Florence* (population 300,(00), an art centre; *Milan* on the continental side (population 900,000) and *Turin* (population 600,000), both industrial centres; *Genoa* (population 400,000), the greatest trade port on the Mediterranean; and *Venice*[1] (population 200,000), a port on the Adriatic.

§ 5. Industry

Branches of industry

The old Italian industrial branches, textile and the food industries, predominate even now over heavy industries. The textile industry is represented primarily by cotton (sixth place in the world—5,200,000 looms) and by silk and wool. Sugar, macaroni, the canning of fruits and vegetables, are the best developed food industries. The output of electrical energy by utilization of water power has contributed much to heavy industry. 45 per cent of the potential water power, estimated at 8,000,000 horse power, is actually developed by the electric stations, and made available to the industries. Italy holds first place in Europe in degree of utilization of water power and fourth place in the world (after the United States, Canada and Japan).

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[1] Venice is located on a series of small islands, and the canals serve as streets, along which one travels on special boats—gondolas.



Fig. 33. Venice. The Grand Canal.

Fig. 33. Venice. The Grand Canal.
The Grand Canal is the main and the broadest streets of this city.
In the foreground can be seen a gondola.

New branches of Italian industry, based on imported raw material, are the chemical and metal.

The metal industry is represented by metallurgy, of iron and steal, electric metallurgy (smelting of high quality steel and aluminium by the aid of electricity) and machine building (automobile, ship and airplane construction), and the manufacture of ball-bearings. Military machine building plays an important role. In the chemical industry, the manufacture of rayon, explosives and fertilizers, are the more important divisions.

Geographical distribution

Northern Italy (Lombardy) (see map 34) is the principal industrial region. Two thirds of the electric stations and all the metal and chemical industries are located here. The older established textile and food industries are also here:

Milan and Turin are the main industrial centres. Production of ceramics and articles of glass is developed in Venice. Ship building yards are on the east, in Trieste.

The silk industry is developed on the Apennine Peninsula (Rome and Florence); the quarrying and working of marble, the manufacture

of objects of art in Rome; and the manufacture of articles of straw, particularly hats, in Livorno.



Fig. 34. The economic map of Italy.

Level of development. Crisis.

The newer industrial branches differ from the old in that the technical level of their equipment is very high. The majority of the large enterprises are organized in syndicates and trusts, subjected to bank capital. Considerable foreign capital, especially English and American, is invested in Italian industry. The expansion of Italian manufacturing came to a halt in 1925. The low capacity of the home markets and difficulties on foreign markets were responsible. The world crisis of 1929 struck a hard blow at Italian industry except in its munitions sections, and reduced its production in 1932 to 78 per cent of 1928.

§ 6. Agriculture

Social structure

Despite the favourable physical-geographical conditions Italian agriculture remains at a low technical level. Insufficient adoption of farm machinery and little use of fertilizers result in low crop yields. The nature of the agricultural structure is the main reason for this backwardness. Landlords rent out their land. Peasant owned farms prevail only in Lombardy. The majority of peasants in the country are landless, or have tiny holdings as tenants. The peasant-tenants are estimated at 77 per cent of all farms. The rent takes from 22 per cent to 38 per cent of the crop, even higher in the south. A large part of the landless peasantry have become farm labourers receiving very low wages. The number of hired labourers is between five and six millions. Many peasants, not finding means of existence at home, have emigrated to North and South America, to France, to Tunis in Africa. Before the war this emigration amounted to from 600,000-700,000 annually, dropping after the war to 250,000.

It is natural that under such conditions the peasant could not put his poor farm on a high technical level. And the landlords who do not rent out their lands farm them by cheap labour instead of acquiring modern machines, tractors, etc. In order to provide itself with bread, in the event of a war, the Fascist government, adopted since 1925 a number of agronomic-technical undertakings, and raised a high tariff on the import of wheat. For this reason the average gain in the crop of wheat increased from 11.6 centners per hectares in 1921-1926 to 13.2 centner in 1930-1932.

Geographical distribution

A half of the area under cultivation is allotted to grain crops, chiefly wheat. Maize and rice are of secondary importance. Grains are grown in northern Italy on the fertile alluvial soils of the Lombardian lowland. Rice, which requires a great deal of moisture, is cultivated on the low lands, along the River Po. Sugar beet, grapes, and the mulberry tree (for silk breeding) are cultivated in Lombardy. Dairying is developed on the slopes of the Alps and along the banks of the river Po. Olives, grapes, grapes and the mulberry tree are grown on the Apennine Peninsula, which is less damp than Lombardy, and south of

Naples there are oranges and lemons. The winter wheat crop is not so important there. It is grown on the plains. Sheep, goats and mules are raised in the Apennine mountains.

Italy's grain crops cover only 75 per cent of her home necessities. The rest is imported from abroad. Italian fruits are exported. A manifestation of the low agricultural level is that Italy, despite her first place in area under grape cultivation, holds second place to France in size of crop and manufacture of wine. The comparatively low quality of Italian wines, and of olive oil, make their marketing abroad, under present competitive conditions, very difficult.

Effects of the crisis

The world crisis, reducing the effective consumer demand, and so the prices of agricultural products, effected the ruin of many peasants, contracted the sowing area and reduced the crops.

§ 7. Transportation, foreign trade and colonies

Transportation

Italy has a fine network of railroads and of paved roads, especially in the industrial regions. There are few navigable rivers in Italy. Sea transportation plays a very important role. After the war Italy came to have the fifth largest mercantile marine in the world. The most important sea ports are Genoa, Trieste, Fiume, Venice, Naples, and Livorno.

Foreign trade

Italian foreign trade is characterized by the predominance of imports over exports. Some wheat, various raw materials, and some machines are imported. The raw materials imported are: cotton, wool, coal, iron and other metals, and petroleum. Silk, cotton textiles, automobiles, wines, fruit and vegetables are exported. The import primarily comes from the United States, Germany, England, France

and Argentina. The export is directed to Germany, France, the United States, Switzerland, England and the Balkan Countries. The crisis has sharply reduced Italy's foreign trade.

Colonies

Modern Italy was too late in its development to share substantially in the imperialistic division of the world. Only the smaller and economically less important colonies fell to her lot. These were *Libya*, *Tripolitania* and *Cyrenaica*, in North Africa (which except for their coastal sections are sandy Libyan Desert), *Eritrea* and *Somali* in East Africa, Rhodes Island, and the *Dodecanes* on the coast of Asia Minor.

Besides this, Italy has under her protectorate the little republic of Sant-Marino, which juts into Italian territory in the eastern section of the Apennine. Its territory is 61 sq. km. and the population is 15,000. It has also turned into a semi-colony, *Albania*, a Balkan State.

§ 8. Italy's conflicts with other imperialist powers and relations with the Soviet Union

The Versailles redivision of the world in 1919 allotted as Italy's share very little territory. The extreme limitation of the home markets obliges the Italian bourgeoisie to search for new markets and new sources of raw material. They also struggle for domination over the lines of transport. of her import and export goods. The main conflict between Italy and France is along the following lines: 1) for domination in the Mediterranean; 2) for the French colony of Tunis, principally populated by Italian emigrants; 3) for domination in southern Europe, particularly in the Balkan Peninsula (Italy counterpoises Bulgaria and Albania, which are under her influence, to the bloc of French allies, Yugoslavia, Romania, Czechoslovakia); 4) for predominant influence in Austria and Hungary. In order to fight France, Italian imperialism is making overtures to Germany, Austria, Hungary, Turkey, and others. Italy struggles with England for influence in the Mediterranean and the Red Sea, where Italy has a colony, Eritrea, and an Arabian state, Yemen, is under her influence.

Preparing for a new imperialist; war, Italy has increased the

number of its armed forces to 700,000, with 3,500,000 in reserve. Besides this, militarization of the whole population is carried on. Italy's navy has more than 400 battle-ships and the air fleet upwards of 2,000 airplanes.

Relations with the USSR

Italy established diplomatic and trade relations with the Soviet Union before other capitalist countries. These normal relations have not been broken. We export to Italy petroleum, manganese, timber, coal and wheat; and import from Italy motors, electrical equipment, and automobiles.

12. Spain and Portugal

§ 1. General physical-geographical outline

Spain and Portugal occupy the Pyreneean Peninsula at the south-west of Europe. Portugal is located in the western section (area 92,000 sq. km.). Spain occupies much the greater part (498,000 sq. km.). The southern extremity of the peninsula—Gibraltar (5 sq. km.) is an English naval fortress— the Gibraltar.

The topography of the Pyreneean Peninsula for the most part is a plateau, *Mezetta*, sloping down to the west and traversed by the valleys of the *Duro*, *Tejo* and *Guadina Rivers*, and by the mountain chains. *Sierra-Guadarrama* and *Sierra-Morena*. The edges of this plateau are precipitous in the north-east. Behind is the valley of the *Ebro* River, and the *Pyrenees* (average height 1.2 km.; highest, 3-4 km.) which separate the peninsula from the European continent. The valley of the *Guadalquivir* River is located south of the plateau, and beyond the *Sierra-Nevada* Mountains touching the Mediterranean.

The climate, on the plateau is dry and sharply continental, with a cold winter (-4.5°) and hot summer (+24.3°). The cl imate of the eastern and southern zones is similar to that of the Mediterranean, with a mild winter and a hot and dry summer. Here and there the rainfall is inadequate (420 and 470 mm. annually). The north-western

coastal zone has a moist maritime climate, with a mild winter and cool summer, and much rain throughout the year (over 1,500 mm. annually).

The rivers Duro, Tejo, Guadiana, Guadalquivir, and Ebro are shallow.

The vegetation of the north-eastern coast line and that of the foothills of the Pyrenees is similar to the French—chestnut, beech and oak forests, fruits, grapes and rich meadows in the river valleys. Mediterranean type of vegetation is in the south-east. There are ever-green trees and bushes (bamboo and cork-oak), grapes and various southern fruit trees, such as olives, oranges and dates. The vegetation of these regions is extremely rich, especially where there is artificial irrigation.

The Mezeta plateau is a dry steppe, salt marsh in some places, without any vegetation, with shaggy grasses and low bushes on the hills.

The Pyreneean Peninsula is rich in various mineral resources, iron, zinc, lead, tin, copper, mercury. There are however small resources of coal. The main iron ore beds are located in the north, lead, tin and zinc in the north-east, copper in the south and mercury in the centre.

The geographical location of both Spain and Portugal is favourable to the development of shipping across the Mediterranean and the Atlantic. The Pyrenees are an obstacle. They hamper communication with France. Conditions are favourable for agriculture only in the coastal zones (especially in Portugal). The south-east needs irrigation facilities.

Industry has an iron basis but lacks fuel.

§ 2. A brief historical-economic outline

In the XVth-XVIth centuries during the epoch of great geographical discoveries Spain and Portugal played a paramount role in Europe. Even before this time they were the chief participants in international trade in the Mediterranean area. Spanish and Portuguese trade capital, having developed and strengthened by the end of the XVth century, sought the discovery and conquest of lowlands. Spain was successful in South America and North-East Africa and Portugal in India, Indonesia, Asia, Brazil, South America and South Africa.

In the second half of the XVIth century the Spanish empire included Naples, Milan, and the island of Sicily, Italy; a part of, France (Bourgundy); the Netherlands and huge possessions in America. Portugal also possessed huge colonial domains.

The geographical location of the Pyreneean Peninsula on two world sea highways —the Mediterranean and the Atlantic, contributed to her success. Portugal's capital, Lisbon, came to be a harbour of world significance. Rich colonial treasure plundered in the colonies was brought to Spain and Portugal. It could have served as primary accumulation for industrial development in the future. Their monopolistic colonial hegemony, however, commenced to decline after the end of the XVIth century due to the competition of the newly established trade capitalist centres in the Netherlands, France and England, generally along the north-eastern shores of the Atlantic. The various competitors engaged in the smuggling trade and in open wars. Spain and Portugal were weaker economically and militarily, and this determined the result of the struggle.

The Northern Netherlands (Holland) following the revolution of 1566-1588 and a long drawn out war with Spain, and with the support of England, at last became an independent state. The war ended in 1588 with the destruction of the Spanish-Portuguese fleet ("The Unconquerable Armada"). The end of the XVIth and the beginning of the XVIIth century saw naval hegemony transferred to the Dutch and the English. The latter drove the Portuguese out of the colonies in India and Indonesia and out of North America, and also threatened the South American possessions of Spain and Portugal.

After the middle of the XVIIth century England entered upon the road of industrial capitalist development, negotiated trade agreements with Spain and Portugal, which provided special privileges for English industrial goods, especially for the export of woollen goods to the Pyreneean Peninsula and to South America. In exchange England gave privileges to Spanish-Portuguese wines. Following the English, Dutch and French commodities also penetrated the Pyreneean Peninsula. It greatly retarded the economic development of Spain and Portugal. Their industry failed to develop the nascent capitalist growth was stifled, and agriculture came to be specialized on a single crop—grapes.

During the prosperous period of European industrial capitalism in the XIXth century, the Spanish and Portuguese had unfavourable social economic conditions for industrial development, notably the absence of a developed manufacturing industry, small capital and

strong feudal survivals, and beside this the lack of coal.

In the XIXth century Spain and Portugal lost their colonies in America. In 1898 after the Spanish-American War, the United States took from Spain the Philippines, Porto-Rico and Cuba.

At the present time Spain and Portugal are under the influence of French and English capital. A revolution in Portugal in 1910 and in Spain in 1931 established a bourgeois-republican order.

§ 3. The level of Spanish-Portuguese economy

Spain and Portugal are countries of a medium capitalist level, with a backward agriculture specialized in viticulture and horticulture, with strong feudal survivals, insignificant manufacture, and generally, extreme economic backwardness. As to national economy, both countries are agrarian. The slightly developed industry is represented by the mining branches and by the light branches of manufacturing. Heavy industry is almost absent. Agriculture generally is at a low level, and extensive. The semi-feudal survivals dominate the countryside. Foreign capital, and especially French, and English playa very important role in the economics of both countries—in industry, in foreign trade, in finance and in political life.

§ 4. The economy and population of Spain

Population

The population of Spain is 23,000,000. The average density is only 45 persons per sq. km. 97 per cent of the population is Spanish and about 3 per cent descendants of the ancient inhabitants —the Basques— living on the Pyreneean slopes. There are many ethnic groups forming the present clay Spanish nationality, differing from each other in language and even in appearance. There are the Castilleans (the dominant group) in the centre, all the plateau; the Andalus in the south, in the valley of the Guadalquivir River and the

Catalon in the east.

56 per cent of the population is engaged in agriculture, 21 per cent in industries. The proletariat numbers over 4,000,000, including 2,500,000 agricultural hired labourers.

The main cities are: Madrid (population 900,000, the capital, located at the centre of the Plateau near the Sierra Guaderama Chain; *Barcelona* (800,000), a port in the North East; *Seville* and *Cordova* Jin the Guadalquivir Valley; *Bilbao* and *Valencia*, ports.

Industry

The mining industry holds an important place in the otherwise slightly developed Spanish industry.

Mineral production in Spain is largely iron ore, exported to England and partly to Germany: copper, lead, manganese and mercury. In mercury output Spain holds first place in the world (45 per cent of the world's total). Almost all the copper mining and most of the mining industry is in the hands of English capital. Lead mining is mostly controlled by French capital, and mercury by Italian and English.

The manufacturing industry is chiefly light industry, textiles and food (sugar, canned goods, tobacco). Metal industry is but slightly developed, though it increased during the World War. The manufacturing regions are the following: north-east (Catalonia), centre Barcelona; south-west (Andalusia), the centre Seville; the east (Valencia), centre Valencia; and the north—a metallurgical region.

A large hydro-electric station (1,300,000 horse power) is also located here. Foreign capital plays a large role in manufacturing as well as mining.

The world crisis sharply decreased the world metallurgical output and in turn affected the mining industry of Spain. Spanish iron are extraction suffered heavily, its output dropping to 30 per cent of the pre-war level. The textile and food industries also slumped considerably.

The proletariat received low wages even before the crisis, but now is in a very difficult situation. More than half of it is unemployed.

The social structure of agriculture

Gentry and church landownership is in Spain. Peasant tenantry

and feudal rooted in it.

The landowning nobility, constituting 1.5 per cent the country's farmers, possess 52 per cent of the entire agricultural area, including monastery lands; whereas the small farmers, 41.7 per cent in number, own but 2 per cent of the land. In general, 87 per cent of the entire area belongs to the big landowners, and only 13 per cent to the medium and small farms, though in number they are over 75 per cent of all farms.

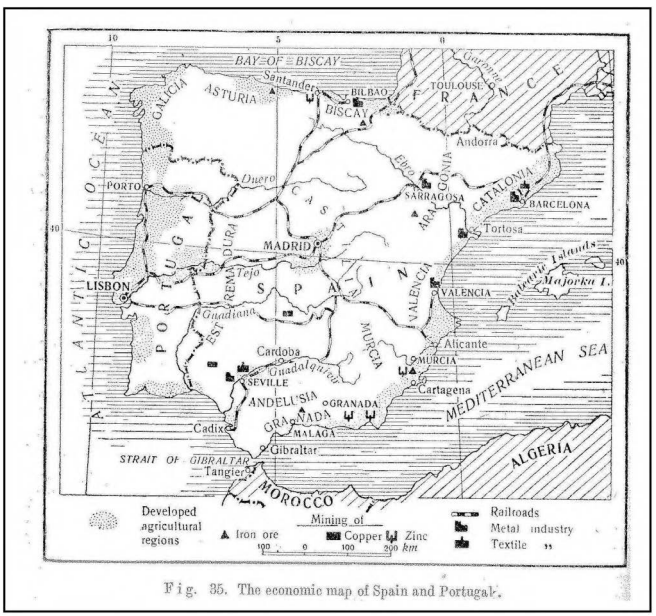


Fig. 35. The economic map of Spain and Portugal.

It is necessary to bear in mind that half of the small and medium farmers are cultivating rented land.

The feudal remnants show themselves in the tenant relations.

Indefinite terms of lease ("lease for the life of three kings plus 29 years" or "till blossoming of ⅔ of the vineyards", etc.) practically give rights to the landlord to terminate the lease at any time and deprive the peasant of the rented section of the lands he is cultivating. Pay in kind is wide-spread, by personal labour on the landlord's land—corvée—or by a share of the crop.

Due to the very high rents the peasants generally run into debt and often into bankruptcy. The landlords make use of their

tenant-peasants for political purposes during elections, directing them to vote for "desirable" candidates.

The landlord privilege of hunting is one of the feudal hangovers: 1) nobody has the right to hunt on the landlord's land; 2) the peasant has no right to keep fire-arms; 3) the peasant has to pay a fine if his dog runs onto the landlord's section, on the ground that dogs disturb game.

Subleasing is wide-spread. Sometimes two, three, four subtenants are between the landlord and the tenant-peasant. And naturally they are all living on the peasant's labour.

The level of agricultural development

The remnants of feudalism and the hard situation of the peasantry retards the development of agriculture. Despite the fierce "land hunger", 50 per cent of the suitable land is not cultivated. One of the reasons is a want of irrigation (artificial), which requires expenditures. Peasants, of course, are too poor and the landlords are without stimulus to expand the cultivated areas. They prefer to make investments in more profitable industrial enterprises.

Agro-technique is at a low level, both on peasants and landlords holdings. No measures are taken against drought or irrational distribution of different crops on the area under cultivation. Farming is carried on extensively; the three-field system predominates. Agricultural machinery has been introduced to only a very slight extent (some small farms are cultivated entirely by hand, or by a primitive African wooden plough). Mineral and chemical fertilizers are but little used, and that only in the north-east. Cattle raising is very weak.

The hard economic situation on the peasants farms is a result of the antiquated social structure and the backwardness of agro-technique. The army of the agricultural proletariat is continuously augmented by ruined peasants. A part of the ruined peasantry emigrates to South America.

Agricultural branches

Horticulture is the main branch of agriculture. Grapes, olives, and southern fruit such as oranges, almonds and bananas are the main crops. The take up 7 per cent the area under cultivation, but their value exceeds that of the grains. They are to a large extent exported. Spain

holds first place in the world export in olive oil production (50 per cent of the world's total, and 20 per cent of it is exported to South America, Italy and the United States. In viticulture she holds third place (15 per cent of the world's total) after France and Italy. Seventeen per cent of the Spanish wines are exported (especially to France, which imports the cheap kind and exports the expensive). Export of oranges is estimated at 90 per cent of the total crop and that of almonds 60 per cent. Wheat and barley are the most wide-spread crops. Crop yields are low (as also are those of fruit and grapes), but meet the needs of the home market. The raising of silk worms is of great importance in Spain.

Despite the abundance of natural pastures cattle breeding is at a low level of development. The cattle are of poor breed and are underfed. Sheep are raised primarily for their wool.

Crisis

The world economic crisis affected Spanish agriculture through the catastrophic fall in prices on the world market, which controls the prices also fell on the home market. The crisis worsened the peasant's living conditions, ruined many of them, and stimulated the growth of a revolutionary movement in Spain.

Transportation

Railroad transportation is but slightly developed in Spain (total length 17,000 km.). In thickness of network it occupies one of the last places in Europe. River transportation is also weak. Automobile transportation has lately begun to develop. Sea transportation is of the greatest importance. Spain's merchant-marine is comparatively large—1,200,000 tons. The main sea ports are Barcelona, Bilbao, Malaga, Cadix, Valencia.

Foreign trade

The foreign trade of Spain is small. Before the 1929 crisis it reached 1.6 billion gold roubles. Import exceeds export one and a half times. The majority of imports are from the United States, France and England—cotton, textiles, machinery and oil products. Agricultural goods exported are wines, olive oil, fruit, almonds, cork, and mining

products—iron ore, copper, mercury, lead—chiefly directed. to England, France and the United States. The world crisis has decreased Spain's foreign trade. Export has fallen by one half.

Colonies

Spain now possesses only the following colonies in Africa: 1) Spanish Morocco; 2) Western Sahara (or Riode-Oro) and 3) Spanish Guinea. The total area of its colonies is 313,000 sq. km; their population about 800,000. The Canary Islands and a part of the Morocco zone adjoining the Straits of Gibraltar (Presidii) are not considered officially as colonies, but as part of the home country.

Revolution

The sharpening of the economic crisis in Spain hastened the ruin of the peasantry, intensified the exploitation and increased the unemployment of the industrial and agricultural proletariat, and also affected the bourgeoisie. The revolution which broke out in April 193l was a result of this. The Monarchy, resting on the nobility and army officers was overthrown. But the bourgeois-republican government that came to power as a result of the mass movement of workers and peasants is using its power against the workers and peasants. It forbids strikes, suppresses peasant uprisings by aid of the police and army, returns to landowners the lands appropriate by farm labourers, seizes tenants crop on account of rent, etc. It widely applies Fascist methods. The republican government has not even completed the bourgeois revolution. It has preserved the former agrarian order with its feudal left-overs. On such an agrarian background the economic crisis has extraordinarily promoted the growth, of the revolutionary movement. The movement faces the task of completing the bourgeois revolution, then developing it into a revolutionary-democratic dictatorship of the proletariat and peasantry, leading to a socialist dictatorship of the proletariat. And it is possible only by the revolutionary activity of the Spanish proletariat, led by the Spanish Communist Party.

Relations with the USSR

Only in August 1933 did Spain establish normal diplomatic

relations with the USSR. She did however previously purchase Soviet oil products.

§ 5. The economy and population of Portugal

Population

The total population of Portugal is only 6,600,000, but its density is almost one and a half times higher than that of Spain—72 persons per sq. km. This density is greater in the river valleys and in the coastal zones, and as low as 20-24 persons per sq. km. in the south.

About 70 per cent of the entire population is rural. There are only two big cities, Lisbon (population 600,000), the capital with a great harbour; and Oporto (population 250,000). The population of other cities does not exceed 50,000.

About 40,000 persons annually emigrate, to Brazil primarily, and this retards the growth of the population.

Industry

The industry of Portugal is weaker than that of Spain. The main branches are mining (extraction of copper, wolfram and iron ores), textile, leather and food (olive oil and fish canning). The majority of the industries, except the textile industry, are under the control of English capital.

Agriculture

The feudal remnants are preserved in Portugal just as they are in Spain. Southern Portugal is a region of big scale landlord ownership and of rent payments in kind. Extremely small peasant farming predominates in the north.

Agro-technique, and consequently crop yields, are extremely low. The living conditions of the peasants and the results of the world crisis are similar to those of Spain.

Horticulture is the predominant branch: grapes, southern fruit and

olives. These crops are mostly exported. The grain crops (wheat in the south, maize and rye in the north) meet the home consumption from 75-80 per cent.

Cattle breeding is but slightly developed and is of the extensive pasture type. Sheep raising predominates.

Exploitation of the cork oak is of great importance.

Fishing is highly developed along the coast line.

Foreign trade

Portuguese foreign trade was insignificant even before the crisis, turnover being only about 300,000,000 gold roubles, there usually being an adverse balance. Import is estimated at about 230,000,000 gold roubles and export only 70,000,000. Wheat, sugar, coal, cotton, textiles and hardware are primarily imported from England, the United States, France and Germany. Wines (Portwine), canned sardines, and cork, are exported to England, France, Brazil and the Portuguese colonies.

Colonies

Portugal possesses the following colonies (due to England's support): in Africa—1) Angola (or Portuguese West Africa); 2) Mozambique (or Portuguese East Africa); 3) Portuguese Guinea; 4) the islands west of Africa —Cape Verde and Sant Tome. Also she has the Azores and the Island of Madeira, officially a part of the metropoly. In Asia—1) Portuguese India, a small settlement on the west bank of Hindustan; 2) Macao, a colony on a small island close to Canton in China; 3) the eastern section of the Timor island (Zandes islands).

The aggregate area of the Portuguese colonies is 2,100,000 sq. km.; the population 9,000,000.

Dependence upon England

Since the middle of the XVIIth century, Portugal, economically and politically, has depended very much upon England. The larger part of Portuguese industry belongs to English capital. England occupies the first place in Portuguese foreign trade (25-30 per cent of the import and export). The Portuguese sea transport is in England's hands, England raises loans for Portugal and helps her to keep her

colonies, which are exploited by English capital. Portugal joined the World War against Germany at England's urgent request. Portugal supports England's policies in the League of Nations and at international conferences.

13. COUNTRIES OF THE BALKAN PENINSULA

A. GENERAL OBSERVATION

§ 1. The physical-geographical outline

Geographical location

The Balkan Peninsula in the south-east of Europe is located on located on important commercial and strategical high-location ways. The railway from Central Europe to the Black Sea, the Bosphorus Strait and on to Turkey, goes through the peninsula. The sea route from Southern and Western Europe to Turkey and to the Black Sea regions of the USSR (Ukraine, Crimea, Northern Caucasus, Transcaucasia) goes around it. The Balkan countries as markets for investments and industrial goods and also as important commercial and strategical points, cause sharp struggle among the imperialist powers for economic and political predominance in the peninsula.

The Balkan Peninsula is bounded by the Mediterranean on the south, by the Adriatic, Ionian, Aegean, Marmora, and Black Sea on the west and east. Its coast line is much indented. Out of the Balkan massif the Morea (Peloponnesos) Peninsula is exposed in the south, and the Khalkidike and the Gallipolian in the Aegean Sea.

Surface

The Balkan Peninsula is mountainous. Lowlands are rare. The narrow coast line in Albania on the Adriatic Sea consists of the banks of rivers flowing into the Aegean Sea. In the eastern section along the Mariza stream there stretches a narrow zone, the Thrace lowland. In the north-east along the Danube—the Lower Danube lowland.

Southward of it the small Bulgarian plateau is located.

Mountains of the Balkan Peninsula are not uniform in structure, nor do the ranges run in anyone direction. The wrinkled arched mountainous chain —*the Balkans*, two km. in height, runs parallel to the eastern section (west to east). In the north-west the Balkans touch the Carpathians, where they are divided by the Danube Valley, forming a narrow fault in the mountains, designated "The Iron Gates".

The mountains of the western section range in a meridional direction, i.e., from the north-west to the south-east. The western ranges, 3 km. in height, are named in the north—the *Dinaric Alps*, in the south—the *Pindus*. They are of the wrinkled type, and consist of limestone. Parallel with these are the mountain massifs of crystalline layers—the Serbian and Macedonian mountains and others. The mountains of the western section of the peninsula, due to difficult passes, cross-valleys and considerable breadth, are difficult obstacles to surmount. The most important rivers are the *Danube* river, which is considered to be the northern border of the peninsula, the Danube's tributary the Morava, and the small rivers the *Mariza* and Vardar, running into the Aegean Sea.

Climate and soils

Though the Balkan Peninsula is in the Mediterranean zone, only its southern part, and the narrow line of the Adriatic and Aegean coasts, have the real Mediterranean climate with a mild, warm winter, dry and hot summer and Mediterranean vegetation. The climate of its other parts is similar to that of Central Europe—temperate continental, and there is a similar vegetation.

The soils of the eastern section (loess) are rich in humus. The western are non-fertile. The east has abundant rainfall, the west has not any.

Useful minerals

The subterranean wealth of the Balkan Peninsula is but slightly exploited, though there is rich mineral fuel, metals and other useful minerals. Coal (primarily the lignite, is found in Yugoslavia and Bulgaria, petroleum and asphalt in Albania, iron and copper ores in Yugoslavia and Bulgaria, nickel in Greece, tin and zinc in Yugoslavia, bauxite clays (for aluminium production) in Yugoslavia and Albania.

The economic significance of the physical-geographical conditions

The location of the Balkan Peninsula is convenient for the international exchange of commodities, and the presence of fuel and many raw materials were undoubtedly favourable to industrial development. Its mountainous character limited its agricultural possibilities. Due however to social-historical circumstances, namely to Turkish domination for many centuries (which retarded the economic growth of subordinated countries) and, since the XIXth century, to the domination of the European capitalist powers, the Balkan countries have a backward and agrarian type of economy.

§ 2. The national composition of the population and the political map of the Balkan Peninsula

The national composition of the Balkan Peninsula is very motley. 25,000,000 persons of the following nationalities are located on Balkan territory that is about equal to that of France (about 500,000 sq. km.): the Serbs, the Croats, the Slovaks, the Bulgarians, the Greeks, the Rumanians, the Albanians and the Turks. The Turkish government during the time of its hegemony fomented national differences, setting nations against each other. The imperialist powers in their attempt to subordinate the Balkan countries incited against Turkey the small national states, Greece, Serbia, Montenegro, Bulgaria and Albania. Now, in their struggle for hegemony over the Balkan Peninsula, the imperialists are using the variety of its national composition and their mutual conflicts. In the war of 1912-1913, Serbia, Bulgaria, Greece and Montenegro conquered Turkey and expanded their territories.

In the Imperialist World War Serbia and Greece were on the side of the Anglo-Franco-Russian coalition, and Turkey and Bulgaria on the Austro-German side. A remaking of the Balkan political map took

place in 1919 as one of the results of the war. The new state of Yugoslavia was formed from Serbia, Montenegro, and the southern part of the dismembered Austro-Hungarian Empire—Bosnia, Herzegovina, Dalmatia, Croatia, Slavonia, Slovenia. The conquered Bulgaria and Turkey were deprived of parts of their territory. Bulgaria lost a part of Macedonia to Greece and Yugoslavia. Turkey lost a part of Thrace to Greece.

Thus, the post-war changes in the political map of the Balkans were the formation of the large new state of Yugoslavia out of the old Serbia, Montenegro and Austro-Hungarian possessions; and a considerable expansion of Greece.

§ 3. The general characteristics of the economics of the Balkan countries and the role of foreign imperialism

The Balkan States, except Albania (a dependent country), are to be characterized as countries of a medium level of capitalist development. The productive forces are but slightly developed—fuel and raw material resources are insufficiently utilized, electrification and mechanization of production are very slight. The national economy is of an agrarian type; industry is extremely weak, feudal survivals are still very evident in their social and political structure—there is big landed ownership (except in Bulgaria) and the monarchic type of government.

Agriculture is the main branch of their economy, but is at a very low level agro-technically; and productivity is low. The peasantry is mostly landless and living under very difficult economic conditions.

Out of the 25,000,000 population of the peninsula only about 2,000,000 make up the industrial and agricultural proletariat.

Almost the entire mining industry is under the control of foreign capital. A large proportion of the home demand for industrial goods is met by importation.

The struggle of England, France, and Italy for hegemony in the Balkans influences the foreign and home policy of the Balkan States. At present Yugoslavia is the main conductor of French influence. It is a member of the “Little Entente” in alliance with Czechoslovakia and Romania. Greece represents English influence, Albania and Bulgaria

arc under Italian influence.

B. A BRIEF OUTLINE OF THE BALKAN STATES

§ 1. Yugoslavia

Physical-geographical outline

Yugoslavia is located on the north-east of the Balkan Peninsula and occupies almost a half of it —249,000 sq. km. The Adriatic Sea bounds it on the west and heavily indents its coast line, forming many convenient heights. In respect to topography its greater part is mountainous. On the west (in Slovenia, Croatia, Dalmatia, Bosnia, Herzegovina and Montenegro) there runs the line of the *Dinaric* Alps, which in the north-west touches the small lime stone *plateau Karst*. The East (Serbia) is covered by crystal massifs of the *Serbian* and *Macedonian chains*. The *Hungarian lowland* touchiest in the north (Slavonia).

The main rivers are the Danube, with its tributaries, the *Drava, Sava* and also the *Vardar*, running to the Aegean Sea. The hydro-electric resources are estimated at 3,500,000 horse power, but 6% are utilized.

The climate is Mediterranean in the Adriatic zone and continental in other sections. The western section of the country on the Dinaric slopes has a severe climate and is arid. Its vegetation is poor and of a desert character. But the western slopes of the Dinaric chain are covered with rich Mediterranean verdure. Northern Yugoslavia (Voyevodina and Slavonia) and the valleys of eastern Serbia have soils rich in humus and suitable for grain crops.

Yugoslavia has deposits of useful minerals. Brown coal and coal are deposited in different parts of the country. There is iron ore in the west in Bosnia; copper ore in the east, in Serbia; tin and zinc in the east in Macedonia, and bauxites in different regions. But these resources are but slightly exploited.

Population

The population of Yugoslavia is 14,000,000. The average density of population is 56 persons per sq. km. The motley national composition is as follow: 39 per cent Serbians, 33 per cent Croatians, 9 per cent Slovenians, and also Macedonians, Germans, Hungarians, Albanians, Montenegroes, Rumanians, Jews. The Serbian bourgeoisie holds state power.

20 per cent of the population is in the cities. The main cities are: *Belgrade*, the capital (in Serbia), population 240,000; *Zagreb*, 185,000 (in Croatia); *Sarayevo* (in Bosnia).

76 per cent of the population is engaged in rural branches (timber industry and fisheries), and 16 per cent in manufacture, trade and transportation.

Economy

Yugoslavia is an agrarian country. Its agriculture is at a very low level, both in social structure and in agrotechnique. However the different sections of the country are uneven. Small and medium farms predominate in Serbia, big scale feudal landownings and peasant's small holding in other provinces. In 1920 agrarian reforms were carried on, following peasant uprisings. By these reforms, in the south, in Bosnia, Herzegovina and Dalmatia, the rented land was redeemed from the owners and at half the repurchasing price turned into peasants property. In the northern provinces, in Slovakia, Croatia and Voyevodina, 25 per cent of the landlord's land (over 500,000 hectares) was transferred to the Serbian colonists on rent. Thus the agrarian reform did not liquidate the feudal remnants dominating the social structure of the countryside. Peasants are still suffering from lack of land, agrotechnique is still at a low level, the three-field system and the wooden plough are still in use, and in Macedonia there still survives nomadic cattle breeding. Agricultural machines are utilized only in Voyevodina.

The main field crops are wheat and maize, which produce an excess—for export. Sugar beet, hemp, poppy (for opium) and hops are among the technical crops grown.

Horticulture plays an important role. In the production of prunes Yugoslavia holds first place in the world. Apples, pears, olives and grapes are also widely grown.

Cattle raising is important, general animal husbandry and also poultry breeding. Ten per cent of the total exports consist of poultry.

The timber industry is also of export significance and highly developed.

Industry is but slightly developed. Its principal branches are mining—brown coal (5,300,000 tons in 1929), iron and copper ore (300-400 thousand tons each in 199). Among the manufacturing branches are the food industries, wood-working and textiles.



Fig. 36. The economic map of Jugoslavia, Greece, Bulgaria and Albania.

Fig. 36. The economic map of Yugoslavia, Greece, Bulgaria and Albania.

Foreign capital plays a very important role in the economics of the country. The mining industry is in the hands of English and French capital; textiles—of Czechoslovakian; forestry and the timber industry of English, Italian, Hungarian and Austrian. Yugoslavia's state debts

the United States, England and France are about 2.5 billion gold to roubles.

The transportation facilities of Yugoslavia are very slight. The railroad network (9,000 km.) is inconsiderable in density (8,6 km. of line per 100 sq. km. of territory). And as it consists of segments of the former Austro-Hungarian, Serbian and Turkish lines, it; is not a whole unit. Of the navigable rivers, the Danube and the Sava are the most important. Yugoslavia does not have well equipped ports, in spite of the indented coast hue, and uses the Italian ports of Fiume and Trieste and the Greek port of Salonika.

The political situation

The Serbian bourgeoisie and the Bosnian landlords dominate the country. This government has the character of a Fascist dictatorship and oppresses its national minorities (Croatians, Macedonians and Slovenes).

In its foreign policy Yugoslavia is completely under the influence of France. Yugoslavia is a member of the Little Entente established by France, together with Czechoslovakia and Rumania. It forms a French base for struggle with Italy on the Balkan Peninsula and in the eastern section of the Mediterranean and with Germany in .Middle Europe.

Yugoslavia established relations with the Soviet Union only in 1934.

§ 2. Albania

Albania (27,000 sq. km.) is located on the western coast of the Balkan Peninsula (Adriatic Sea) and is bounded on the north and east by Yugoslavia and on the south by Greece.

Albania is a mountainous country crossed by the inaccessible *Dinar* mountains in different directions. Its climate is soft and warm, but the vegetation is poor in the mountains.

Of minerals, there are asphalt, petroleum and bauxites.

Population 1,000,000. Albanians are divided religiously into Albanian-Musselmans and Albanian-Christians (Catholics). The main cities are the capital *Tirana* (population 30,000), and the port of *Durazzo*.

Albania is the most backward country of Europe. Cattle raising on mountain pastures is the main economic branch. Agriculture is

possible only in the coastal zones and along the river valleys.

Feudal survivals and the tribal system are very strong in Albania's social relations. The minerals are exploited by foreign capital. Albania is a dependent country. It is subjected to Italy both economically and politically. Albania is a basis for Italian imperialism on the Balkan Peninsula and on the eastern coast of the Adriatic Sea.

§ 3. Bulgaria

Bulgaria is located in the eastern section of the Balkan Peninsula. It is hounded by the Black Sea, and borders with Rumania, Yugoslavia, Greece and the European part of Turkey. The Bulgarian territory covers 103,000 sq. km. As a result of defeat in the World War of 1914-1918 Bulgaria lost the province of Macedonia in the west to Yugoslavia Greece.

The surface of the greater part of Bulgaria is a plateau crossed by the Balkan chain. The southern section is the valley of the *Mariza River* crossed by the *Rhodop* mountains, Its mountains are woodlands.

There are layers of brown coal, copper and tin.

Its population is 5,800,000 (58 persons per sq. km.). 81 per cent are Bulgarians and the rest are Turks, Gypsies, Romanians, Greeks and Jews.

The main cities are the capital, *Sofia* (230,000), *Plovdiv* (Philippopolis) and *Varna*.

68 per cent of the population is engaged in agriculture.

Bulgaria is an agrarian country with a peasant type of economy. 57 per cent of the farms are small (from 2 to 5 hectares) or pygmean (less than 2 hectares), occupying 22 per cent of the whole agricultural area; 15 per cent are holdings belonging to kulaks, who possess 45 per cent of the agricultural territory.

Grains are the main crops—wheat and maize. Tobacco is chief among the technical crops. Poultry breeding is an important occupation. Industry is very weak. Food and tobacco industries are its main branches.

Transportation is also only slightly developed. The total length of the railroads is 2,700 km. The European main line Berlin-Vienna-Istanbul (Constantinople) goes through Sofia. Of the rivers the Danube is the most important for navigation, Ruschuk being its main port. Sea transportation is of much more importance; Varna

and Burgas are the main ports on the Blade Sea.

Foreign capital plays a very important role in Bulgaria's economic life. 60 per cent of the foreign capital is Franco-Belgian. The rest is mostly German, Czechoslovakian and Italian. Foreign capital owns the banks, the mining industry (salt, copper, tin), 90 per cent of the sugar, and over a half of the tobacco and chemical industries.

In foreign relations Bulgaria is a pawn of foreign imperialism. Italy's influence has increased of recent years.

The interior situation of Bulgaria is characterized by the Fascist dictatorship and the accompanying white terror. Bulgaria established diplomatic relations with the Soviet Union only in 1934.

§ 4. Greece

Greece (128,000 sq. km.) occupies the southern part of the Balkan Peninsula, the Crete and Euboea Islands, and small islands in the Aegean Sea—the Ionian and Cyclades—placed bridge-like to Asia Minor. It is bounded by the Ionian, Mediterranean and Aegean Seas.

The Greek coast line is very much indented. The Peninsula *Morea* (the Peloponnesos) is exposed in the south and is connected with the continent by what was the Isthmus of Corinth, now the Corinth Canal.

Greece is a mountainous country (the *Pindus mountains*). It has a Mediterranean climate with evergreen vegetation, but the mountains practically preclude agriculture. Of mineral wealth, it has nickel, lead, zinc and marbe.

Its population is only 6,700,000. Greeks are in the majority. The minorities are Macedonians, Bulgarians and Turks. The Greek population increased in 1924 with the arrival of Greeks who left Turkey in exchange for Turks evicted from Greece in accordance with the Peace Treaty of Lausanne.

The main cities are the capital, *Athens* (population 450,000); and the important ports of *Piraeus* (200,000) and Salonika (2:30,000).

Greece is an agrarian-industrial country and ahead of other Balkan Countries in economic development.

Grain growing is but slightly developed due to the mountainous nature of the country, especially in the north-east. Grapes (dried to make currants), tobacco, olives, sub-tropical fruits (lemons, oranges, figs) are the main crops. These fruits constitute 75 per cent of the country's total export. Grain and many other food products are

imported.

In the north-east, in the grain regions (Thessaly), the semi-feudal landownership system and tenant fanning predominate. About 95 per cent of the land is rented out. Small and medium land holdings predominate in the south and on the islands.

Industry though slightly developed, can boast of a few large enterprises (in Salonika and Piraeus). The food industry is the main industrial branch. Tobacco, wines and dairy products are exported. The mining industry is at a low level despite the known deposits of minerals. It has developed, however, since the World War.

Shipping is important for Greece. Greek shipping handles its own foreign trade and considerable transit. trade. Piraeus and Salonika are the most important trans-shipment ports. The Greek merchant marine is comparatively large—1,200,000 tonnage.

Greece is very much influenced by foreign capital—Anglo-American and Franco-Belgian. The latter makes loans to Greece, controls her banks, dominates in the export branches of agriculture and controls much of its foreign trade and industry.

Greece is the first Balkan Country which has established diplomatic and trade relations with the USSR. This step was taken in 1924.

14. SWEDEN

§ 1. Physical-geographical outline

Sweden occupies the eastern section of the Scandinavian Peninsula. It is bounded by the Baltic Sea and the Gulf of Bothnia. Its territory is 9,000 sq. km. Its low-lying shore line is much indented, with a great number of inlets.

Topographically, Sweden is divided into four parts: 1) The North-Swedish Highland with the Scandinavian mountains in the west (highest peak 2.1 km.), a plateau (500-600 m.) in the centre, and a lowland long the coast line in the east; 2) The Middle Swedish plain (elevation 300 m.), which becomes a lowland in certain places; 3) The South-Swedish elevation (400 m.) and 4) The South-Swedish lowland at the southern extremity of the peninsula which is a continuation of the North- German lowland. The ice age left many marks on the surface of Sweden. Glacial moraines traverse its territory: there are

innumerable glacial boulders and lakes (8 per cent of the entire territory). *Vaner, Vater* and *Molar* are the largest of the lakes. The rivers, with many water- falls constitute a rich source of hydroelectric power. The most important rivers are *Tornio* in the north and *Dal* in the south.

Sweden's climate approaches the continental, as the Scandinavian mountains form a barrier against the winds from the ocean. In the south the climate is maritime. The northern part of Sweden beyond the polar circle is tundra. Fertile soils (sea alluvia) are found in the low-lying parts of the country. Many peat bogs are in the northern section. The forests of Sweden, occupying over a half of its territory, are very rich and valuable; the coniferous forests in the north extend to the polar circle, and leafy trees (oak, beech) are found in the south. The main forest regions are in the North and in Middle Sweden. Sweden is rich in iron are deposits of high quality and of world significance. The greatest beds are near Kiruna northwards of the polar circle (estimated at 1.5 billion tons), and at Grangesberg in the middle section of the country (500 million tons). Sweden is a country of high capitalist development industrialized only in the course of the last fifty years. Its industrial products are estimated at 80 per cent of her toted output.

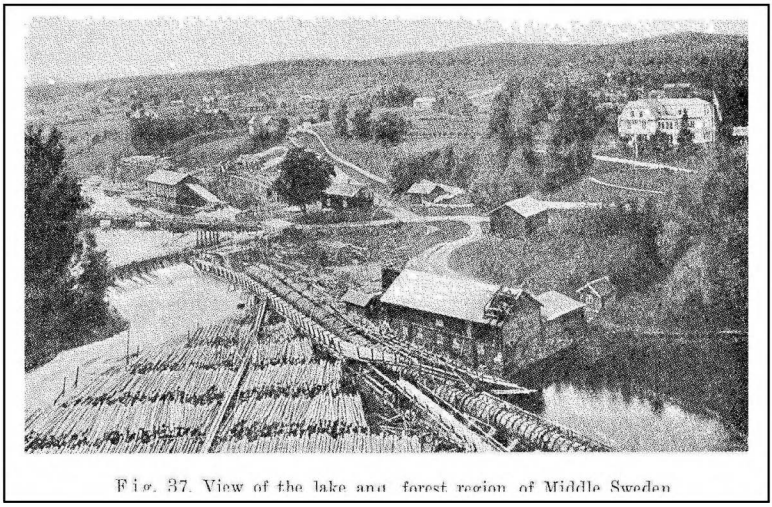


Fig. 37. View of the lake and forest region of Middle Sweden

§ 2. Economy and population

Sweden is a country of highly developed capitalism, of secondary importance among the imperialist powers. Its economy is of an industrial-agrarian type. Its industry is based on resources of high quality iron ore, charcoal and hydro-energy. Its agriculture produces insufficient grain to meet the country's needs, but produces a surplus of pastoral products. The governmental structure is a constitutional monarchy.

Population

Its population is 6,200,000 which in comparison with the territory gives a low density, only 14 persons per sq. km. The southern section of the country is the most populated; the least is the northern; least of all the tundra.

The majority of the population are the Swedes (the North German group). Many Danes inhabit the south.

46 per cent of the population are employed in manufacturing industries, in trade and navigation, 45 per cent in agriculture, 34 per cent are located in cities. The main cities are the capital, Stockholm (420,000), Goteborg, *Malmo*, *Garlstad*.

Industry

The Swedish industry is largely centralized and supplied with the latest technical equipment.

The iron ore, metal and timber industries are the most developed. Iron mining has long been developed in the Middle-Swedish region, supplying the home metallurgical industry with its ore. The rich northern iron fields have been exploited only since 1893. Its output is mostly exported abroad, via the Luleo electric railway and the Norwegian port of Narvik.

Sweden gives 4-5 per cent of the world's iron ore output and 25-33 per cent of the world's export. It testifies to the insufficient development of Sweden's metal industry.

The metal industry is represented by metallurgy, fine machine building and electro technical equipment. The value of the metallurgical output is about a third of the country's total output. Up to the beginning of the XIXth century Swedish metallurgy played a very

important role in Europe. But when England began to use coal for smelting cast iron, Sweden was unable to compete because of her lack of coal. Production of sheet iron has lately been noticeably declining.

The manufacture of ball bearings, of cream separators, and of steam engines and turbines, are important divisions of Sweden's machine building.

The electrotechnical industry produces the largest generators and transformers; also telephones and cables. These products are widely exported abroad.

The match industry is highly developed, centering in the town of Jönköping in the south..

The world renowned Kreiger concern long played a very important role in Swedish economy. It embraced the match syndicate and about 225 industrial enterprises and banks in different parts of the globe.

The Kreiger concern controlled 80 per cent of the world match output and its super profits were fantastic, reaching 1000 per cent in some countries. The concern raised loans for a number of countries to the value of 1.2 billion Swedish kroner.

The world crisis brought about a crash of the Kreiger concern. Kreiger himself committed suicide.

The bankruptcy of the Kreiger concern had sharp repercussions throughout Swedish economy and affected many enterprises and banks in other countries.

Agriculture

The medium peasantry is predominant in Sweden's agriculture. 60 per cent of the farms possess from two to twenty hectares, 28 per cent are small farms, two hectares or less, and 12 per cent are big capitalist landed estates.

Swedish agriculture is at a high level, and continues to develop. The growing of wheat, sugar beets, and root crops is extending. And still more so is cattle breeding. Fertilizers and concentrated fodders are much used. Sweden has insufficient grain. Home supplies meet 90 per cent of the consumption in rye, and only 60 per cent in wheat. The dairy industry, however, gives an export surplus of butter and cheese.

The main farming regions are in the south, on the fertile, alluvial soils of the South-Swedish lowland, on the southern coast of the Vener lake, on the Middle-Swedish plain and on the mountainous

pastures of the Scandinavian mountains.

Foreign trade

Characteristic of Swedish foreign trade is its adverse trade balance of from 10-15 per cent. Agricultural products (wheat, coffee, concentrated fodders), coal, non-ferrous metals, textiles and automobiles are imported, primarily from Germany, England, the United States, Denmark, France and South America. Its export to England, France, USA, Germany, Denmark, Norway and other countries is: timber, machines, matches, butter.

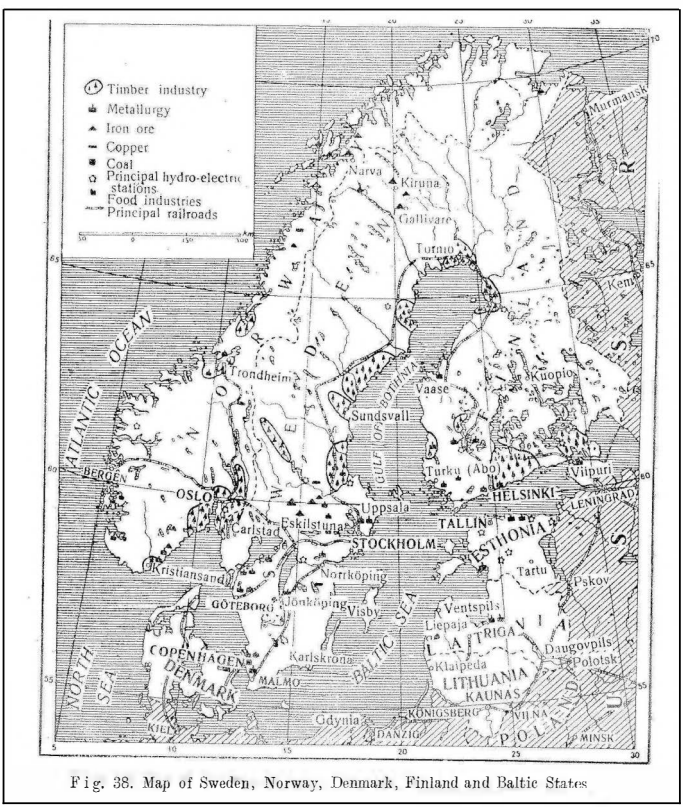


Fig. 38. Map of Sweden, Norway, Denmark, Finland and Baltic States

Fig. 38. Map of Sweden. Norway, Denmark. Finland and Baltic States.

15. NORWAY

§ 1. Physical-geographical outline

Norway occupies a narrow zone to the west and the extreme north of the Scandinavian Peninsula and is bounded by the Northern Arctic Sea, the Atlantic Ocean and the Skagerrack Strait. The small islands along the northern coast are a part of Norway. Its total territory is about 324,000 sq. km.

Norway is extremely mountainous (the Scandinavian Range). With flat and broad mountain massifs —peaks, with rounded summits 2.5 km. high, with snowy fields, glaciers, lakes and marshes. The mountains are cut by deep river valleys, with rapids and waterfalls. The coast is much indented by fiords—narrow inlets with high rocky banks.

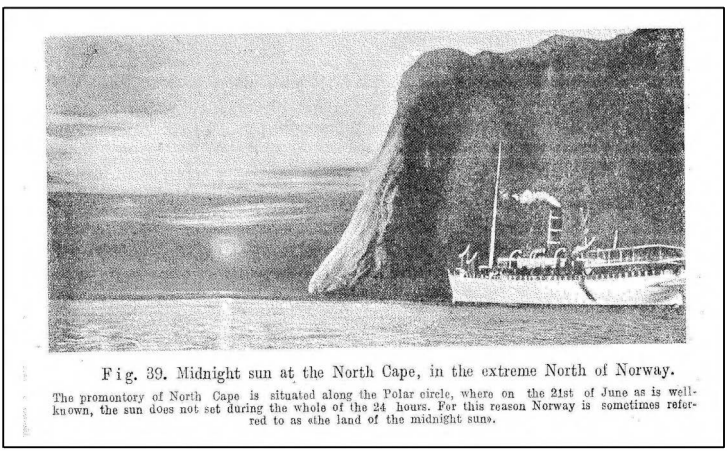


Fig. 39. Midnight sun at the North Cape, in the extreme North of Norway.

The promontory of North Cape is situated along the Polar circle, where on the 21st of June as is well-known, the sun does not set during the whole of the 24 hours. For this reason Norway is sometimes referred to as «the land of the midnight sun».

Fig. 39. Midnight sun at the North Cape, in the extreme North of Norway.
The promontory of North Cape is situated along the Polar circle, where On the 21st of June as is well-known, the sun does not set during the whole of the 24 hours. For this reason Norway is sometimes referred to as "the land of the midnight sun".

Due to the proximity to the ocean and Gulf Stream, Norway has a maritime climate, warm for the latitude in which Norway is situated. The sea never freezes off the Norwegian coasts. The extreme North of Norway and the mountainous summits are a tundra. Three quarters of

the entire territory is unsuitable for cultivation (in mountainous Switzerland only one fourth of the territory is unsuitable for cultivation).

The main natural resources of Norway are the water power and the forests. The country is poor in minerals. The sulphur pyrites, iron ore of a low quality, apatites, extracted in the north, and nickel ores in the extreme south, are the most important.

§ 2. Economy and population

Norway is close to the high level of capitalist development, occupying a secondary position among the imperialist powers. Its economy is of an industrial-agrarian character. Its industry is based on utilization of the huge water power resources and on raw materials imported. Its sea transportation and fishing industry are of great significance. The governmental structure is a constitution at monarchy.

The relative importance of Norwegian industry is almost equal to that of agriculture both in respect to numbers employed and in value of production. It is different in respect to foreign trade: industrial commodities are estimated at 70 per cent of the Norwegian export and industrial raw material at 65 per cent of the import.

Population

The population of Norway is 2,900,000. The density is only 9 persons per sq. km. The majority of the population lives along the coast line and in the valleys.

2,700,000 are Norwegians, 50,000 Swedish, and 20,000 are Lapps.

31 per cent are employed in agriculture, 29 per cent in the mining and manufacturing industries, 20 per cent in trade and transportation (chiefly navigation) and 6 per cent in fishery.

28 per cent of the population are in cities. The main cities are the capital, *Oslo* (280,000), and the port of *Bergen* (100,000).

Industry

Norwegian industry, like that of Sweden, is new, has a high

technical level, and considerable centralization of capital. Foreign capital, primarily English, plays a tremendous role.

The timber industry holds first place—wood-pulp, cellulose and paper, using the excess wood as fuel, and using the cheap water power. Its output is of world significance, producing as it does 90 per cent for export and 20 per cent of the world's paper export.

The metal industry is also important, especially the electro-technical branch (electric locomotives), machine building for the wood pulp and paper plants, and electrometallurgy (the production of aluminium). These industries use black metals imported from England and Germany, and bauxites from France. The enormous supply of cheap electrical energy has contributed very much to the promotion of the metallurgical industry.

The chemical industry mainly produces saltpetre and carbide, and the food industry canned goods such as fish and milk, mostly for export.

The huge potential water power, about 13,000,000 kilowatt, is actually consumed about one sixth.

Industry is located primarily in the southern part of the country; wood-pulp in the south-east along the Swedish border and the coast line, and in the Oslo region; electrometallurgy in the south, along the Skagerrack and Arctic Sea coasts (cities of Christiansand and Stavanger); machine construction in the south-west, in the city of Bergen, on the Atlantic coast line.

Agriculture

Norwegian agriculture is placed in unfavourable conditions. 73 per cent of the land is unsuitable for cultivation. Only 4 per cent out of the 27 per cent is under cultivation. The rest is occupied by forests.

Norway is a country of small peasant landowning. 1/10 of the farmers are engaged exclusively in agriculture, 1/2 have secondary occupations. and 1/3 engage in quite different crafts (mostly fishing), agriculture being a secondary branch to them.

Grain crops (oats and barley) are grown in the south-east and southwest. They do not meet the country's requirements, so grain is imported. But animal husbandry (cattle and sheep raising) is widely developed on the pastures of the Scandinavian mountains. So also is horticulture, sufficient to meet the home needs.

The timber industry of Norway plays a very important role. Norway possesses huge forest reserves (primarily coniferous), which

secure a supply of raw material for her main industrial branches.

Fishing is highly developed along the western coast line (cod and herring primarily). Whale fishing in the extreme north produces half of the world's catch. Norway has a large commercial fleet—4,000,000 tons (fourth largest in the world behind England, USA and Japan) and serves the foreign trade of other countries. 6 per cent of its population is employed in shipping. Shipowners reap great profits from sea transportation.

16. DENMARK

§ 1. Physical-geographical outline

Denmark occupies almost the whole Jutland Peninsula and the islands to the east of it, the largest being Zealand and Funen. Denmark is in union with Iceland. located on an island of the same name in the Atlantic north-west of the European continent. The Island of *Greenland* located in the north Polar Sea, also belongs to Denmark. Denmark is bounded by the North (German) Sea, the Baltic, by the Skagerrak, Kattegat Sounds, and the Great and Small Belt Straits.

Denmark's territory is 43,000 sq. km.

Denmark in its topography is a plain, a continuation of the North-German lowland. Its climate is mild and maritime, though sometimes the sea does freeze near its shores. Denmark's soils are rich in humus.

Denmark is poor in mineral resources, particularly in coal and metals. She also has little water power.

The geographical location of Denmark—between two seas—-came to be very favourable after the shifting of the world trade centres from the Mediterranean to the North Sea. But Denmark lost its dominant role on the Baltic-North Sea highway when Germany cut the Kiel Canal across the southern part of the Jutland Peninsula.

§ 2. Economy and population

Denmark is close to the level of high capitalist development holding secondary position among the imperialist

powers. Its economy is of an agrarian industrial type with highly developed animal husbandry and food production.

Its governmental structure is constitutional monarchy.

Highly developed, intensive agriculture, and foreign trade, play very important role in Denmark's economy.

The population is 3,600,000, Danes; 33 per cent are engaged in agriculture, 25 per cent in industries, 20 per cent in trade, 40 per cent of the population is in cities, half of it in the capital city of *Copenhagen* (900,000, with the suburbs).

Capitalist landholdings are predominant. About 35 per cent of all farms possess over 15 hectares each, and about 32 have from 3.3 to 10 hectares. Agricultural cooperation plays a tremendous role, rendering both marketing and credit services. The fluctuation of currencies after the war resulted in the peasants becoming greatly indebted to the banks, and was the ruin of many of them. It increased the growth of the landless agricultural proletariat which now comprises 25 per cent of Denmark's total rural population.

Denmark's agriculture is of a highly commercial character, most of its produce being for export.

Dairying, and especially butter making, is the most important branch of agriculture. Then come hog raising (bacon) and poultry raising (eggs). Denmark produces 35 per cent of the world butter export, 25 per cent of the pork and 15 per cent of the egg export. Cattle are raised not only on natural pastures, but primarily in pens, fed by special mixtures of turnip, barley and lucerne and by imported oil cake and maize (concentrated fodders). Machines are widely used in the dairies. The preservation of dairy products has lately begun to develop. There are many pig abattoirs and packing houses.

Field crops were of great significance formerly, but since the eighties of the XIXth century, under Russian and American competition, it became unprofitable. Now the field crops are auxiliary to cattle raising, producing provender, fodder grasses, barley, oats, potatoes and roots. Root crops are widely developed. Wheat, rye and sugar beets are grown to meet home needs.

The food industry is the main industrial branch, making home agricultural products into butter, cheese, canned milk, sugar and brewed products. The metal industry comes next, based on English coal and German metal. The production of cables, refrigerators, ship engines is developed.

90 per cent of Danish export is of agricultural produce. England is

the chief market. She buys 80 per cent of the Danish butter, 100 per cent of her bacon export and 95 per cent of her eggs. Cattle, feed, coal, timber, oil, metal and machines are imported from Germany, England, the United States and Sweden. The transit trade through the port of Copenhagen is of great importance.

17. FINLAND

§ 1. Physical-geographical outline

Finland is situated on the extreme north-west of the European Continent, with the USSR on the east and Sweden and Norway to the north-west. On the west it is bounded by the Gulf of Botnia, and on the south by the Gulf of Finland.

Its territory is 388,000 sq. km. In Finland there are found remains of the ice-sheet that once covered the whole of northern Europe.

Finland's terrain is granite and crystalline rock. It has rugged rocky hills that are glacier-scoured and polished, it is covered by massive granite boulders, it has chains of cone shaped hills and terminal moraines of clay, sand and stone. It has some 35,000 lakes, many with banks of polished granite. Rocks, lakes and forests (primarily coniferous trees) cover 60 per cent of Finland—such is the landscape of Finland.

Climate and soils are unfavourable for agriculture. The climate is severe. However, its severity is somewhat modified by the Gulf Stream, but the numerous lakes and marshes thaw out only late in the spring. Night frosts often destroy the spring crops.

Finland's soils are podzol, poor in humus, barely covering the stony rocks. The soils of the coastal zone, formed of sea alluvia, are but little more generous.

Finland is poor in useful minerals. Small amounts of copper and low grade asbestos are found there. Granite rock, used as a building material, is there in great abundance. The numerous rapids and waterfalls afford some 2,300,000 horse power of hydroelectric energy. Imatra is the greatest waterfall.

§ 2. Economy and population

Finland is a country at a medium level of capitalist development. Lumbering and woodworking predominate. To a large degree the country is dependent upon foreign capital. The governmental form is that of a bourgeois republic.

Liberation of Finland from national oppression thanks to October Revolution

Finland was under Sweden's rule till 1809, when she was conquered by Russia. Autonomous self-government was promised to her by the tsar.

But the tsarist government followed a russification policy in respect to Finland. Violations of Finland's autonomy and suppressions or its nationalist culture greatly increased about the end of last century.

The October Revolution declared for the principle of self-determination of nations. On the sixth of December 1917 the Finnish Diet (bourgeois) declared the independence of Finland.

The October Revolution in Russia had its repercussions in Finland: the strike movement grew, food riots developed, and Red-Guard detachments began to form. But the official leadership of the Social-Democratic Party retarded the revolutionary development. It was not until January 28th, 1918 that power was taken by the Red Guards who armed the revolutionary government—Council of Peoples' Representatives.

The proletarian dictatorship, however, lasted only three and half months. Armed forces of the Finnish and Swedish bourgeoisie, enforced by a German division, bloodily crushed the revolutionary movement. Lack of revolutionary firmness on the part of the Council of the Peoples' Representatives contributed to the debacle.

Since April 1918 the bourgeois dictatorship has prevailed in Finland.

Population

The population of Finland is only 3,700,000, which gives an

average density of population of about ten persons per sq. km. About 89 per cent are Finns and 10 per cent are Swedes. Almost the entire population is literate. 65 per cent of the population is engaged in rural economy and only 22 per cent in industries, trade and transportation. Only twenty per cent of the population live in towns or cities.

The main cities are *Helsinki* (former Helsingfors) on the bank of the Gulf of Finland, the capital, 250,000 population; *Vipuri* (former Viborg), *Turku* (Abo) in the extreme south-west of Finland, and *Tampere* (Tammerfors).

Economy

Finland is an agricultural country with a woodworking industry. Only 8 per cent of the country's area is under cultivation. Unfavourable conditions limit the areas sown to grain (rye, oats, barley), and mostly to the southern section. The home grain does not meet the country's needs and this compels her to specialize on fodder grasses as a base for dairy husbandry.

Capitalist landownership is predominant in Finland's agriculture. The capitalist and landlord farms (over 10 hectares), numerically are only 20 per cent of all farms, but they possess 68 per cent of the land. The number of small poor farmers (40 per cent of all farms) and of hired labourers (about 400,000) is extremely high.

Due to the fact that nearly ¾ of Finland's territory is covered by forests, the lumbering, woodworking and paper-cellulose industries playa tremendous role.

Half of the Finnish proletariat is engaged in these branches of industry, which produce about a half of Finland's total output, and constitute 85 per cent of the value of Finland's exports.

The water power of Finland is widely utilized for the production of electric power. The most important hydroelectric station are at the Imatra falls, Lake Ladoga, and in the vicinity of the cities of Tampere, Helsinki and Vipuri.

Foreign capital has great relative weight in Finnish industry.

The world economic crisis struck Finland in the second half of 1928. Prices on agricultural products by 1932 had fallen 40 per cent by comparison with 1928. Finland's export was cut in half. Finland's foreign trade turnover decreased 60 per cent.

Finland's fleet of steam freight vessels aggregates 170,000 tons.

Finland, economically, may be divided into three parts: 1) the northern tundra, with stag breeding and fisheries, 2) the middle,

woodworking, and 3) the south-western, the most populated, with a considerable agriculture and various industries

The economic crisis struck very hard at the poor and middle peasants', created tremendous unemployment, intensified exploitation of the rural and industrial proletariat and sharpened the political struggle.

In the summer of 1930 the Fascists seized power and began a campaign of terror against the workers and peasants.

Finnish Fascism is aggressive in its attitude towards the Soviet Union. There were demonstrations against the Soviet Embassy, libellous attacks in the press, boycott of Soviet goods, and attempts to involve the Soviet Union in a war. There are Fascist clamours for annexation of the northern section of the USSR from Karelia to the Urals, for inclusion into a "Greater Finland."

18. ESTONIA, LATVIA, LITHUANIA

§ 1. General physical-geographical outline

Estonia, Latvia and Lithuania are situated in eastern Europe between the territory of the Soviet Union and the Baltic Sea. A series of small islands in the Baltic Sea belong to Estonia. The most extensive are Oesel and Dago.

The territory and population of the three Baltic States are not large. Estonia occupies only 47,000 sq. km. with a population of 1,300,000, Latvia—66,000 sq. km. with a population of 1,200,000 and Lithuania—55,000 sq. km. with a population of 2,300,000.

On the west they are all bounded by the Baltic Sea and its gulfs, Estonia by the Gulf of Finland and Latvia by the Gulf of Riga.

These countries have many common physiographical features. In surface they are a part of the *East-European lowland*, showing marked evidences of the glacial epoch (the glacier-borne clays and sands, granite boulder, and lakes of glacial origin). The banks of the Gulf of Finland are somewhat, elevated and rocky, those of the Gulf of Riga, low and covered by dunes.

On the River *Narova* in Estonia, close to the town of Narva there is a waterfall 90,000 horse power rivers: the large navigable *Dvina* and

the *Aa* River and the *Niemann* in Latvia. The largest of the lakes is Lake *Peipus*, half belonging to Estonia and half to the Soviet Union. The climate ranges from the continental to the maritime in Latvia, and is temperately continental in Lithuania and Estonia. The summer period is longer here than in the USSR and the winter is milder. Some of the Baltic ports do not freeze up.

The soils of the Baltic countries are poor in humus—podzol, clayey and sandy.

These countries are very poor in useful minerals. Peat bogs occupy 15-20 per cent of their territory. Clays, especially the fireproof type, and fuel shale are found in Estonia near Lake Peipus. (The Estonian beds of fuel shale run on into the USSR, near the town of Gdov.)

§ 2. Origin of Estonia, Latvia and Lithuania as independent states

Before the October Revolution Estonia, Latvia and Lithuania were parts of the former Russian Empire, forming the Estlandian, Liflandian, Kurlandian governments, part of the Vitebsk government, Grodno and Vilna governments. Besides this, small parts of the Petrograd and Pskov governments have been incorporated into Estonia and the former German territory in the Memel region into Lithuania. The October Revolution found immediately response in these countries (Soviet Power was established in Estonia), but the revolutionary movement was suppressed by German troops that occupied these countries. In 1918, after Germany's defeat in the World War her troops were evacuated, Estonia and Latvia declared themselves Soviet republics and began to change the social order. However, the Soviet Power did not last long there. Again by the aid of the armed forces of foreign powers the domination of the bourgeoisie was re-established. This time it was the victors in the World War who supported the suppression of revolution in the Baltic Countries. They promptly recognized them as independent states, planning to use them as a "barrier" between the land of proletarian dictatorship and capitalist Europe, a "cordon sanitaire" to protect Europe from "bolshevik infection". At the same time these countries were to serve as bases for the preparation of a war against the Soviet Union. Such a role was fulfilled by Finland in the north and by Poland and Romania in the west and south.

Estonia, Latvia and Lithuania are commonly referred to as the "border states" (limitrophes).

§ 3. Economy and population of Estonia and Latvia

Estonia and Latvia are countries of a medium capitalistic development. They are agrarian countries, specializing in diary cattle breeding, with a slightly developed industry and considerably under the influence of foreign capital.

The present Estonia and Latvia, when part of the pre-revolutionary Russia, had a comparatively well developed industry—metal and textile, the output of which was sold on the huge Russian market. Since the October Revolution, Estonia and Latvia, not being in the Soviet Federation, their industries lost the Soviet market. Further they have found that they could not compete with the more advanced countries on the world market. Consequently Esthonian and Latvian manufacture fell off by more than one half before the time of the world crisis, metallurgy by three quarters. Big enterprises went on short time, working at 25-30 per cent of their capacity, or broke up into individual shops. Other connections with Russia, important for Esthonian and Latvian economy, were broken. These were the import of raw materials, and the transit handling and shipment from Esthonian and Latvian ports of Russian agricultural products.

Basic upheavals took place in the economy of Estonia and Latvia. These agrarian industrial regions that had specialized in intensive agriculture, where technical crops and metallurgy had been developed, became again agrarian. Technical crops lost their importance, the proportion of manufacturing to agriculture sharply decreased. In industry the lighter branches (textile and woodworking) became predominant. The productivity of labour went down. The world economic crisis aggravated the situation. Foreign capital has a hold on the economic and political life of the two countries.

Population

The population of Estonia is 1,200,000. 87 per cent are Esthonians (Finnish group), the rest—Russians, and Germans. The density is 25 persons per sq. km. Only 15 per cent of the self-supporting population is engaged in industry, 60 per cent in

agriculture. The main cities are *Tallin* (former Reval), 130,000 population, the capital, the principal port and the main commercial and industrial centre; *Tartu* (former Yuriev or Dorpat); Narva; and the sea port *Parnu*.

The population of Latvia is 1,900,000. Its density is 29 persons per sq. km. The national composition is more motley here. 75 per cent Lats (Latvian group), 10 per cent Russian, 5 per cent Jews, 4 per cent German. Only 11 per cent are engaged in industries, 68 per cent in agriculture. The main cities are *Riga*, with a population of 350,000, the capital, the principal port and the main commercial and industrial centre; *Lepaia* (Libau), a port; *Ventspils* (Vindau) an ice-free port, and Ielgava (Mitau).

The social structure of agriculture

Landownership by German land lords, the Baltic barons, played a dominant role in the social structure of the former Baltic regions of tsarist Russia. The landlord's lands were declared confiscated by the Soviet Governments of Estonia and Latvia. The succeeding bourgeois governments carried out an "agrarian reform" which resulted in a distribution of the former landlord's lands, chiefly among participants in the "liberating war" and among "patriotic" elements generally. The distribution was not equal and resulted in the establishment of capitalist households, increasing the class stratification. The broad peasant masses remained short of land, many of them even landless. Dominance in agriculture transferred from the baron-landowners to the capitalist peasants the "gray barons" as they are ironically named in Latvia.

Branches of agriculture

As has already been mentioned, the agriculture of Estonia and Latvia lost its former intensive character. The growing of flax, formerly of great importance, has much decreased. The potato crop which used to serve as raw material for the distillation of vodka, is also reduced. Grain crops are at a low level.

Dairy cattle breeding is the one branch of agriculture which is developing in Estonia and Latvia. It produces a large volume of export goods, especially butter. As fodder base for cattle raising, fodder grass plantings have greatly increased.

Export timber also plays an important role.

Industry

The industry of Estonia and Latvia, now deprived of its former large scale mill-factory character is primarily represented by wood-pulp, paper and textiles (mostly cotton). The metal industry is unimportant now. The bituminous slate industry is a branch newly developed in Estonia. The main industrial centres are Tallinn and Narva in Estonia; Riga, Lepaia in Latvia.

Foreign trade

The foreign trade of both Estonia and Latvia constantly has an adverse trade balance whose passivity has increased during the crisis. The main export products are food stuffs—butter, meat products (bacon) and eggs. Raw materials—timber and flax. Semi-manufactures and industrial goods—veneer, timber materials, paper and some textile goods.

Industrial commodities hold first place in import (50 per cent), food-stuffs second (about 30 per cent) and raw materials third. The Estonian and Latvian export is primarily directed to England and Germany. Germany, and next England, play the main role in their ports. The United States, Sweden and Poland are of less importance in their trade turnover.

The payment balance is influenced by the adverse trade balance and is characterized by the import of foreign capital.

Domination of foreign capital

Foreign capital dominates the industry, finance, credit and foreign trade of Estonia and Latvia. For instance, foreign investments in Latvia are estimated at 61 per cent of the basic industrial capital and 57 per cent of the basic bank capital. Germany, England, France, the United States, Belgium and Sweden have their investments in Latvia and Estonia. English capital is predominant in manufacture and German in banking.

Latvia and Estonia are heavily in debt to the United States, Sweden, England, and France. Germany and England are the main competitors for the foreign trade of Estonia and Latvia and for

investment opportunities in those countries. The domination of foreign capital in the economic life of Latvia and Estonia leads to their political dependence upon the great imperialist powers, upon England especially. Recently Germany has been increasing her influence, stimulating the fascistization of these countries and trying to ally them to her.

Relations with the Soviet Union

During the civil war and intervention period in the Estonia and Latvia served as basis for the counter-revolutionary armies (Yudenitch in Estonia, Bermont in Latvia). After the defeat of the white-guards Estonia was the first of the western border states to make a peace treaty with the USSR, in February, 1920. Latvia followed shortly afterwards.

Trade treaties were concluded with the Soviet Union later. In 1927 Latvia, and in 1929 Estonia.

The transit trade of the Soviet Union through the Latvian and Estonian ports is of very great importance for these border states.

§ 4. The economy of Lithuania

Lithuania is a country of medium capitalist development. It is characterized by general economic backwardness, absence of big scale industry, the agrarian type of its national economy, and by survivals of serfdom. Its government is that of a bourgeois republic.

In contradistinction to Estonia and Latvia, which had large industry before the war, the Lithuania of pre-revolutionary Russia was a backward agricultural region. This backwardness and the agrarian character of its economy continued to prevail after Lithuania became independent. There are some industrial enterprises, but they are small and in the lighter branches—milling, leather manufacturing and wood-pulping.

Population

The population of Lithuania is 2,300,000. The density is 40

persons per sq. km. 80 per cent are Lithuanians, 7 per cent—Jews, the rest German (located in the Memel district), Poles, Russians, etc. 80 per cent of the population is engaged in rural, economy. There are no very big cities in Lithuania. The most important are—*Kaunas* (Kovno)—100,000 persons, the administrative centre of the country (under the constitution, Vilna is the capital of Lithuania, but it is occupied by Poland and the Lithuanian government now centres in Kaunas); *Klaipeda* or *Memel* (40,000), a port of importance for the country's foreign trade.

After the war "agrarian reform" was carried out in Lithuania, as in Estonia and Latvia. It has contributed to the establishment of capitalist peasant landownership, but has not liquidated landlord ownership. The majority of the peasant population is either short of land or landless, and is obliged to work in whole or in part on rented land. Serfdom survivals, chiefly in the form of natural tenantry remain a burden on Lithuanian agriculture. The peasantry suffers very much also from the high taxes.

With the backwardness of the social structure of Lithuanian agriculture .is connected its backwardness in the matter of diversification of crops, of use of agrotechnique and its low output. The grain crops —chiefly rye, oats and barley— predominate. Potatoes and flax are of lesser importance. Animal husbandry is little developed. Hog and poultry raising are its main branches. Methods of land cultivation are primitive. The three-field system predominates. The wooden plough is the prevailing tool. Chemical fertilizers, so essential for land poor in humus, are not used. Crop yields are low and not dependable; the harvest is often extremely poor. Under these circumstances the country produces but small quantities of agricultural produce for export,. consisting mostly of flax, pigs and eggs. Lithuanian forestry is of importance and yields for export.

Dependence upon foreign capital

The Lithuanian national economy depends much upon foreign capital, especially German and English. 50 per cent of Lithuanian export and import is in Germany's hands. English investments in Lithuania take the form of loans. England and Germany have great political influence in Lithuania.

Foreign relations

Since Lithuania's existence as an independent republic its relations with Poland have been tense. In 1921 Poland by military force seized the Vilna District. Lithuania has normal diplomatic relations with the Soviet Union. Trade however between the Soviet Union and Lithuania is very limited.

19. POLAND

§ 1. Physical-geographical outline

Poland lies between the USSR and Germany, and serves as a "buffer state" between the capitalist world and the country that is building socialism. Poland is also bounded by Lithuania and Latvia in the north, and by Czechoslovakia and Rumania in the south.

The Poland of today was formed as an independent state after the world war from territories formerly included within the Russian, German and Austro-Hungarian Empires.

The central part of Poland, with its capital Warsaw, was a part of Russia, called the Polish Kingdom or the Vistula region. The western part—Posnan, with the town of the same name, was a part of Germany; and the south-western part, with the city of Cracow, was under Austro-Hungary. Besides these territories populated about 75 per cent by Poles, Poland has captured huge territories where other nationalities are pre-dominant. These are 1) the Vilna District. with the city of Vilna, a part of Lithuania; 2) Western White Russia, with the cities of Brest-Litovsk and Pinsk; 3) the western section of Volhynia with the towns Lutzk and Rovno; 4) Galicia with the town of Lvow (Lemberg) formerly a part of Austro-Hungary[1] ; 5) a part of Upper Silesia, with the town Catovice, formerly a part of Germany; 6) parts of Western Prussia, Pomerania forming the so-called "Polish corridor," and an outlet for Poland to the sea, with the military port, Gdynia.

Poland's territory is 388,000 sq. km.; its population 32,000,000.

The topography of Poland is dominated by the lofty Carpathians

[1] The western parts of Volhynia and Galicia together are known as the Western Ukraine

and by their foothills in the south-west. The rest of the country is the East-European lowland.

Among her rivers the most important are the *Vistula*, with its tributaries the *Narev* and the *Western Bug*.

The climate is of a transitional character, from West-European to East-European. Rainfall is adequate —60 cm. average, reaching 200 cm. in the Carpathians. Forests (coniferous, leafy, and mixed) cover one fourth of the territory, but mostly located in the Vilna District, in Western White-Russia and in Volhynia. The vast Pinsk Marshes are in the Western White-Russia Region, designated as the Wooded District. They have important military strategic significance because of the obstacle they present to military operations.

Poland's soils are mostly podzol, sandy and clayey; only a narrow zone in the south is very fertile.

Poland is rich in minerals. Coal deposits in the south-west, in the Silesia-Dombrov-Cracow Region, are estimated at 60 billion tons (the third place in capitalist Europe). Petroleum is found in Western Ukraine (Galicia), in the Carpathian foothills. Iron ore beds are in the south-west in the Dombrov, Czenstochowa, Radom and Silesian Regions. Non-ferrous metals (zinc and lead) are found in the Radom Region. Vast amounts of rock salt and potassium salt are found in Western Ukraine and in the Carpathians. Peat is found all over the country, but especially in the east.

§ 2. Population

Being re-established after the World War from non-homogeneous components, and having captured a number of ethnographically foreign districts, Poland is characterized by the great variety of its national composition. Poles number only 60 per cent of the country's population, Ukrainians 20 per cent, Jews 8 per cent, White-Russians 7 per cent, Germans 4 per cent. The percentage of Poles in the districts seized by her is even less. For example in Western White Russia less than 5 per cent. The White-Russians are predominant in Western White-Russia, the White-Russians and Lithuanians in the Vilna District, the Ukrainians in Western Ukraine—Volhynia and Galicia.

The Polish bourgeoisie harshly suppresses the national minorities, prohibits national schools and publications, and forces the disbandment of cultural and educational organizations. The repression in the outlying eastern parts is especially severe.

The population of Poland is estimated at 32,000,000, giving an average density of 70 persons per sq. km. In the eastern provinces the density is less, as low as 35, and even less in Western White-Russia, and 47 in Volhynia. The density is considerably higher in the industrial regions—118 persons per sq. in the Lodz and Cracow provinces, and as much as 266 in Silesia.

26 per cent of the population lives in cities. The main cities are Warsaw, the capital, 1,100,000 inhabitants: *Lodz; Lvow, Posnan; Vilna*, *Cracow and Katowice.*

§ 3. Economy

Poland is a country of medium capitalist development with an agrarian industrial character of economy. Since the world war its industry has been in a state of chronic crisis. It is a country with marked survivals of serfdom in its agriculture where foreign capital predominates. The governmental form is that of a bourgeois republic, with Fascist dictatorship.

Poland is an agrarian industrial country. 76 per cent of the population is engage d in agriculture, 15 per cent in industries and transportation.

Feudal survivals are still strong in the countryside of Poland. Gentry landownership and semi-serfdom exploitation of the peasantry still prevail.

Before the world war the greater part of Poland was a very important industrial region of the Russian Empire with well developed coal-mining and manufacturing industries.

Since the war its national economy has been in constant crisis. Industry has at no time reached pre-war levels. The main reason is the lack of near markets. It cut itself off from its great eastern market (former Russia) where Polish industry used to sell its goods. Its home market is relatively small, and weak in purchasing power. On the western markets Polish goods are unable to compete with those of the highly developed capitalist countries. Besides this the tremendous growth of Polish militarism is a heavy drain on the finances of the country.

The already difficult economic situation of the working class (low wages, unemployment) and of the peasantry (landless, rent, taxes) became worse with the sharpening of the economic crisis in Poland in

1928. These factors taken together with the forceful suppression of the national minorities, which are estimated at 40 per cent, make Poland a knot of social and national antagonisms.

Industry

The old established branches of industry are the textile—chiefly cotton; the metal—chiefly metallurgy and the food—especially sugar and wines. They have all declined. Even in the year 1927, prior to the crisis, the consumption of cotton by the Polish textile industry was only 87 per cent of the pre-war level. Pig iron smelting was 67 per cent. The total volume of the Polish industrial output in 1933 was estimated at 47 per cent of pre-war. The only new branch of Polish industry—munitions—is developing on the basis of foreign credits (primarily French and American).

The mining industry is represented chiefly by coal mining, in the Silesia-Dombrov-Cracow basin. Its highest production was 46,000,000 tons in 1929. There is extraction of iron and lead-zinc ores in the same basin, but it is of less importance. Despite the petroleum fields that tend for some four hundred km, along the Carpathian range, the oil industry is but slightly developed, due to the depth of the oil bearing rata. The main oil centre is near the town Drohobycz in Eastern Galicia. Rock salt and potassium deposits are worked in Western Galicia (near the town Wieliczka) and in Eastern Galicia.

Great manufacturing enterprises owned by joint-stock companies and trusts are found side by side with numerous small establishments in Polish manufacture.

Foreign capital dominates not only in the munitions industry of Poland, but in its metallurgy (88 per cent in the metallurgy of Upper Silesia), in the oil industry (94 per cent), in the match production (95 per cent) and in other branches.

The industrial regions of Poland are the following: 1) the coal-metallurgical, embracing the Silesia, Dombrov and Cracow basins, and the Czenstochowa Region, with its centre at Katowice. Here is mined all of the coal and almost all of the iron, zinc and tin. There is carried on 90 per cent of the metallurgy; 2) the Lodz textile region embracing 85 per cent of the entire textile industry; 3) the Radom- Kielce metallurgical region, where the whole munition industry is concentrated, 4) Warsaw, specializing in hardware, machine building and light industry, 5) the Bialostok textile region and 6) the Galician mining region.

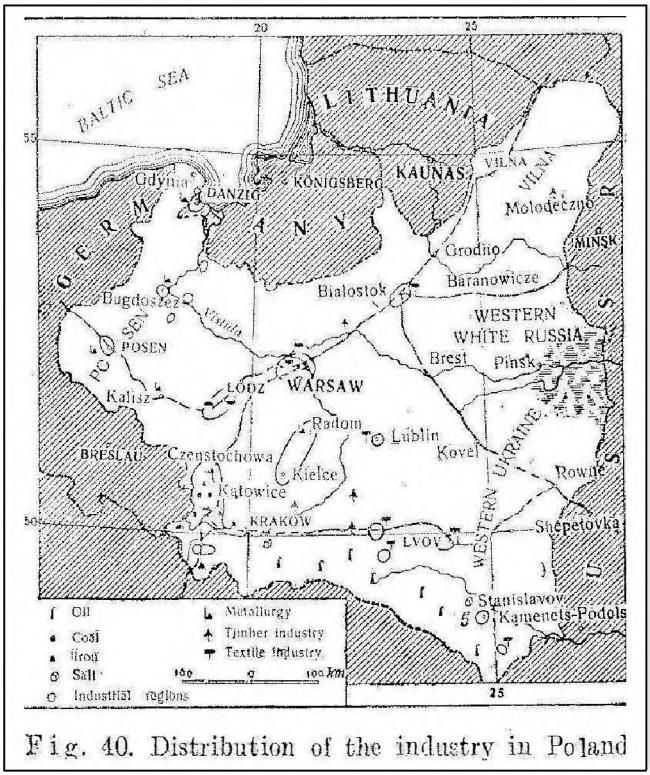


Fig. 40. Distribution of the industry in Poland

Fig. 40. Distribution of the industry in Poland.

The agriculture

The agriculture of Poland presents a very sharp agrarian problem. Half of the peasant farms together comprise only 14 per cent of the total agricultural area including many pygmy farms and renting lands from the landowners. A small group of landowners and capitalist peasants, on the other hand (3 per cent of all the farms), possesses 50% of the agricultural area, some of them owning huge estates. The agrarian “reform” made by the government consisted of compulsory redemption of a small part of the land of the greatest landowners, and its transfer to the capitalists. Poland’s peasantry heavily exploited by the landlords and capitalist peasants (in way of tenantry) by trade capital (in marketing their products) and by the government (in taxes).

Semi-serfdom exploitation in the form of natural tenantry is much developed, mostly in the east.

Poland's agriculture (except in Upper Silesia and Posnan) is backward, and especially in the east. Low technique, non use of chemical fertilizers and predominance of the grain crops, keep Poland's agricultural output at a rather low level. Hardly any chemical or mineral fertilizers are used. The yield is usually low.

Rye, oats and barley are the main grain crops. Sugar beet is the principal technical crop. Hog raising and horse breeding are the main branches of animal husbandry.

Forestry plays an important role in the east. It is characterised by excessive cutting for export, with little attention being paid to reforestation and conservation generally.

The agricultural regions of Poland are the following: 1) The Posnan-Pomeranian region with a high level of agriculture and predominance of cattle-breeding; 2) Central Poland, with a medium level of agriculture; 3) the eastern outskirts—Western White Russia, Volhynia, and Galicia with a very backward agriculture, strong survivals of serfdom, and a great over-population of the countryside.

Transportation. Foreign trade

The railroad network of Poland is of a medium thickness —43 km of line per 1000 s1. km. The thickness decreases from west to east. River transportation is but slightly developed. The trade fleet is in an embryo state. Poland connects with the sea through the free port of Danzig and the new Polish port, Gdynia.

Poland exports coal, timber, zinc, cattle and grain. Raw cotton and wool for the textile industry, machinery, and many food products, are imported. Import always exceeds export, and the passive balance is not met by other sources of income. The governmental budget of Poland usually shows a sharp deficit, making it necessary to resort to foreign loans.

Foreign relations. Relations with the USSR

The foreign policy of Poland since 1919 to 1933 was influenced by France, with which Poland has a series of treaties. Poland's relations with Germany were very strained, because of the Polish corridor, and of the eastern border, and also with Lithuania which does

not recognize the capture of the Vilna Region by Poland. Since 1934 Poland's relations with Germany became much better.

The Polish army numbers 300,000 in peace time.

After her unsuccessful attack on the USSR in 1920, the march on Kiev, Poland concluded a peace treaty with USSR and trade relations were established. The peaceful policy of the USSR directed against war, and timely disclosure to the workers of the world of all imperialist war preparations everywhere, was successful with regard to Poland. USSR has concluded with her a non-aggression pact.

20. ROMANIA

§ 1. Physical-geographical outline

Romania is located between Eastern and South-Eastern Europe, i.e., between the USSR and the Balkan Countries. On the east it is bounded by the Black Sea and by the USSR; on the north it borders with Poland and Czechoslovakia; on the west with Hungary and Yugoslavia; on the south with Bulgaria, Romania consists of the following parts (see map 41): Moldavia, Wallachia and Dobruja (the territory of pre-war Rumania); Bukowina, Transylvania and Banat taken in 1919 after the world war from the defeated Austria-Hungarian Empire. Besides this, Rumania is in occupation of Bessarabia, belonging to the USSR.

Romania's total area is 273,000 sq. km. (without Bessarabia). The area of Bessarabia is 44,500 sq. km.

Romania's surface is mountainous in the north—the high *Carpathian* mountains and in the centre—the *Transylvanian Alps*. In the remaining part it is a plain—the *Hungarian lowland*—in the west, and the Wallachian—in the east and in the south.

The full flowing *Danube* with its tributaries is the main river of Romania.

The climate is continental, and like that of the Southern Ukraine favourable for agriculture.

Steppe lands, or prairie, prevail in the low section of the country and forests, an area over 20 per cent of the country, in the mountainous section.

The foot-bills of the Carpathians and the Transylvania are rich in useful minerals. There are oil, salt, lignite, copper and iron ore.

§ 2. Economy and population

Romania is a country of a medium capitalist development, with a sharp predominance of agriculture and a mining industry. Romania has very marked survivals of serfdom. The domination of foreign capital is another marked feature. The governmental structure is a constitutional monarchy.

Agriculture plays a predominant role in Romania's national economy. 80 per cent of the population is engaged in agriculture. 50 percent (If the export consists of grain, 20 per cent of timber and 12 per cent of live stock.

The population is 18,000,000. The national composition is motley. Even according to Romanian official data only 66 per cent are Romanians and 34 per cent are national minorities: Moldavians, Hungarians, Ukrainians, Bulgarians, Germans and Jews. Like in Poland, harsh suppression of national minorities and compulsory Romanization are definite policies.

The main cities are *Bucharest* (the capital), with a population of 650,000; *Kishinev* (in Bessarabia), *Czernovizi*, *Jassi*, *Cluj Temeshvar*.

Big scale landlord (boyar) landownership, and a tremendous number of landless and insufficiently landed peasants are characteristic of Romania's agriculture. There remain remnants of serfdom, i. e., the bondage rent, working out, day-labour.

The agrarian problem, as in Poland, is exceedingly acute. The Romanian government, after the October Revolution in Russia, carried out a fictitious, agrarian reform. Land taken from some of the landowners was transferred to capitalist peasants.

After this "reform" 38 per cent of the entire farm area was in the hands of landlords and capitalist peasants who numbered only 10 per cent of the agriculturists, while 83 per cent of the households (peasants) together owned only 42 per cent of the land, in such small parcels as to be insufficient to provide their daily needs.

The lowland is the main agricultural region. Wheat, maize, barley and grapes are the main crops. Agro-technique, and accordingly harvest yields, are low. Cattle raising is developed primarily in the mountains. Fishing is organized in the Danube estuary. Of the main industrial branches, oil is extracted in Transylvania, metallurgy is developed in, Transylvania and Banat, and lumbering in Bukowina. Foreign capital, primarily French, plays a tremendous role in Romanian industry.

Its relative importance in the petroleum industry is. 95 per cent, in the metallurgical 74 per cent., in the timber industry 70 per cent, in sugar manufacturing 100 per cent.

Most characteristic of the interior situation of Romania is the domination of the Fascist dictatorship, dealing severely with the workers and peasants. The severity of the economic crisis and the backwardness of rural economy increase the tension.

Romania is a member of the little Entente and is much influenced by France.

Only in 1934 Rumania proposed to USSR to establish the diplomatic and trade relations with it.

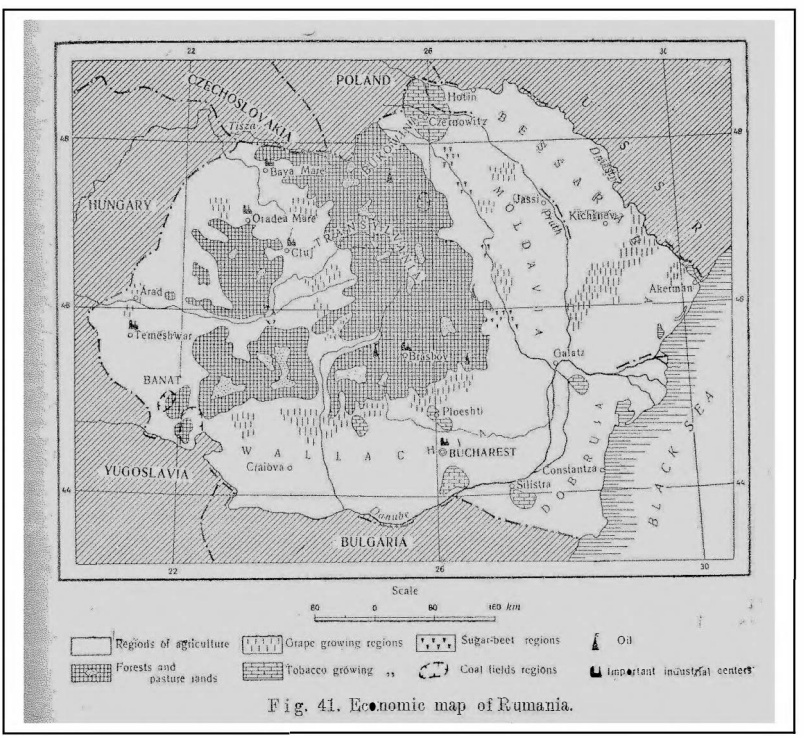


Fig. 41. Economic map of Rumania.

Fig. 41. Economic map of Romania.

III. THE AMERICAN CONTINENT (THE COUNTRIES OF SOUTH AND NORTH AMERICA)

1. THE UNITED STATES OF AMERICA (USA)

§ 1. Physical-geographical outline

Geographical location

The United States of America (briefly, the USA) occupies the middle part of the continent of North America. On the east it is bounded by the Atlantic Ocean —route to Europe; on the west by the Pacific Ocean —sea way to the colonial countries of Asia. The coast line of the USA in its general contour is less indented than that of Europe. It means the absence of internal seas and deep gulfs. Such indentations have importance in that they connect internal districts of the country with the sea routes: Small indentations forming bays highly convenient for navigation are to be seen on the Atlantic coast line. The waters of the Mexican Gulf, separated from the Atlantic Ocean by the Florida Peninsula, are shallow. The Pacific coast line is but slightly indented. The territory of the USA —7.8 million sq km. —is one and a half times larger than the whole of the capitalist part of Europe (5.1 million sq. km.), and between a third and a half the size of the USSR (21 million sq. km.).

Surface

In relief, the USA presents a plain, cut on the East and West by highlands running north and south. In the East, parallel with the coast line of the Atlantic Ocean, extends the wide *Appalachian Highland*. It consists of some ranges of *Appalachian Mountains* in the east (Blue Ridge, Catskill Mountains, Adirondack Mountains, White Mountains) and of the *Alleghany Plateau* in the west. Between them lies a long

narrow depression —the *Great Valley*. The Appalachians are characterized by rolling and not very high mountains (about 1 km. above sea level). In the north they closely approach the shore but in the south they are separated from the shore by a low hilly plateau of

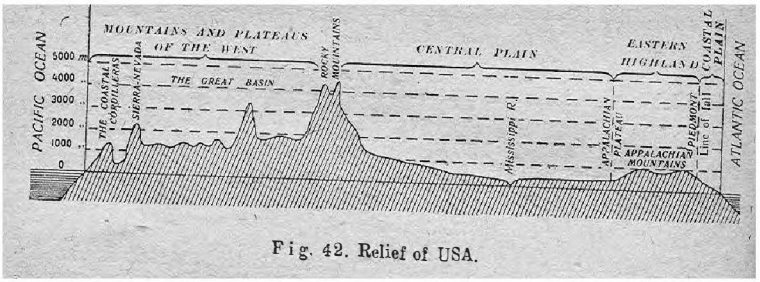


Fig. 42. Relief of USA.

Fig. 42. Relief of USA.

hard rock called the *Piedmont*, and by lowlands of sands and clays called the *Atlantic Coasted Plain*. Numerous streams that now from the Appalachians have rapids and falls on the boundary between the Piedmont and the Plain. This boundary, therefore, is called the Fall Line.

On the west series of high mountain chains extends which are called by the general name of Cordilleras. The extreme eastern part of the Cordilleras are called the Rocky Mountains; the western, situated some 1500 km. from the Rocky Mountains is known in the north as the *Coast Ranges* and the *Cascade Mountains* and in the south as the *Sierra Nevada range*. Between the *Cascade Mountains* and the Sierra Nevada on the one hand, and the Rocky Mountains on the other, lie great plateaus—the *Great Basin*, the *Columbia Plateau* and the *Colorado Plateau*. Eastward from the Rocky Mountains and stretching to the Appalachians, is the vast *Great Central Plain*, which became a lowland along the Mississippi River.

Lakes and rivers

The territory of the USA is distinguished by the abundance of interior waters. It the north-eastern section, on the Canadian border, there are five big lakes known as the Great Lakes—Lakes Superior, Huron, Michigan, Erie and Ontario. The Great Lakes are connected

and at the point of connection of lakes Erie and Ontario is located the greatest waterfall in the world —Niagara Falls. The Great Lakes are connected with the Atlantic Ocean by the St. Lawrence River, which flows out of Lake Ontario through Canadian territory to the Atlantic Ocean. On the territory of the USA, from Lake Erie, is a canal to the Hudson River which flows to the Atlantic Ocean.

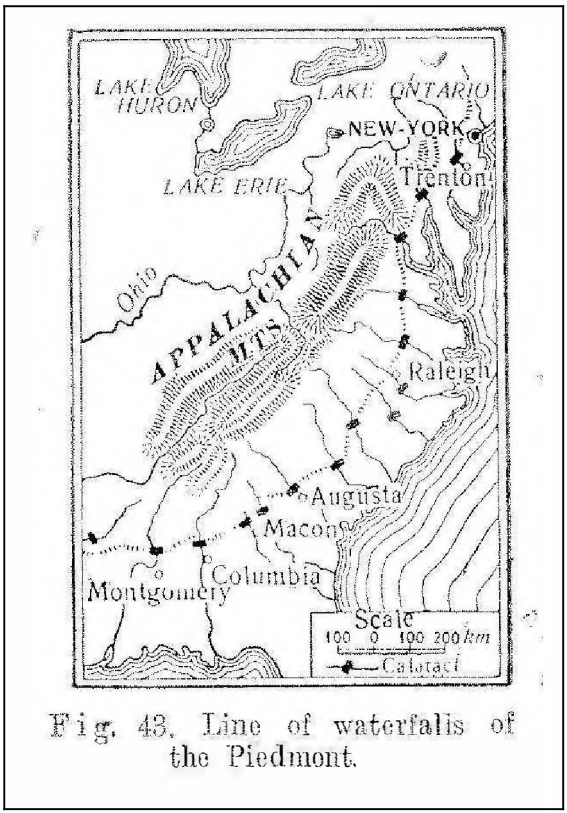


Fig. 43. Line of waterfalls of the Piedmont.

Fig. 43. Line of waterfalls of the Piedmont

Among the numerous rivers of the USA the largest is the Mississippi, originating to the north-west of the Great Lakes and flowing to the Gulf of Mexico. Its length is 4,200 km. and due to extensive tributaries its basin comprises an area of 3,200,000 sq. km, about 45 per cent of the whole United States. Its main tributaries are the Rivers Missouri (1330 km.), Ohio, Arkansas, and Tennessee. The

Mississippi River and its eastern tributaries flow through an area having good rainfalls. The rivers being full, present a nice network of navigable waterways. But the tributaries that flow from the Rocky Mountains through a dry area are smaller, full of rapids, and less navigable. Among the rivers of the west the most important are the *Columbia* and the Colorado, which flow to the Pacific Ocean. Originating in the mountains they have a rapid current and hence are unsuitable for navigation. Characteristic of the rivers of the west are their canyons—river-valleys through deep gorges with vertical walls. The most famous is the Grand Canyon, of the Colorado River, the steeply inclined walls of which reach a height of half a kilometre.

The rivers and lakes of the USA are a huge source of water power—potentially over fifty-one million horse power (7 per cent of the world's water power). Three fourths of it is concentrated in the west—on the Pacific Coast, in the Rocky Mountains. In the eastern section water power is concentrated in the region of the Great Lakes (Niagara Falls, etc.) along the line of the waterfalls of the Piedmont and in the basin of the Mississippi River. Some 40 per cent of the potential waterpower is actually developed.

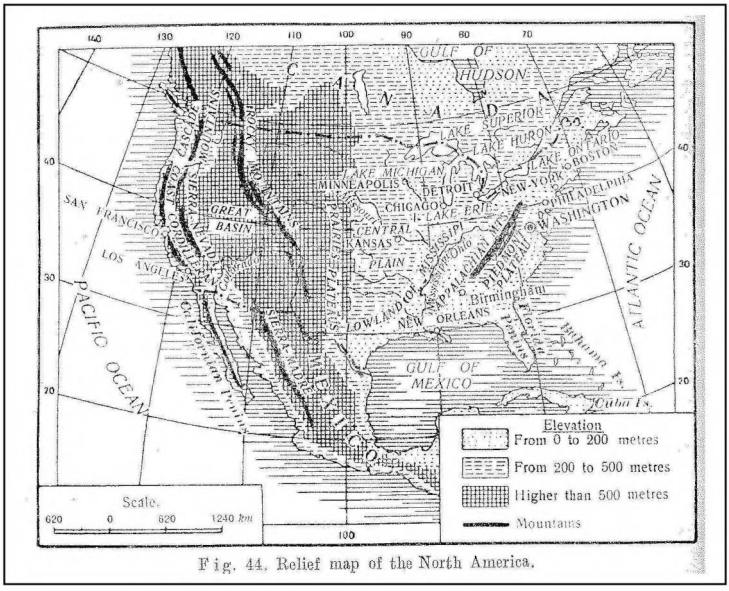


Fig. 44. Relief map of the North America.

Fig. 44. Relief map of the North America.

Climate

The greater portion of the territory of the United States is situated between 30° and 49° Northern Latitude. Thus the coa st of the Gulf of Mexico is more south than the City of Cairo (Egypt), New York more south than Naples (Italy) or Tashkent (Uzbekistan). The northern border of the USA is on the same parallel as Stalingrad. If we should imagine the western hemisphere super-imposed upon the eastern, then the north-eastern corner of the USA would fit over northern China, the Atlantic Coast states would extend across middle China, the Coast of the Gulf of Mexico and the Mexican border would lie over Tibet, northern India and southern Persia. The Pacific Coast would lie over Persia and the middle-Asiatic republics of the USSR (Turkmenistan, Kara-Kalpakia and Kazakhstan). Finally the northern part of the USA (the Canadian border) would extend across the northern section of Kazakhstan and over the Mongolian People's republic.

Thus the USA is situated in the southern section of the temperate climatic belt.

Besides latitude, other influences upon the climate of the USA are altitude, the extensive coast line and the ocean currents. The huge area from the Gulf of Mexico in the south to Hudson Bay in the north (in the territory of Canada) is bounded east and west by mountainous chains running in the meridional direction exclusively. The Hudson Bay is a great reservoir of cold, a centre of ice accumulation, because of its connection with the Arctic Sea and its nearness to the cold Labrador Sea current. Due to this, an enormous volume of cold air flows into the atmosphere of the Central Plain and markedly decreases the temperature in the eastern section of the land.

The Atlantic Ocean, and the warm sea current known as the Gulf Stream, do not have as great an influence upon the climate of the USA as upon that of Western Europe. This is due to the fact that the western winds prevailing in the northern section of the temperate belt in Europe blow from the sea to the continent, but in the eastern section of North America they blow from the continent to the sea.

The influence of the Pacific Ocean is confined to the narrow coast line region west of the Sierra Nevada and Cascade mountain ranges.

New York, located on the Atlantic Coast somewhat below 40° north latitude, has an average temperature in January of 0°, i.e. 6° below that of Naples on the same latitude, and 4° below that of L ondon which is further north but subjected to the influence of the Gull Stream. The average July

temperature in New York is +22°,Naples +24°, and London 18°.

In other words, the climate of the eastern coast of the USA is characterized by considerable fluctuations of temperature both in winter and in summer, averaging 24°. In Naples this fluctuatio n is 18°and in London only 14°.

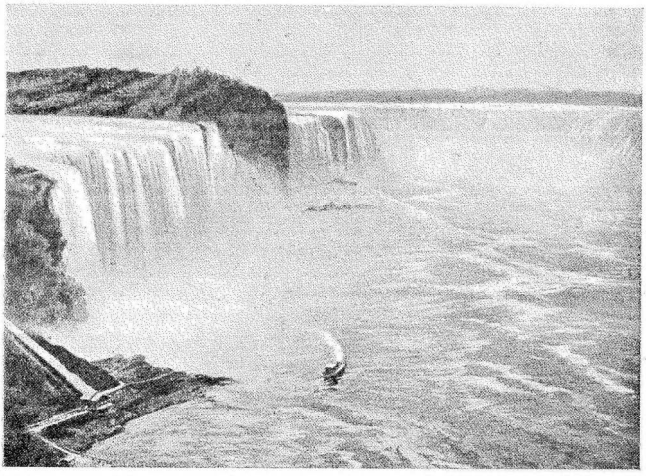


Fig. 45. Niagara Falls.

Fig. 45. Niagara Falls.

Owing to the cold winds from the Hudson Bay snow sometimes falls in January even in New Orleans on the shore of the Mexican Gulf where the average temperature is +10°. In San Francisco on th e Pacific coast the temperature fluctuations are a great deal less: the average temperature in January is +8°and in July +20°.

The coasts of the Atlantic Ocean, the Gulf of Mexico and of the northern section of the Pacific are characterized by heavy rainfalls, running from 50-100 mm. The region of the Great Lakes and the valley of the Mississippi have a rainfall of about 50 to 100 mm. The Great Basin is a dry region, especially its south-western section, where the rainfall is only about 25 cm.

The soils

The soil of the USA is characterized by variety. A broad zone of the most fertile soils—dark brown—stretches in the meridional direction over the Great Plain from the Canadian border almost down to the Gulf of Mexico. Next to it, westward is a zone of chestnut soil extending to the Rocky Mountains. Both of these zones, due to a combination of conditions, are favourable for the growing of wheat. Eastward, in the Mississippi Valley there stretches a zone of fertile alluvial soils favourable for the growing of maize. Along the Appalachian Range and southward from the Great Lakes the soil is poor in humus—silt loams. The Atlantic coast line is covered with yellow sandy loams. And lastly, in the west, in the region of the Cordilleras and of the Great Basin, the soils are unfertile—of the desert and semi-desert type— gray soils of arid regions.

The location of the soil zones in the USA sharply differs from that of the USSR. The soil zones in the USA, like the mountain chains, extend in the meridional direction and in the USSR in the parallel direction.

Forests

The forest resources of the USA which once were enormous, have been subjected to destructive exploitation during recent decades, especially in the north-west. Even so, the USA in respect of forest area, occupies third place on the globe (after USSR and Canada). Forests cover 25 per cent of the territory of the USA located in the following regions: 1) on the northern coast line of the Pacific Ocean and in the north-western section of the Rocky Mountains. Here is the largest forest region, coniferous chiefly; 2) around the Great Lakes and in the north-eastern section of the country—this is the second region, formerly of extraordinary importance, now considerably cut down; 3) the southern section of the Pacific Coast—a region of evergreen Mediterranean forests (palms) and 4) the south eastern corner of the country—from the mouth of the Mississippi to the Florida Peninsula and somewhat north-eastward—a district of evergreen subtropical forests and woods. Timber is heavily utilized in the USA for construction and in industry and for export. Lumbering is carried on by mechanized methods, and usually in destructive ways, the yearly cutting exceeding the annual growth two or three times.

Minerals

The USA is extremely rich in coal, iron ore and nonferrous metals, less so in petroleum.

The coal resources are estimated at 3,800 billion tons, i.e., about 40 percent of the known world resources. The main coal basin is the Appalachian Range stretching from the State of Pennsylvania down to the State of Alabama, the Central basin of which comprises big beds in the States of Ohio, Kansas, Missouri and Oklahoma. The main place of exploitation is in Pennsylvania in the Appalachian province. Among the fields of the interior province the heaviest exploitation is carried on in the State of Illinois.

In the western section of the country the big deposits of coal, are inferior qualitatively to those of the eastern section. These fields have not been fully explored, and are but slightly exploited.

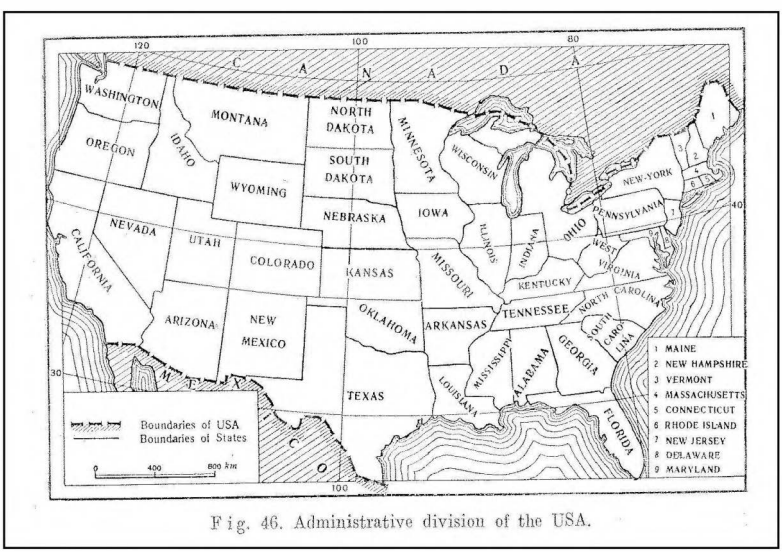


Fig. 46. Administrative division of the USA.

Fig. 46. Administrative division of the USA.

The oil resources of the USA are considerably smaller than those of coal—in all about 1,5 billions of tons or 16 per cent of the world's total. The output of oil, however, is 67 per cent of the world production. The oil veins extend widely through the country. The largest oil fields

are located mainly in the south—in the States of Kansas, Oklahoma and Texas, and westward, in the State of California. Formerly the Appalachian oil district in Pennsylvania played the biggest role in the oil production of the country, but now is within sight of exhaustion and gives only 4 per cent of the country's total output.

The deposits of iron ore are estimated at about 10,5 billion tons about 18 per cent of the world's total. The main iron ore districts are 1) the western shore of Lake Superior, yielding 90 per cent of the total output of the country, 2) the State of Alabama, 3) the State of Pennsylvania. In the latter two regions the iron are beds are located alongside those of coal.

In regard to copper deposits, first place also belongs to the USA. The main beds are in the west (States of Arizona, Utah and Montana). In the east there are also considerable deposits on the south shore of Lake Superior.

Besides these minerals, there are large deposits of lead, zinc, aluminium bearing bauxites, and also precious metals—gold and silver.

An these minerals are concentrated chiefly in the west. Around the Gulf of Mexico are strata of sulphur (State of Louisiana) and phosphorites (Florida) which are of world significance.

§ 2. A short historical-economic outline

The development of the English colonies in America

As early as the XVIth century, along the Atlantic Coast of North America, a series of English settlements were established—the nucleus of the present USA. The colonies were little remote communities dealing in fish, tobacco and furs. These communities grouped into two regions, the South and the North.

In the South were established big land holdings, chiefly by those closely connected by origin with the English aristocracy. On these big tracts of land plantations were developed of tobacco, sugar-cane, and later of cotton—cultures of the subtropical belt. Workers brought from Europe could not stand the oppressively hot and humid climate, and either died or deserted. The aboriginal Indians were in part exterminated, in part driven westward. The planters began to import

African slave labour. English ship-owners would seize Negroes on the West African Coast and sell them to the American planters.

Thus characteristic of the South is the fact that at the very beginning of the history of the USA its economy was based upon large plantation farming of a landed aristocracy employing Negro slave labour.

The North, i.e., the northern section of the Atlantic coast line, is a narrow rocky zone not very fit for agriculture. The conditions there were most favourable for fishing and hunting. The settlers there were primarily farmers, but later merchants, sailors and adventurers. Their profits came. from the procuring of furs from the Indians in exchange for liquor and trinkets, through piracy and trade in stolen goods, through all kinds of smuggling and through the sale of Negro captives from the African Coast to the planters of the South. Thither migrated chiefly craftsmen, small manufacturers and workers. There sprang up ship building shops and small factories. In this region, known as New England, democratic communities, in which gradually developed a class of big bourgeoisie, were established.

The policy of England in relation to the American colonies was directed to keeping within her own hands the whole trade with America, to procuring its raw materials cheaply, to developing there a ready market for English goods and to hindering the colonies in the development of their own industry.

The progress of the USA after achieving independence

These policies caused a sharp discontent with the mother country, especially in New England, and in 1776 brought about a rupture, the War for Independence, which ended in 1783 with the formation of the federative republic—the United States of America. Following independence the industrial development of the USA centred in the north-east, primarily in the textile and metal branches. In the middle-west, i.e., in the Mississippian lowland, the later colonists developed grain growing and cattle-breeding. The big landownership of the aristocracy did not gain here its footing there was shortage of wage labour and the use of slave labour in the grain and cattle economy would have been unprofitable. In a continual stream farmers and farm labourer from England and Ireland, having been economically ruined in their mother countries migrated to America. There on the free lands developed the farm economy

formed the class of capitalist farmers. In the cities developed the commercial and industrial bourgeoisie.

In the South the cultivation of cotton made great strides.

Particularly significant for the economic development of the USA in the first half of the XIXth century was the construction of railroads and development of river transport. This created the possibility of setting and exploiting the vast areas of the west; it made it possible for the farmers of the middle-west to ship their agricultural produce to the north and to Europe, and in turn stimulated the demand for metal goods (rails, wagons, engines, etc.).

In the XIXth century the differences between the capitalist North and West on the one side, and the slave-owning South on the other, sharpened. The northern manufacturers and the western farmers, having become a great force, made the following demands—the imposition of an import duty on foreign commodities, the building of railroads, the settling of the west with farmer-colonists, the abolition of slavery, and the avoidance of foreign wars. All these measures were to the interests of the North, to guarantee its internal markets, to increase its productive capacity and to insure it a general and peaceful economic development. The planters of the South, on the other hand, were attempting to conquer Mexico and the West-Indies with a view to extending their plantation slave owning system.

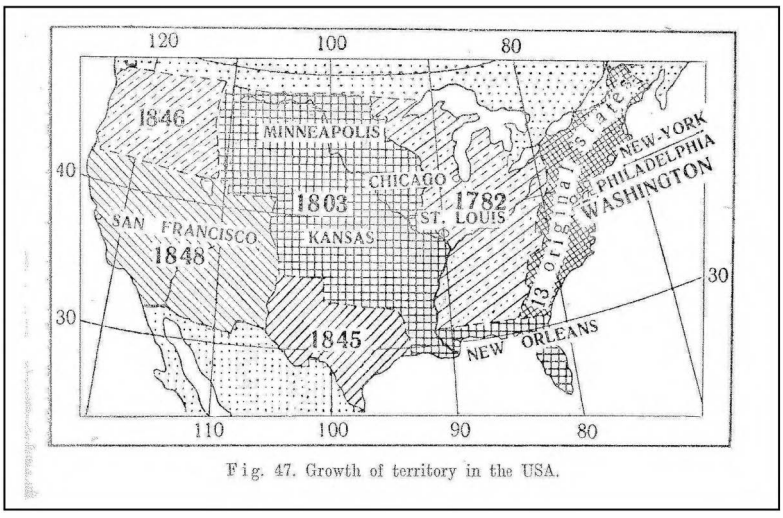


Fig. 47. Growth of territory in the USA.

Fig. 47. Growth of territory in the USA.

In 1861 this struggle culminated in civil war between the states of the North and West on one side and the states of the South on the other, and ended in 1866 by the victory of the North and West. The conquerors realized their desires and among them the abolition of slavery.

Entering the period of imperialism the further economic development of the USA was characterized by its extremely rapid tempo. Enormous progress was made in heavy industry. The country evolved from a primarily agrarian economy to that of an industrial agrarian. Gigantic trusts developed. Banks extended and merged. The USA came to occupy a place in world capitalism second only to England. It began to export capital and acquire colonies. The government of USA bought the peninsula of Alaska from Russia in 1867, and in 1898 declared war on Spain and captured the Philippines. American capital penetrated Mexico, Central America, Cuba, Haiti and the Hawaii (in the Pacific Ocean). American capital began to penetrate China and there clashed with the interests of England, Russia, Japan, France and Germany.

The USA seized the Panama isthmus, previously belonging to the republic of Columbia. It established there an independent Panama republic, and built a canal across the isthmus. The Panama Canal, completed in 1914, has enormously shortened the sea route from New York to the Pacific, and thus to China, India and Australia.

The imperialist World War of 1914-1918 helped the USA to succeed to the first place in the capitalist world. Its colossal sales of industrial and agricultural commodities to the belligerent countries of Europe, its loans to them, its gains in the markets of Canada, South America, China, India, Australia and Europe, at the expense of England and Germany, caused a lively growth in the economy of the USA and the inflow of a great amount of gold. By the end of the war the USA had reached the point of economic supremacy, but soon found itself the most heavily enmeshed in the world crisis.

The causes of the rapid growth of the USA in the XIXth century

The extremely rapid tempo of the economic development of the USA in the XIXth century is to be accounted for by the following social-historical reasons:

1) over a considerable portion of the country, excepting the slave-owning South, the elements of feudalism were absent (landed

gentry, and serfdom or slave labour). Thus, was the opportunity for a free, unrestrained development of the capitalistic farming. The North American farmer of that time in economic standards was essentially different from the farmer England. The latter rented his land from the landowner and cultivated it with the assistance of hired labour; the North American farmer was at the same time the owner of the land, the agricultural finding his markets and very often working on the land himself. In England the income from the land was shared between the landowner (who received the lion's share), the tenant farmer and the workers. In the USA the total income, minus payments to owners of grain elevators, interest to the bank and to other institutions of finance capital remained in the hands of the farmer. It developed a high purchasing power in the farming population and greatly increased the capacity of the home market, thus contributing to industrial development.

2) The presence in the west beyond the Appalachian Ranges of vast free lands, and their extensive colonization during the latter half of the XIXth century, caused continuous growth of the interior market (due to the growth of population). Besides this, free land attracted workers from Europe who aspired to be independent owners. The constant lack of labour power resulted in a comparatively high level of wages. This, on the one hand, increased the capacity of the internal market, and, on the other, stimulated industrial directors to replace expensive human labour by labour saving machines. Thus resulted an unprecedented development of inventions for mechanization, and improvement of technique.

3) The announcement in 1823 by president Monroe of an American policy of non-interference in European affairs, and long adherence to this policy enabled the USA to be free of the enormous expenses of armament, and was contributory to her prosperity.

4) Over the vast territory of the USA 1½ as large as the whole of Western and Central Europe, there are no customs barriers, such as limit the market in Europe, and hinder the economic development.

These social-historical factors are the principal cause of the rapid and enormous growth of the national economy of the USA.

Geographical conditions have also contributed greatly to such growth—notably the richness and variety of raw materials, the vastness of the agricultural territory, the variety of agricultural specialization, and the convenient geographical location, between two oceans, giving opportunity for cheap sea communication with Europe, Asia and South America.

The slowing of the tempo of development beginning from the late nineties of the XIXth century.

Beginning with the nineties of the last century the changed social-historical circumstances that we have been considering caused a sharp decrease in the rate of economic development of the USA.

As a result of the. capitalist forms of development of agricultural economy there took place a sharp stratification of the farmers. There evolved, on the one land, the large-scale farms, using complex machine technique and hired labour, and, on the other hand, were the petty individual farmers, enslaved by bank and trade capital, which engulfed them and converted them into tenants or hired labourers. This phenomenon was connected with exhaustion of the formerly huge reserves of free land in the region the Central Plain. These reserves were exhausted before the World of 1914.

Towards the end of the XIXth century the USA began to participate more and more in world trade, to export capital, and to become a rival imperialist nation. It involved the necessity of big non-productive investments in armament, and the construction of a fleet. In short, as previously pointed out, the social-historic conditions for the economic development of the USA ceased to be operative around the end of the XIXth century, and there began a slowing down of the tempo of the development of industry.

The influence of the World War

The World War of 1914-1918 into which the USA entered only in 1917 was a stimulus to the rise of new markets for the USA. It sold military armaments and supplies to both belligerent sides, it energetically penetrated the former English and German markets, and drew to itself over half the world's gold supply. Since the war the USA has played the biggest role in world imperialism. And as we shall see further, since 1929 it has been a chief centre of the world economic crisis.

§ 3. Type and structure of the national economy. The end of "prosperity"

The USA is a country of highly developed capitalism. Even before the war of 1914 it occupied the first place in the world's economy according to the amount of both its industrial and agricultural production. In the course of the war and afterward it has been transformed into the largest exporter of both capital and industrial goods. Its government is that of a bourgeois federated republic.

The general characteristics

As far as the economic side is concerned, a united Western Europe might have competed with the USA, but Europe has consisted of a series of isolated units struggling against each other.

The USA whose area is estimated at 7 per cent of the whole continent, and the population at 6 per cent of the world's total, produced in 1928 90 per cent of the world's production of automobiles, 70 per cent of the world's total output of oil, 50-60 per cent of the machine production, 500-60 per cent of the cotton yarn, 50-60 per cent of the copper, 35-50 per cent of the world's output of coal, a like percentage of pig iron, of steel, of zinc and of aluminium. On an average the share of the USA in world industrial production was 45 p. c, In the matter of agricultural products, the USA produces 55 per cent of the world's cotton crop, 17 per cent of world's production of wheat, 75 per cent of maize and 38 per cent of tobacco. And in the USA is concentrated over a half of the world's stock of gold.

The high standard of economic development of the USA is illustrated by comparison of the indices of average national income per inhabitant in the USA and other countries. This index in the USA was estimated before the crisis at 1,114 roubles in gold, in England—611 roubles, in Germany—385 roubles, in France—350 roubles.

The class structure of society in the USA determining the distribution of the national income, testifies to the high development of capitalism. About 80 per cent of the self-supporting population works on an employed basis, and of those, 57 per cent are industrial workers. Small producers who are not using hired labour are estimated at only

9 per cent which clearly illustrates the insignificance of small production. Capitalistic producers, large and small are estimated at 11 per cent.

The USA is distinguished by a concentration of capital to an extremely high degree. A large part of its economy is concentrated in the hands of a small number of gigantic enterprises—trusts. The trusts are controlled by a small group of big banking concerns. The capital of the trusts runs into billions of dollars. The biggest among them, embracing about three quarters of the total production of the USA, are the following: the Steel Corporation, exceeding in its production the whole steel industry of Germany and England taken together, the automobile Ford Co. (General Motors), electrotechnical (General Electric), oil (Standard Oil), copper, sugar, tobacco, flour, fruit, meat, leather. Small industry has relatively little weight. In the USA there are also combined in trusts most of the ways and means of communication, telegraph, telephone, newspapers, theatres and so on.

The degree of industrialization of the USA is attested to by the production of machinery in comparison with that of other countries. The production of machinery in the USA in 1928 was 2.2 times that of Germany, England and France combined.

In contradistinction to Great Britain, which had a one sided industrial development, transforming its agriculture into a branch of secondary significance, agriculture in the USA plays a tremendous role. This seen in the fact that 34 per cent of the whole self-supporting population is employed in industry and 22 per cent in agriculture, whereas the agriculture of Great Britain employs only 7 per cent, that of Germany—23 per cent.

The relationship between industrial and agricultural production is characterized by a considerable predominance of the industrial, 75 per cent to 25 per cent.

In America's exports an important role is played by industrial articles (machines, textiles and so on) —they are constituting 55 per cent of the total exports; agricultural products (cotton, wheat, livestock products)—45 per cent. In her imports agricultural products predominate (rubber, coffee, cocoa, tea and so on) —62 per cent of all imports.

All these indices tend to prove the correctness of the general characterization of the USA in the beginning of this chapter. The scale of the United States economy and its dominant role in the capitalist world stamp the USA as a giant among the bourgeois countries and,

as Stalin said "a citadel of capitalism."

The decline in tempo of development of the old branches

As was indicated in the historical-economic outline (§ 2), a decline in the tempo of the economic development of this giant set in as far back as at the end of the last century. There was an especially sharp slowing down of the tempo of increase of output of coal, of pig iron, of cotton manufacture. Prior to the war there grew up the so-called new industries, automobile, electrotechnical, chemical. The older industries in 1914 had developed to such a degree that they could not find markets for their production. The general crisis of world capitalism has been preparing.

The World War and "prosperity"

The imperialist war played for the USA the role of a safety-valve. Due to the sales of munitions and food products to the belligerent countries and to the capture of the former English and German markets, the USA considerably enlarged its productive forces and found itself with half of the world's gold. Due to all this the economy of the US had a certain revival during the post-war years. The American bourgeoisie exultantly hailed this revival as "permanent prosperity" an spoke of the "new economics" of high wages and mass production. The USA according to them, was in an exceptionally privileged position in comparison with Europe, and world crisis would never touch the USA. The same theory of the "exceptionalism of the USA" was preached by the social democrats and Trotzky who rolled down the camp of the counter-revolution.

Crisis

The post-war "prosperity" of the USA was ended in the middle of 1929 by the blow of the world economic crisis. The economic crisis having developed on the background of the general crisis of the capitalist system, first of all struck the USA as a basic centre of world capitalistic manufacture. Continuously from month to month production decreases and unemployment continues to grow. In 1932 the general production of the industry of the USA was estimated at 50

per cent that of 1928. Pig-iron production in 1932 was only 20 per cent and the production of automobiles (new branch) only 27 per cent that of 1928. Unemployment reached 15,000,000.

The world crisis has reached agriculture as well as industry. The small and middle farmers were in difficulties before. With the catastrophic fall of prices of agricultural products they are now suffering mass impoverishment. The class struggle sharpened in 1930; throughout the country there were demonstrations of the war veterans, demonstrations of the unemployed and so on.

§ 4. Population

The population of the USA is estimated at 123 million people. Its national composition is exceptionally mixed. Besides the English and Irish stock, there are now great numbers of Germans, Italians, Czechoslovakians, Russians, Ukrainians, Letts, Lithuanians, Finns, Norwegians and Swedes. The great majority of these former immigrants, especially those from Western and Central Europe, are now fully Americanized, have adopted the English language and American habits and consider themselves as real Americans. Americanization of the Slavic nationalities and of the Jews and Italians takes place too, but more slowly.

89 per cent of the total population are of the white race. About 10 per cent are Negroes and some 1 per cent are what remains of the former native population of America—the Red Indians, together with the few immigrants from Asia—Chinese, Japanese and Mongols.

In many parts of the Southern States the Negroes are 20-30 per cent and at South Carolina and Mississippi even 50 per cent of the population. They work on plantations as hired labourers or else they rent a piece of land on such heavy conditions that in fact they are in a position of semi-serfdom. Their legal position and actual status, despite formal emancipation, is strongly reminiscent of slave days. In the South the Negro is not allowed to sit in street-cars, trains, restaurants, theatres or even churches, side by side with whites. The ruling classes of the USA retard the cultural development of Negroes, and fan the flames of national antagonism ("lynch-law of mob over Negroes").

The remaining Indians (about 240,000) have been settled in the West, on poor lands called Reservations and are leading an unenviable existence.

The Chinese and Japanese are on the Pacific Coast chiefly, and

in the territory of Hawaii.

After the World War, the USA in view of the great growth of unemployment, and because of political considerations—to keep revolutionary-minded people out— passed an Exclusion Act, limiting the immigration from each country, establishing a yearly norm known as the "quota."

The occupational grouping of the self-supporting population is as follows: agriculture 22 per cent; industry 34 per cent; transportation and trade 20 per cent; government service, the professions and miscellaneous, 24 per cent.

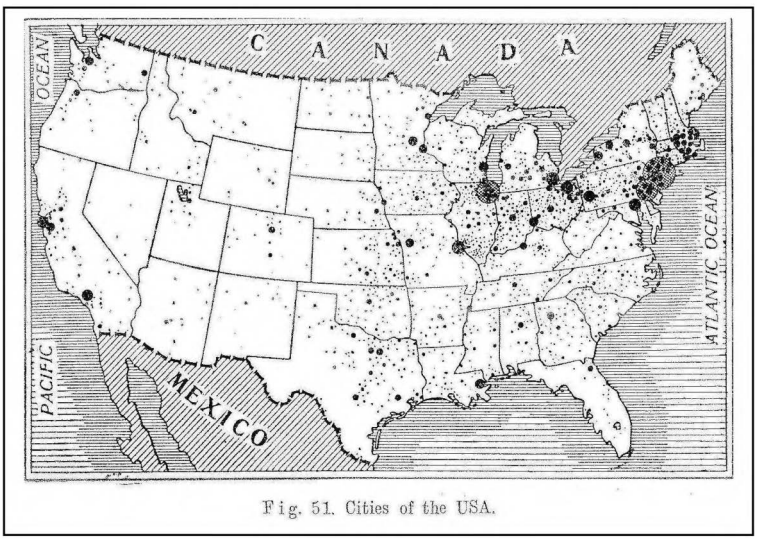


Fig. 51. Cities of the USA.

Fig. 51. Cities of the USA.

In absolute number of the proletariat—26 million workers—the USA stands in the first place, and relative to its specific gravity the in the gainful employed (57 per cent) is second only to England among the capitalist countries. Hired people compose 80 per cent of the total self supporting population; capitalist owners 11 per cent, and there are 9 per cent of small producers who do not use hired labour.

Though occupying in population the fourth place in the world (after China, India, USSR) the USA has not a high density of population. The average is 15.6 per sq. km. The greatest density is in New England —200 per sq. km. Westward and southward from the Great Lakes —it is 100 per sq. km. The Mississippi lowland and the

south have from 10-25 persons per sq. km. The region of the Rocky Mountains —has less than one and the Pacific coast line about ten, except in the region of San-Francisco, where the density increases to 100 persons per sq. km. In the USA there are many large cities. 94 cities are estimated at more than 100,000 population, in that number are cities with a population from 500,000 to 1,000,000 population. Most of the large cities are in the north-east. In the cities Jive 56 per cent of the population.

The natural growth of the population is not great —averaging half of one per cent per annum. The highest rate (in the southern section is only 1.7 per cent yearly.

§ 5. Industry

The industry of the USA covers an branches, and in almost all of them the USA occupies first place in the world. The manufacturing of raw materials heavily predominates over the extractive industries. Manufacturing is 92 per cent of all production, mining only 8 per cent In manufacturing metal industry plays the main role, 30 per cent of the value of all production. Occupying second place in value of production stands the food industry third place, the textile.

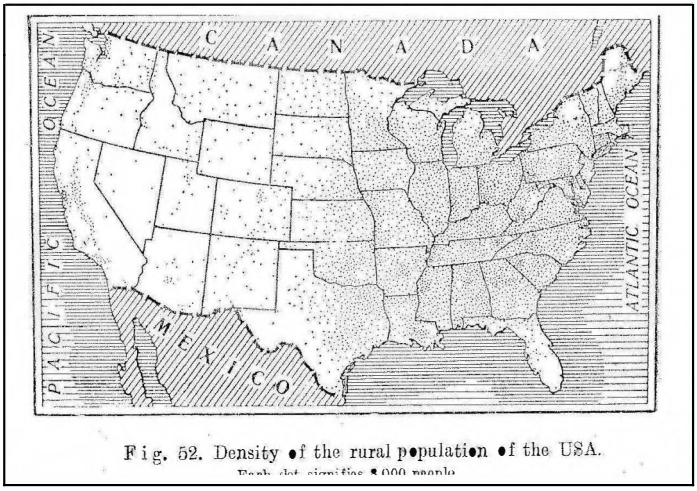


Fig. 52. Density of the rural population of the USA.
Each dot signifies 8,000 people

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Each dot signifies 8,000 people

The mining industries

The metal-mining oil extraction industries of the United States, despite their small share in the value of the national industrial production, has great weigh in the world extractive industry and great significance as a fuel and raw material base of the USA. Among the mine extraction branches the most important are coal, oil, iron ore and copper ore.

In 1928 the output of coal in the USA reached 559 million tons or 44 per cent of the world output.

The coal industry of the USA is mechanized 78 per cent. Its main region is the Appalachian Basin (especially in West Virginia and Pennsylvania) which gives 65 per cent of the total production and almost 100 per cent of the blast furnace coal used in the USA. The Appalachian coal is of high quality and cokes well. Owing to exceptionally favourable conditions of deposit the extraction of the Appalachian coal is cheaper by one half than that of English and German coal. The second most important region of the coal industry is the Central or Interior in the Mississippi, lowland.

The oil industry of the USA also has first place in the world—67 per cent of the world output. The main oil regions are the Middle Continent westward of the lower reaches of the Mississippi River (Tex as, Oklahoma, Kansas) which yields two-thirds of the total oil output of the USA, and the Californian.

The iron ore industry gave its greatest output in 1929—almost 75 million tons. The main centre of the iron ore industry is in the region of Lake Superior, which yielded 87 per cent of all the ore extracted in the country. This ore is of very high quality and contains 51 per cent of pure iron. Six main deposits in this district are exploited. (There are beds with ore of poorer quality—35 per cent of iron, which are not exploited). The ores are found near the surface of the earth, and in most cases are gotten out by the open method, without mining underground. The process is completely mechanized and is performed by the aid of excavators that load a fifty ton wagon in five minutes. The second main region of the iron ore industry is the southern State of Alabama—the Birmingham deposits.

The other branches of the mine extraction industry—gold, lead, silver and so on—are centred mostly in the mountainous west.

The metal industry

In the metal industry first place is occupied by machine building, second by black metallurgy and third by the working up of the non-ferrous metals. The metallurgy of the USA in 1929 gave 43 million tons of pig iron 45 per cent of the world production), and 57 million tons of steel (42 per cent of the world production). Under the influence of the crisis these figures sharply decreased.

Concerning the standard of technique in metallurgy, the USA stands together with Germany ahead of all the other countries, but in volume of production the USA is in the first place. In 1928 the average productiveness of one blast furnace in the USA was estimated 193,000 tons a year, in Germany—115,000 tons, and in England—only 46,000 tons. Such a vast scale of production economizes fuel and thus lowers cost of production. Besides this, in the USA to a greater degree than in Europe, metallurgical departments are grouped conveniently together—blast furnace (pig-iron casting), steel casting led metals. (80 per cent of the total iron smelted in the country and 90 per cent of the steel are used within the mills producing them.)

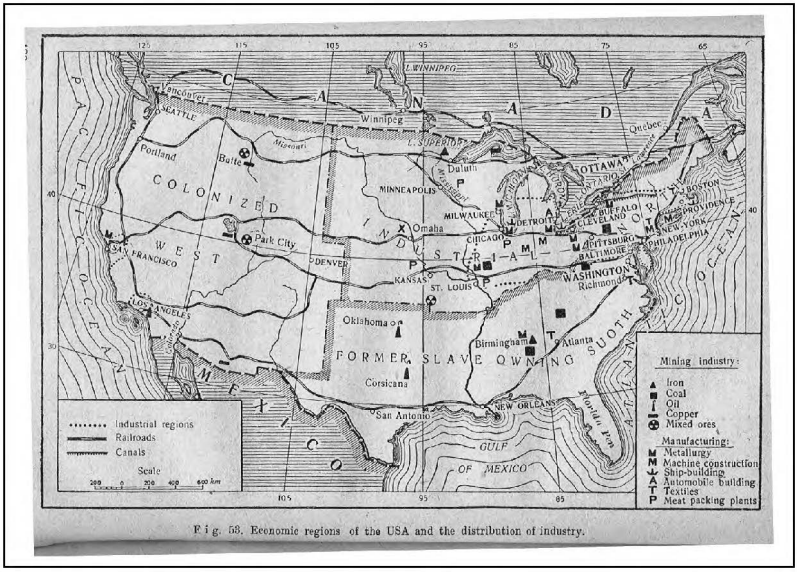


Fig. 53. Economic regions of the USA and the distribution of industry.

Black metallurgy is concentrated principally in three regions—in the region of the Great Lakes, where is concentrated about ½ of the total production of cast iron in Pennsylvania and in the Southern States, especially in Alabama.

Non-ferrous metallurgy and the manufacturing of non-ferrous metals plays a smaller role in the metallurgical industry of the USA than does black metallurgy. Its main operations—copper smelting, zinc and aluminium are carried on in the mountainous west, where there are rich raw material bases.

Machine building plays a tremendous role in the metal industry of the USA and constitutes 16 per cent of the value of the entire industrial production of America. Its relative weight in the industry of the world machine building is very high (67 per cent before the crisis). All kinds of machine building are highly developed in the USA, but especially outstanding are automobile construction, tractor building, production of agricultural machines and the electrotechnical industry.

The giant automobile industry of the USA produced before the crisis 85 per cent of the world's automobiles, and developed extremely rapidly.

Since 1926 its growth has been arrested, except for the phenomenal year of l929 when production reached its highest point—5,400,000 machines. It fell in 1931 to 1,300,000, i.e., by 76 per cent.

The auto-industry of the USA produced not only for the interior market, but for export to all countries.

America's production of tractors and agricultural machines occupies first place in the world. The main machine building regions in the USA are the same as those of black metallurgy, in particular the, Great Lakes. Concentrated here are especially the general machine building and automobile building, and the electro-technical.

In the Atlantic Coast Region the building of fine and complex machines is developed.

The food industry

In the second place, as to value of production (18 per cent) stands the food industry, which in the USA is on a vast scale, and carried on largely in factories and canneries. It is concentrated chiefly in the region of the Great Lakes, north-east of the great grain and cattle regions.

The main branches of food production are: 1) meat products, the

chief centres of which are Chicago, Omaha and Kansas. 2) Dairy products—butter, cheese, condensed milk. 3) Grain products—mostly concentrated in the Mississippi Valley (basic centres—Minneapolis and Kansas). 4) Sugar products, on the base of sugar-cane in the region of the Gulf of Mexico and on the base of sugar beets in the north and west. 5) Fruit and vegetable canning, on the Pacific Coast. The food industry of the USA under the influence of the crisis, has decreased its production, but less than the other industrial branches—only by 10 per cent in relation to 1928.

The textile industry

The textile industry of the USA is mostly represented by the cotton branch, the USA having the largest raw material base. The cotton industry of the USA occupies the second place in the world, after that of England, as to quantity of cotton spindles. Silk and wool are also well developed. The main centre of the textile industry is the northern and central section of the Atlantic Coast, the oldest industrial region of New England and the Central Atlantic States. Here is concentrated 35 per cent of the cotton production, 80 per cent of the woollen and 87 per cent of the silk. A new centre of the cotton industry has developed of recent years in the South (Carolina, Georgia, Alabama), near to the cotton plantations where there is an abundance of cheap labour. Of recent years the southern region has displaced the north-west from its formerly dominating position in cotton production and now produces 60 per cent of the total output of the cotton textiles. The textile industry of the USA in the post-war period has undergone severe depression. The crisis lowered its production.

The mass character of production

The most characteristic features of the industry of the USA are its high technical standards and the mass character of production.

It has achieved wide mechanization of most of the steps of the industrial process. The labour of the workers consists in serving machines, in performing one or two not very complicated operations. All this immensely accelerates the process of production.

Conveyors are widely used, i. e., a moving belt or metal chain. The conveyor uninterruptedly carries parts of products from one worker to the other. The worker standing at the conveyor does rapidly

the simple operation assigned to him. Such an organization of labour is called "straight line production" and it highly improves the efficiency and ensures mass production. The disadvantage under capitalism is that the worker becomes an automaton. His mind tends to dull, the nervous system to become upset. In the socialist industry of the USSR straight line production methods are accepted, but along with them a series of measures of labour protection to minimize the effect upon the worker, and the labour hours are limited to seven hours.

With the mass character of production in the USA is also connected the standardization of the goods produced. Standardization consists in establishing exact, previously determined, samples of the commodities—specifying length, width, weight, composition and other qualifications for each item. Production proceeds then according to these standards.

§ 6. Agriculture

The social structure

From the historical-economic outline of the USA (§2) it was seen that the feudal land-owning system developed and took root in the southern states only. In the rest of the country especially in the North and Middle West there developed the independent *farmer economy*. It arose under capitalistic conditions and knew nothing of the semi-feudal relationship subsisting between peasant and landlord (rented land, corvée and so on). The farmer households produced their goods for sale on the market, and developed like capitalistic enterprises. In other words, the farmer was an agricultural owner, a capitalist on the land. The competition characteristic of capitalist society developed among the farmers and brought to social stratification. One farmer's household would he transformed into a substantial economic enterprise with large land holdings, using hired labour and expensive agricultural machines, getting credit from the banks and participating in the speculative operations of the grain trade trusts. Other farmers' households would become economic enterprises with a low standard of technique, subjected to severe exploitation at the hands of finance and trade capital. Unable to withstand the competition of the large farms, the small farmers more and more entangle themselves in debts and mortgage their lands. The final result is that small farmers are ruined and transformed into small

tenants or hired labourers, or else they flee to the cities, to work in the industrial enterprises. The big kulak households thereupon still further enlarge their estates. This process of concentrating production in large scale farms has been noticeable in the United States for several decades, but in the last twenty years the process has been greatly accelerated. The early period of this process is described by V. I. Lenin in his work "Capitalism and Agriculture in the USA".

In the Southern States—the region of the cotton, . sugar and tobacco plantations—the farming system has quite different features. There are many *survivals of slavery*. After the abolition of slavery in the sixties of the XIXth century, the land remained in the hands of the planters. The latter rented it in sections to the small farmers. These farmer-tenants are chiefly Negroes and their position is a very difficult one.

Agriculture and stock raising

The dominant branch of farming activity is agriculture, which brings 60 per cent of. the gross production. Chief among the agricultural crops are the grains: maize or corn, wheat and oats (occupying 63 per cent of the whole sowing area), cotton and fodder-grass. Then come vegetable crops, fruits, tobacco, sugar cane and sugar beets.

To 1920 —the sown area and the yields of all crops showed substantial growth. Just prior to 1929, however, the figures show a falling off in most of the crops, especially in the yield, by comparison with 1920; and as far as maize and sugar cane are concerned, even in comparison with 1909-1913.

Maize (or corn) stands in the first place in the matter of sown area and yield. It is cultivated over almost the whole eastern part of the United States. The region of its prevalence known as the maize belt is to the south of the Great Lakes and extends westward (to Indiana, Ohio, Illinois, Iowa and Nebraska). Further south is the maize-wheat belt, where maize occupies the smaller proportion of the sown area (Kansas, Missouri). There are considerable areas of maize in the cotton belt, but the proportion to other crops is not high there. Maize is the main fodder base in the regions where it is grown. 30 per cent it serves animals on the farms where it is produced. It is also the main food of the poor population in the South.

Wheat is the predominant crop in the prairie section of the United

Sates (North and South Dakota) and takes second place in the maize-wheat belt. It is also to be found in the northern section of the Pacific Coast. Wheat is almost the only grain used for bread in the United States and is one of the principle objects of export. In the USA is produced 19 per cent of the world's total production of wheat. Of recent years (even before the crisis) the USA has tended to be crowded out of the world wheat market by Canada and Argentina.

Fodder-grass and oats occupy the vast forage and pasture belt around the Great Lakes, and are found in the wheat region of the Great Plains.

Cotton, tremendous crop, of the USA secures for a dominant position on the world cotton market, occupies a broad zone south of the maize-wheat belt (Texas, Mississippi, Alabama, Georgia, South Carolina). Cotton is used in great volume by the textile industry of the USA and a great deal is exported.

The region of tobacco growth is located principally on the border of the maize and cotton belts (Kentucky, Tennessee and Virginia). The crop of tobacco in the USA exceeds that of the whole of Europe.

Sugar cane plantations are concentrated in the subtropical region along the coast of the Gulf of Mexico and on the Florida Peninsula and beets are grown in Michigan.

Fruit and vegetable growing have undergone great development, chiefly on the Pacific and Atlantic Coasts. In California and Florida are subtropical growths (oranges, lemons, dates and so on).

Cattle raising, which accounts for 4 per cent of the total value of all farm production is highly developed in all its branches. Cattle raising, amounting in the pre-crisis year of 1928 to some 56 million head, is mainly concentrated in the northern section of the country.

In the maize and maize wheat belts and also in the region of the Great Plains beef cattle and hogs are chiefly bred. In the first two belts, as was mentioned before, are rich feeding bases. In the region of the Great Plains the cattle are raised on green fodder, and then are shipped to the maize zone where they are fed on special fattening farms preparatory to being shipped to the big packing plants. The packing plants are gigantic meat factories, where meat is dressed and refrigerated, or canned, or preserved in the form of sausage, ham, bacon, lard. A great volume of these meat products is exported. The chief centres of the meat industry are Chicago and Kansas.

In the forage-pasture region the raising of dairy cattle is developed. Here as food for cattle there are cultivated grasses and natural meadows. 47 per cent of the milk obtained is turned into butter,

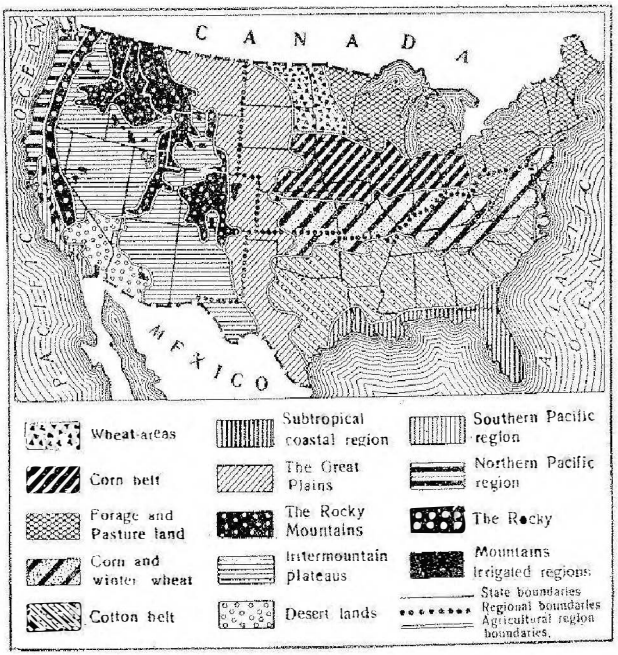


Fig. 54. Agricultural regions of the USA.

Fig. 54. Agricultural regions of the USA

cheese and canned milk, large quantities of which are exported abroad.

Hog raising, which occupies the first place in the animal husbandry, is concentrated chiefly in the maize and forage pasture belts. The number of hogs raised is estimated at sixty million.

Sheep raising is spread chiefly across the region of the Great Plains up to the Rocky Mountains. The sheep pasture on the steppes, and are chiefly bred for their wool. Eastward in the forage pasture belt they are bred chiefly for meat, as their wool is very thin.

§ 7. The economic regions of the United States

There are striking regional differences within the vast territory of the USA due to differing historical backgrounds, different densities of population, different social structures, different stages of economic development and differing economic specialization. As was pointed out by Lenin in his work on the development of capitalism in the United States, three major economic regions may be distinguished (see map No. 40.): 1) The industrial North, embracing the north-eastern part. of the USA. 2) The former slavery South, embracing the south-eastern section and 3) the colonized West occupying the western half of the country.

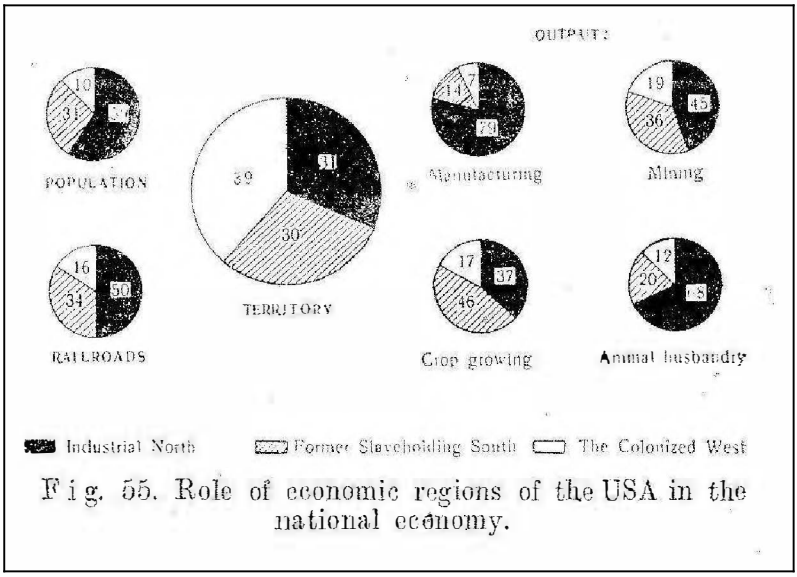


Fig. 55. Role of economic regions of the USA in the national economy.

Fig. 55. Role of economic regions of the USA in the national economy

The diagram above enables one to compare the economic and industrial indices of these three main economic regions.

The Industrial North

1) This region as a whole is distinguished by a high level of development and by the size of its population. Occupying only 31 per cent of the country's territory, it has 59 per cent of the population and produces 79 per cent of the manufactures, 45 per cent of the mined products and 68 per cent of the products of animal industry. It has 64 per cent of the electric power, 50 per cent of the railroad mileage and 72 per cent of all the tractors of the country. It is a basic region for manufacturing and mining, for agriculture and animal husbandry, in other words—it is a region basic for the economy of the whole country. It is rich in coal, iron, copper, forests and water power.

The Industrial entered upon the road of capitalist development in the early days and led the war against the slave-holding South. Having gained the victory in the civil war, the North completely abolished on its territory all semi-feudal survivals. Herein precisely were manifested the favourable conditions for the economic development of country as pointed out in § 2.

It is a region of the highest concentration of the proletariat and of the predominance of the big and middle farming. 52 per cent of the farm holdings are from 20 to 70 hectares and 28 per cent are over 70 hectares. But farms of eight hectares or less constitute only 9 per cent.

Within the Industrial North there may be distinguished three sub-regions—the North eastern, the sub-region of the Great Lakes, and the Central.

a) The north-eastern sub-region embraces states of the Industrial North situated along the Atlantic Coast (the northern section of this region is designated New England and south section—Middle Atlantic states). As we learn from the historical economic outline, the North-Eastern sub-region was the first to be peopled by the European colonists. Capitalist industry began early there.

It came to be the gateway for the mass immigration of later days. These immigrants tended to settle where they landed. Consequently the north-eastern sub-region of the industrial north is distinguished by a high density of population—over 200 per sq. km. It is most thickly dotted with industrial towns (see map. 52).

The states of New England do not possess reserves of minerals or fuel. The Middle Atlantic States have rich reserves of coal, anthracite and iron ore. The sub-region is however rich in water transport facilities (the Atlantic Ocean, the Hudson River and the Erie

Canal that connects it with the Great Lakes).

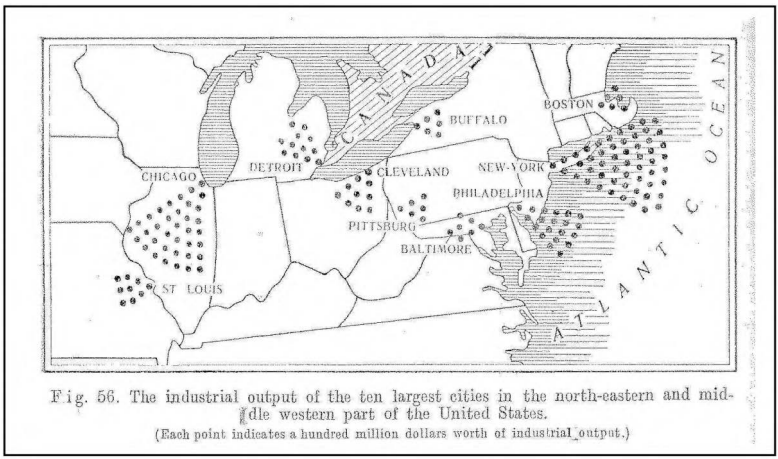


Fig. 56. The industrial output of the ten largest cities in the north-eastern and middle western part of the United States.
(Each point indicates a hundred million dollars worth of industrial output.)

Using coal and iron ore transported from Pennsylvania this region has highly developed plants producing machinery and hardware. It has also its own metallurgy. The oldest branch of manufacture—textiles—is highly developed, also on the basis of imported raw material. Here are produced 35 per cent of America's cotton goods, 80 per cent of her woollen and 87 per cent of the silk. Here are developed on a vast scale the clothing trades, the cellulose manufactures (paper and rayon), printing and publishing. Here are located the main financial and trade centres of the country. Agriculture is not of any great importance here. What there is has somewhat of a suburban character.

In the north-eastern sub-region on the shores of the Atlantic Ocean, at the mouth of the Hudson River is located the greatest city in the world, *New York*, numbering 7,000,000 inhabitants, whose industrial output per year is estimated at 10,5 billion gold roubles. New York occupies the first place in the world in point of population, as a centre or finance, industry and trade, and as a sea port.

Next to New York the largest cities of the region we are considering are: *Philadelphia* (population 2,000,000), *Baltimore* (population 800,000), *Washington*, capital of the USA (population

500,000), *Boston* (population 800,000), and *Providence*—ship building centre.

b) The sub-region of the Great Lakes takes in the States south of the Great Lakes. As our physical-geographic outline showed, this is a region of fertile soils, for the most part, and temperate climate, with adequate rainfall. It attracted farmer colonists and developed as an agricultural region not knowing slavery and its survivals. At the present this sub-region stands second to the north-eastern in point of density of population—100 per sq. km. But according to the number engaged in agriculture (relative to area) occupies the first place (see map 52).

The sub-region of the Great Lakes possesses enormous power and raw material resources. South of the Great Lakes there are three huge fields of the Interior central coal basin. On the southern shore of Lake Superior there are beds of copper and iron ore. And finally there is abundant waterpower.

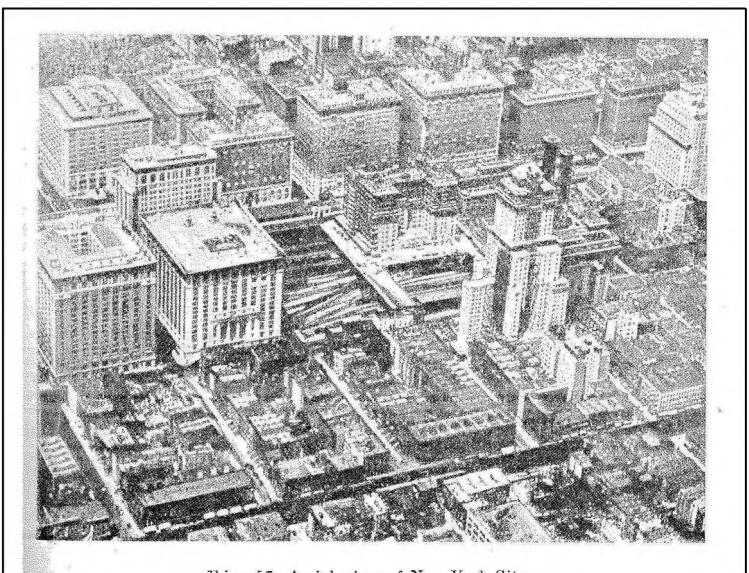


Fig. 57. Aerial view of New York City

Fig. 57. Aerial view of New York City

But in spite of the fact that the states around the Great Lakes had their own great supplies of raw materials and fuel, their industry began to develop later than that of the earlier colonized and more thickly populated Atlantic States. Up to the beginning of this century the chief

centre of the metallurgical industry was Pennsylvania. It is only in the last thirty years that the new centres around Lakes Erie and Michigan have developed. The industrial development of Lake Region illustrates the unreason and planlessness of distribution of the units of capitalist economy. At the present time in the Lakes States 11 per cent of the country's total smelting of iron ore is carried on. It is the chief metallurgical region of the USA. Yet the most striking fact about it (and consequently about the black metallurgy of the USA as a whole) is the geographical distance separating its main fuel and iron ore bases. The iron ore is extracted in the region of Lake Superior, but the coal in the Appalachian Basin. This obliged American metallurgy to face the problem of continuous supply of far distant smelting units with fuel and ore in huge quantities at sufficiently low transport rates. It was met by using the Great Lakes and the connecting water ways, and building special steamers of sea going type of 16,000 tons capacity. The ports on the Great Lakes are models, in technique, in equipment and in degree of mechanization. The loading of such a steamer with 16,000 tons of coal or ore is done in two hours or less and the unloading in from four to six hours. The 1,500 km. trip along the Great Lakes and its connections is made by the loaded steamer in 80 hours.

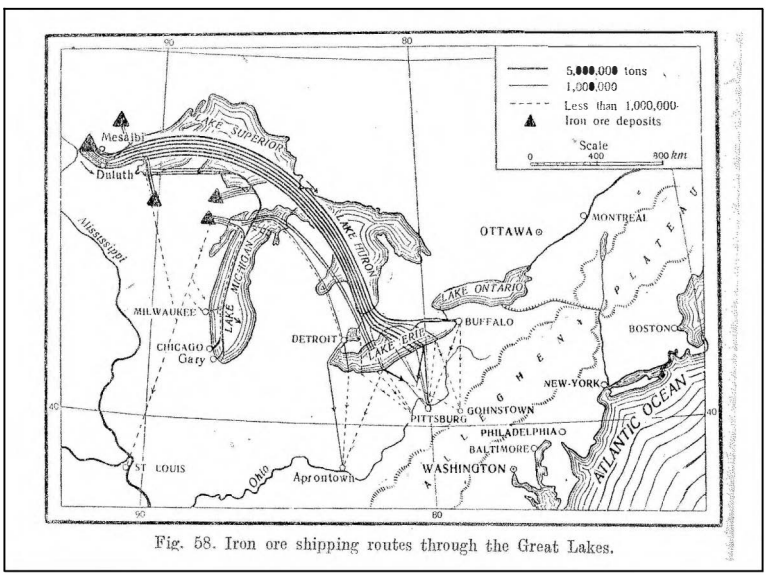


Fig. 58. Iron ore shipping routes through the Great Lakes.

Fig. 58. Iron ore shipping routes through the Great Lakes.

In the Lake Region States are the greatest American centres of black metallurgy—Chicago, Milwaukee, Cleveland, Buffalo. South-west or Lake Michigan the greatest metallurgical plant in the capitalist world is located, the Gary Steel Mills. In the USSR only Magnitogorsk plant when operating at full capacity will be greater.

Besides metallurgy in the Lake Region is highly developed machine building of all kinds especially automobile construction and the electrotechnical industry.

The principal mining is located in Illinois, Indiana, Ohio is for coal. Copper and iron ore is mined on the southern shore of Lake Superior.

Though agriculture in the Lakes sub-region yields in importance to manufacture, it yet plays a great role, in contradistinction to its part in the Atlantic States. Animal husbandry is the dominant type of farming, especially the breeding of cattle for meat and milk purposes, swine breeding and poultry raising. The Lakes sub-region States produce a quarter of the livestock production of the United States. The northern section of the Lakes sub-region States is a region of rich pastures, and specializes in the breeding of milk cattle. The southern section (States of Illinois, Indiana and Ohio) is a region of grain farming, primarily maize, also wheat. On the basis of maize the raising of beef cattle and swine-breeding is developed.

Based on the agriculture of the Lakes sub-region, there has developed a giant food industry—gigantic mechanized butcheries, refrigerating plants, meat packing and meat preserving concerns, great butter and cheese dairies, and mille condensing plants. There are also large leather plants.

The chief cities of the Lake Region States are *Chicago* (on Lake Michigan) with a population of 3.3 million, centre of metallurgy, machine building and of the meat industry. The sum of its industrial output is estimated at 7,200,000,000 gold roubles a year. To the north of Chicago is *Milwaukee* (population 600,000 inhabitants), a metallurgical machine building centre. Considerably south-west of Chicago, on the banks of the Mississippi River, is *St. Louis* (population 800,000). Like Chicago it is a centre of both metallurgy and meat industry.

At the junction of Lake Huron and Lake Erie is the city of *Detroit*, with a population of 1,600,000, biggest centre of the automobile industry, where the Ford plants are located. Its yearly output is valued at 2,400,000,000 gold roubles. On the southern shore of Lake Brie is *Cleveland* (population 900,000) and at the junction of Lake Erie and Lake Ontario is Niagara Falls-Buffalo (600,000). Both are centres of

metallurgy and machine building. South of Lake Eric in the State of Ohio are *Cincinnati* (500,000 population), centre of machine construction and china and leather manufacture.

c) The Central sub-region of the Industrial North occupies the Central Plain between the 104th meridian on the one side and the Great Lakes and the Middle Mississippi on the other. It is a region of later colonization than the Lake States and not so thickly populated (see map 39).

The Central States constitute America's principal region of grain crops and cattle-breeding and also of food industries. Heavy industry is here developed but slightly, despite the presence of great resources: of the Central basin that stretches from the Lake States the Central, and the great Messaba iron mines westward to Lake Superior. Further south in the State of Kansas are petroleum and lead.

As to soil and climate, the Central States are mostly steppe or prairie, with usually fertile soil and adequate rainfall. Only its western section is subject to drought.

The northern section of the Central States over its greater portion is a region of spring wheat, and the southern of maize and winter wheat. Characteristic of the Central and the Lake States is the advanced stage of capitalist development of their agriculture and the large areas under cultivation. The Central region differs from the Lake States by the extensive character of its agriculture and low yields. Beef cattle raising is chiefly concentrated in the southern section of the Central States, especially in Nebraska and Kansas, where maize is utilized as forage.

The main branch of industry here is the food industry: meat in the south, flour in the north. Leather manufacture is also developed. There is mining of iron ore in the north at Lake Superior, and for petroleum and lead in the south at Kansas.

The chief cities of the Central States are *Minneapolis* (500,000) and *St. Paul* (300,000). They are twin cities on the banks of the Mississippi River. Minneapolis is a centre of the milling industry and of machine building and St. Paul of meat packing and leather manufacture. Farther west are *Kansas city* (500,000) and Ohio (200,000) both on the Missouri River, large centres of the meat industry.

The former Slave-holding South

2) The former Slave-holding South covers the southern section of

the eastern half of the USA. Characteristic of this region are the survivals of slaveholding farming, i.e., landlord planter ownership, the difficult position of its tenant-farmers, especially the Negroes, a low level of wages and consequently a low standard of technique in agriculture and general economic backwardness of the whole region. In the eastern section of this region—in the Appalachian Basin, chiefly in the State, of Alabama, there are great beds of iron ore and coal. Westward, in Oklahoma and Texas there are great deposits of petroleum. The existence of slavery for so long a time and the extent of its survivals up to the present time, has retarded the development of the South. Large-scale industry has only begun to develop there also during recent decades.

The agriculture of the South is distinguished by the great number of small and extremely small farms. They constitute 42 per cent of the farmed area and about 12 per cent of the total area. On the other hand, to a greater degree than in the north, there are farms of over 400 hectares, they constitute 0.5 per cent of the total farms, but 25 per cent of the area.

Let us turn to the indices of relative economic weight of the three main regions of the USA (diagram 42). We see that the Industrial North, occupying an area equal to that of the former Slave-holding South, has twice the population of the South has and its railroad mileage is 1 ½ times larger and (what is very important) its output of manufactures is 5 ½ times greater than that of the south.

The former Slave-holding South could have been characterised regarding its economical specialization as an agricultural and mining region. It produces 46 per cent of the USA total agricultural products and 36 per cent of the mined products. The main agricultural product of the South is cotton, there being favourable soil and climatic conditions: (see map 59). It is widely grown here to meet the great demand on the part of the textile industry, and by reason of the application of Negro labour. The main cotton areas are: a) South Carolina and Georgia, southward of the Atlantic coast line, and north of Florida, b) Mississippi Valley in the State of Arkansas and c) the State of Texas, south-west of the Gulf of Mexico.

Besides cotton, tobacco is widely grown in the South—in the States of Kentucky, Tennessee and Virginia. Sugar cane and subtropical fruits are grown on the coast of the Gulf of Mexico and in Florida. The grain principally grown is maize.

There is a varied mining industry. The extraction of petroleum, principally in Oklahoma and Texas, is 62 per cent of the total output of

the United States. Coal mining is 39 per cent of the total output. The network of railroad is well developed in the states of the Appalachian Basin —Western Virginia, Kentucky, Tennessee, and Alabama. In addition there is mining of mixed ores in Oklahoma, bauxites in Arkansas, phosphorites in Florida and sulphur in Texas and Louisiana.

As has already been pointed out manufacturing units of American industry are more irrationally located than they should be, by reason of the unfavourable social-historical conditions that prevailed in the South (landlord planter ownership, slavery and its survivals). Up to the present century the basic industrial region was the eastern section of the North, but it was utilizing imported raw materials (ore and cotton). Only now are the new industrial centres developing. Their location is near the raw material bases in the Great Lakes States of the North and in the eastern section of the former Slave-holding South. The development of the South has met resistance on the part of the manufacturers of the North. The latter being organized in monopolistic

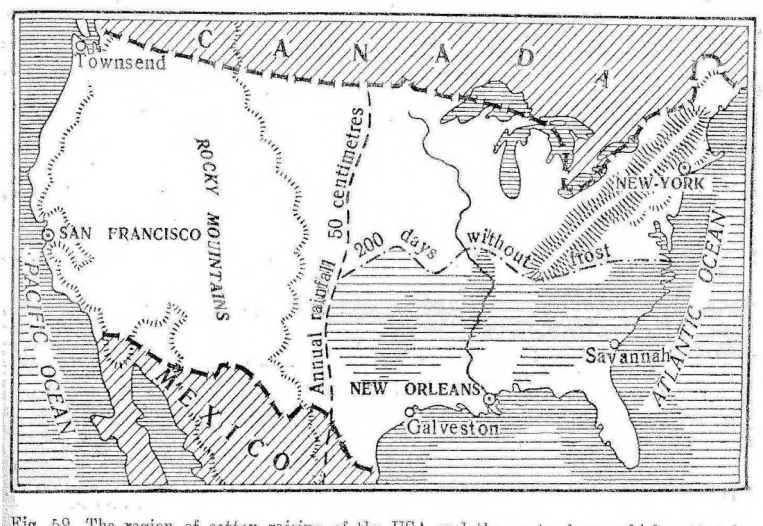


Fig. 59. The region of cotton raising of the USA and the ports from which cotton is exported.

Fig. 59. The region of cotton raising of the USA and the ports from which cotton is exported.

associations have used their bank connections and control of railroad capital to handicap their southern competitors in the matter of credit and freight rates. In addition, the capitalists of the North have themselves begun to establish enterprises in the South but not on such a scale as to undermine their own northern undertakings. As a result of this the manufacturing industry of the South, developed in the course of the last three decades, produces only 14 per cent of the total national output.

Of the main manufacturing branches-ferrous metallurgy is in the state of Alabama, on the basis of local coal and iron resources and the cotton manufacturing is in the states of North and South Carolina, Georgia, and Alabama.

In iron metallurgy the South occupies second place, after the Lake States of the North, producing 10 per cent of the pig iron produce in the USA. In regard to the cotton industry, it has overtaken the north-eastern states and occupied the first place, producing 60 per cent of the total output.

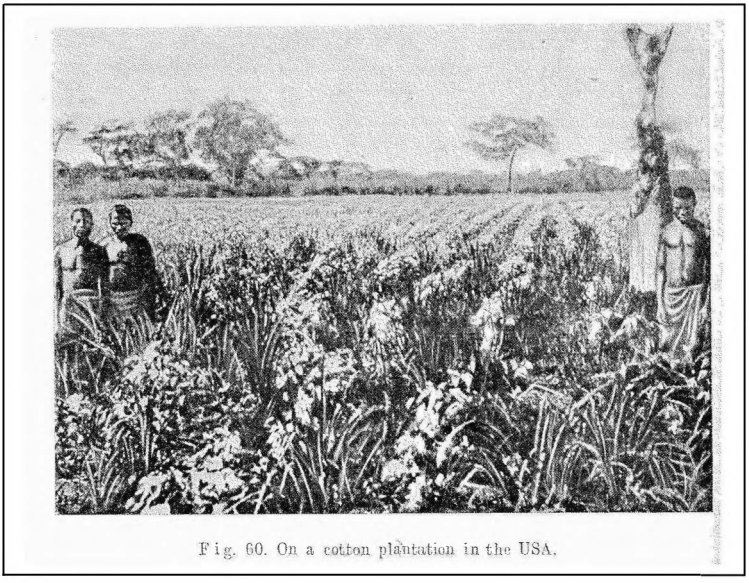


Fig. 60. On a cotton plantation in the USA.

Among the manufacturing industries of the south should be mentioned timber, tobacco, sugar (on the Gulf of Mexico), oil refining

and zinc smelting (state of Oklahoma); also the generation of electricity by the water power of the cline of falls» of the Appalachian Ranges.

The former Slave-holding South has neither the towns nor the population of the industrial North (see map. 51). The main cities are *New Orleans* (400,000) on the Gulf of Mexico at the mouth of the Mississippi River, a centre of the cotton and sugar industries and also a port for cotton export; *Birmingham*—a centre of metallurgical, coal and railroad industries; *Atlanta* and *Richmond*—centres of cotton growing.

The Colonised West

3) The Colonized West occupies a greater territory than either of the other two regions, but has only a sixth of the population of the North and a third of the population of the South. By comparison with the North it is backward, judged by the economic indices diagram 50, on page 185. But the Colonized West in comparison with the former Slave-holding South is not backward at all. On the contrary, Lenin termed it the "Colonized" West. This newest region began to be populated only in the middle of last century. It was due to the discovery of gold at a time of tremendous growth of capitalist development. Its low relative weight in the economic life of the country is explainable by a study of the map indicating density of population of the USA. Compare particularly the population of the states of Nevada, Wyoming, Utah. Here are vast areas of dry steppe, little suitable for cultivation and used more as pastures for cattle. In the south-west these steppes become desert. There is so-called "*Death Valley*" in the state of California, and the *Great salt Lake Desert* in the state of Utah. Certainly, all this affects the population of the region.

The Colonised West, for the most part, is a region of mining industry and agriculture.

In the field of social relationships, a sharp class stratification is noticeable. 66 per cent of the total agricultural area is concentrated in the hands of capitalist farmers owning over 400 hectares, and constituting only 7 per cent of the total number farms. The small farms of eight hectares (and under the conditions prevailing in a dry cattle breeding region those are indeed small farms) are 24 per cent of the total farms. The farmed area is only 0.5 per cent of the whole territory of the region.

There are distinguishable two sub-regions in the colonized West.

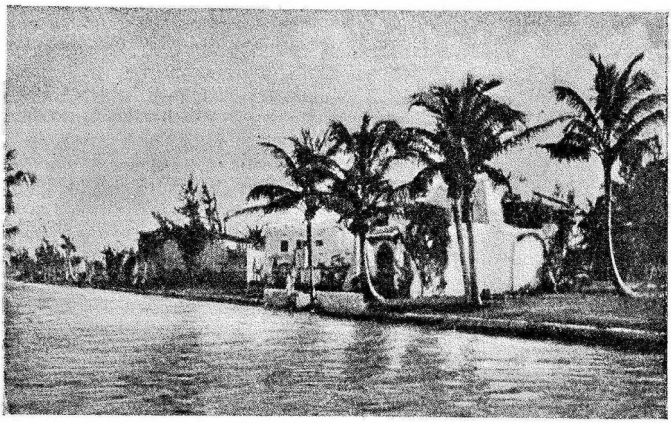


Fig. 61. View of the Southern part of Florida.

Fig. 61. View of the Southern part of Florida.

a) The Mountainous West occupies the greater portion of the Rocky Mountain Region, and the Great Plateau. This region is of the dry-steppe character. The main economic branches in the Mountainous West are mining and cattle breeding.

Mineral resources are vast and varied. Copper mining is especially well developed in the State of Arizona, on the border of Mexico, in Utah, on the shores of the Great Salt Lake and in Montana to the north. Lead is mined in the State of Idaho, and the polymetal lead-zinc-silver ores are worked in Utah and Montana. Immense deposits of coal and brown coal in the region of the Rocky Mountains have been surveyed, but are slightly or not at all worked.

Farming is represented in the Mountainous West by the breeding of beef cattle and the raising of sheep for wool, and by the cultivation of fodder grasses, sugar beets, vegetables and fruits and in the southern section—cotton. Cattle is raised on natural pastures and cultivated grasses. Agriculture generally requires artificial irrigation and is of an intensive character.

There are but few cities in the mountainous states (see map. 51). Chief among them is *Denver* (300,000 population), in the state of Colorado—centre of the sugar beet and canning industry.

b) The Pacific Coast region covers the states of Washington, Oregon arid California. Though related to the Colonized West by

social-economic characteristic (late colonization, supremacy of capitalistic relationships) the Pacific Coast States differ from those of the Mountainous States in natural conditions. Located at the ocean, they have a climate akin to that of the Mediterranean—a mild damp winter and an oppressively hot and dry summer. They possess vast deposits of gold and petroleum. This combination attracted population to the Pacific States to a greater degree than to the mountain region.

The Pacific Region has various economic specialization in the industrial field as well as in agriculture.

In distinction from the Mountainous States, it has a manufacturing industry: canning, machine building, timber (in the north) and oil refining (in the south). On the basis of water power its production of electric power is highly developed. The mining industry is represented by the extraction of gold and petroleum in California.

Agriculture is represented by the cultivation of sub-tropical fruits (lemons, oranges, peaches, etc.) and of grapes, grown on a big scales on irrigated lands. The cultivation of wheat and oats has been introduced in Oregon and Washington, as well as the breeding of dairy cattle.

In California there are such big cities as *Los Angeles*, with a population of 1,200,000 and *San Francisco* with 600,000 inhabitants. Both are centres of machine building and of the canning industry. Los Angeles is the headquarters of the cinema-film industry.

§ 8. Transportation

The high level of capitalist development of the USA, the vastness of its territory, the variety and distribution of its natural resources and the economic specialization of its different regions, have resulted in great development of transport, especially sea and railroad transport.

There are fifty convenient ports on the Atlantic Coast of the USA. The most important are: *New York*, at the mouth of the Hudson River, largest world port, which during the World War overtook London in respect to freight turnover; *Boston, Philadelphia,* and *Baltimore.* Among the ports of the Gulf of Mexico's coast line the most important is *New Orleans*, and that of the ports of the Pacific Coast is *San Francisco*. The sea ports of the USA have a tremendous freight turnover, especially in foreign trade. Almost the whole import and export goes over the ocean highways.

Supplementing the sea transport of the USA is its great waterway—the Great Lakes. These lakes jut deeply into the continent,

and owing to a system of deep connecting canals form an excellent route for sea-going ships. The canal of greatest importance in this network is the *Large Canal* connecting the port of New York with Lake Erie and the *Canal Salt-St.-Marie* connecting Lake Superior with the rest of the lakes. Over this system passes the greatest freight-stream in the world considerably exceeding the weight carried over the Suez Canal and even that handled at the port of New York. The chief freights moving from north-west to south-east are iron ore from the Lake Superior region, timber from Canada, meat and grain from the eastern section of the Great Lakes region (Chicago, Minneapolis).

Of great significance for the sea transport of the USA was the building of the Panama Canal completed in 1915. The Panama Canal shortened the sea route from the Atlantic Coast of the USA to the Pacific Ocean. The economic and strategic significance of this route is especially great in view of the aggressive policy of United States imperialism towards Pacific countries, particularly China. It reduces the transportation cost of goods exported to Asia, Australia and the western section South America and allows the products to compete more successfully with the goods of other lands. And it makes it possible to swiftly transfer the United States fleet from the Atlantic to the Pacific, or vice versa. The merchant marine of the United States has grown much since 1913 and now occupies second place in the world after England. Its carrying capacity totals some two million tons.

The railroad network of the USA is highly developed. Its total length is 400,000 km., i.e., 40 per cent of the world's total. It has 5.6 km. 100 sq. km. whereas Europe has 3.6 km.

But the railways are distributed in the USA very disproportionately over the country. A glance at map 46 shows that railroads are thickest in the main industrial region of the north. The west is much more poorly provided with railways. There are four main lines that cross continent of North America from Atlantic to Pacific. They are called the Transcontinental or Pacific lines. The Central Pacific line from Chicago to San Francisco is of primary significance. All rail-roads in the United States belong to private joint-stock companies. The river transportation system of America is relatively weak. It is due to the successful fight of the railroad companies against the competition of the cheaper river transport. They have constructed the railroad lines parallel to rivers, bought canals only to keep them out of use, and in other ways have resisted the development of river transport.

Among the inland waterways, besides the Great Lakes, which are bound up with sea transportation, should be mentioned the Great

Mississippi River linked by its tributary the Illinois and by a canal with Lake Michigan and by another canal with Lake Erie.

The progress of railway construction in the second half of the XIXth century and the influence of the railroad companies held back the building of paved highways. But the widespread use of automobiles, buses and trucks has brought extremely rapid increase in the number of paved highways. At the present time the USA has almost 25 million cars (light and heavy), which are cutting heavily into the rail-roads.

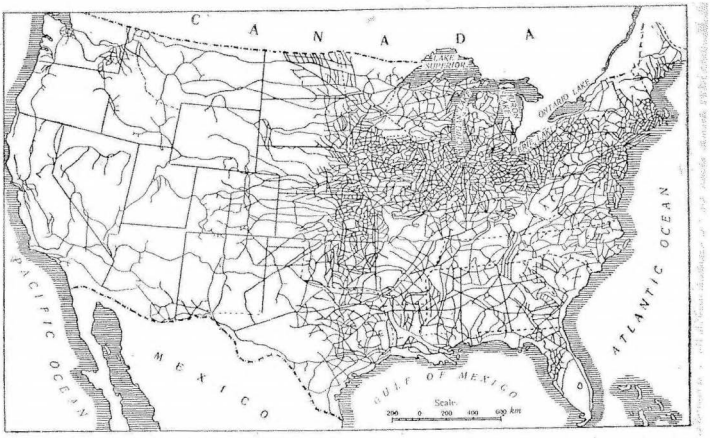


Fig. 62. Railroads of the USA.

Fig. 62. Railroads of the USA.

§ 9. Foreign trade and export of capital

Foreign trade

The high standard of capitalist development of the USA, its tremendous territory, its variety of raw material resources, the varied specialization of its regions and its dense transportation network, have combined to develop an extremely capacious home market, absorbing 90 per cent of the total output of the country. Only 10 per cent of the

total production of the USA is exported abroad. Still the USA occupies the second place in world trade. Her exports exceed imports by from 10-15 per cent of the turnover. Industrial commodities prevail in the export of today,—automobiles, agricultural tools, machines of all lands, hardware, textiles, and semi-manufactures such as steel, copper, petroleum, constitute 60 per cent of America's export, while in 1913 it was 53 per cent and in 1894 only 27 per cent. In contrast to such industrial countries of Europe as England and Germany which export almost exclusively manufactured goods, 40 per cent of America's export is of raw material (cotton) and food products (grain, meat, etc.). The first place in the import of the USA—40 per cent—is occupied by raw material for industry—rubber, raw silk, wool, leather, etc., and second place (38 per cent) by manufactured and semi-manufactured goods, silk textiles, jewellery, furs, paper, etc., and the third place (22 per cent) by food products—sugar, coffee, cocoa, tea, fruits. In the middle of the XIXth century 70 per cent of import was of industrial goods, especially on products of wide demand. Before the crisis there was a great market in the USA for costly silks, jewellery, cocoa and coffee.

The main countries to which the United States exports goods are: England, Canada, Germany, France, Japan and the countries of Central and South America. Of recent years export to China and Oceania has extended. The imports into the USA are chiefly from Canada. Japan, Indonesia, England, Central America, Germany and France. The USA carries on a struggle with England for the markets of Canada and South America and with England and Japan for the markets of China and Oceania, and also with England for sources of raw materials, notably of rubber in Indonesia.

The world crisis has struck a hard blow at the exports of the USA. In 1932 they decreased 70 per cent in comparison with 1929.

Export of capital and the payment balance

The greatest significance in the economy of the USA belongs to the export of capital.

The USA has invested abroad about twenty billion dollars besides the twelve billion dollar indebtedness of the participants in the World War.

The export of capital from the USA is mostly directed to Canada and to Central and South America. 62 per cent of the capital invested abroad by the USA is in countries on the American continent.

United States investments in Europe, made principally during the war and post-war period aggregate about six billion dollars, about a in Germany, a billion in England, from 300 to 500 million dollars in Belgium, in France and in Italy.

THE MAIN ITEMS OF THE PAYMENT BALANCE OF THE UNITED STATES (in millions of dollars)

	1932	1913	1928	1931
Trade balance (including rent of cinema films and import of electric energy	+289	+631	+874	+334
Interest receivable and payable	+492	+150	+534	+649
Movement of capital	-221	-50	-708	-491
Expenses of American tourist abroad	-375	-180	-641	-456
Money remitted abroad by American immigrants	—	-176	-225	-163
Expenditures for philanthropic purposes	—	—	-108	-39
Movement of gold	-11	—	+272	+176

Plus items of the payment balance consist of active trade balance (sharply reduced during the crisis years) and income from capital previously exported. The minus items are export of capital, expenses of American tourists abroad, and the remittances abroad of immigrants in America.

§ 10. United States imperialism

Like the other capitalist countries, the United States has participated in the division of the world's territory and now participates in a struggle for its redivision. The USA possesses the following colonies: Alaska, in the north-west of the North American continent, the Island of Porto Rico in the Caribbean Sea, the Hawaiian and the Philippine Islands, Guam and Samoa in the Pacific Ocean, and semi-colonies (formally to be regarded as independent republics) the Island of Cuba and Haiti in the Caribbean Sea, Panama and Nicaragua in Central America, and Liberia in West Africa.

During the time of the World War and during the post-war period United States imperialism (as we saw when considering foreign trade and export of capital) reached those countries where English capital

formerly dominated, and successfully replaced it. The USA increases its trade with its neighbour Canada—a dominion of Great Britain—invests much capital in the economics and gains considerable economic and political influence.

The replacing of English capital by that of the United States is taking place in the republics of Central and South America: Mexico, Nicaragua, Honduras, Columbia, Venezuela, Bolivia, Brazil, Chile, Argentina, etc.

Other spheres of influence of American imperialism are the Asiatic countries of the Pacific, especially China. Here the American capitalists clash with many competitors eager to profit by the exploitation of 400 million Chinese toilers. In the forefront is Japan, then Great Britain and France. Japan persistently aggressive in China, meets with firm resistance from the USA. The struggle of the imperialists for the division of China threatens to develop into a new imperialist World War. The United States capital also penetrates India, Indonesia and Australia. It competes there with English capital, pushing it to alliance with Japanese imperialism, hostile to the USA.

United States imperialism has established for its expansion bases on the Pacific Ocean in the Hawaiian Islands, more than a third of the way across the Pacific from America to Asia, and in the Philippines, which are in direct touch with China, Japan, Indonesia and Australia.

The third region of the influence of the USA is Western Europe. Vast American capital is invested in the industries of Germany, Romania and Poland. All the European capitalist countries, England and France included, are debtors to the USA in billions of dollars on loans received and goods purchased during war time. In Europe the economic and political influence of the USA meets strong competition on the part of England and France.

Thus, the USA in all fields of its expansion comes in conflict with the interests of British imperialism, and the latter does not submit its position without a struggle. Therefore in the forefront of capitalistic antagonismus of the post-war period stands the struggle between the USA and Great Britain for world supremacy.

The military forces of the USA

The USA is preparing for about with its competitors—England and Japan—and is arming feverishly. Its standing army is now 320,000 men. This army is motorized and equipped with rifles and machine guns more so than the other capitalist countries. The United

States navy has grown immensely and is rivalling the hitherto strongest fleet in the world—the British. The United States air forces, in capacity, is second in the world next to France (over 4600 aeroplanes). The production of poison gases and the development of various military inventions is going on at a tremendous rate.

§ 11. The USA and the USSR

During the civil war the United States participated in the counter-revolutionary intervention in Siberia, in Archangel and Murmansk. After the failure of the intervention the USA for sixteen years remained the only great imperialistic power which did not recognize, legally, the USSR.

Meanwhile, practical business and economic connections have developed between USSR and the USA. USSR purchases the machine equipment necessary for socialist industrialization, products of the electro technical industry, tractors, combines, etc. USSR sells to the USA chiefly furs and manganese ore. USSR has entered into agreements with a series of American firms that provide technical aid (at the construction of the Dnieper hydroelectric station, the automobile plant in Gorky, the metallurgical plant at Magnitogorsk and so on).

On big construction jobs and in industry American engineers, technicians and skilled workers are employed. The purchases and technical aid contracts the USSR are valued by the American bourgeoisie under the condition of the sharpening crisis. At the end of 1933 the peace policy of the USSR brought about normal diplomatic relations between the USSR and the USA.

2. CANADA

§ 1. Physical-geographical outline

Canada occupies a vast territory (9,600,000 sq. km.) north of the USA. On the east is the Atlantic Ocean, and the Gulf of St. Lawrence: In the North is the Arctic Sea and the great Hudson Bay. In the West is the Pacific Ocean. Canada borders on the USA in the south for some

4,500 km. On the east it is bordered by the British Dominion Newfoundland, which also includes the eastern section of the Labrador Peninsula. On the north-west it borders Alaska—a territory of the USA. The North American Archipelago in the Arctic Sea also belongs to Canada except for the great Island of Greenland which belongs to Denmark. Greenland is covered with ice.

In relief, Canada is largely a plateau, ending in a lowland around Hudson Bay. On the west rise the Cordilleras —5.5 km.—prolongation of the Rocky and Cascade Mountains of the United States. On the east lie low mountains—prolongation of the Appalachian Ranges.

The eastern and northern sections of Canada have a rocky infertile soil, covered by innumerable marshes and lakes; they are intersected by rivers full of rapids and impeded by boulders, and the sea coast line is greatly indented by fiords. All this is a heritage from the time when Canada was covered with ice as Greenland is now. The western section of Canada, to the Rocky Mountains, on the other hand, is covered with a fertile, alluvial stratum.

Among the numerous inland waters of Canada which form her great reserve of water power, some 20 million horse power (utilized at present only 30 per cent), partly being used as means of communication. Of particular significance are the Great Lakes and the St. Lawrence River which connects them with the Atlantic Ocean.

The climate of Canada is close to the extreme continental climate of Siberia, located as it is on the same latitude. The north of Canada (beyond the Arctic circle and in certain places extending more south)—is a marshy plain. South is the great forest region and south of that, prairies. The climate of Canada, especially its eastern section. is influenced by the Arctic Sea and the cold Labrador current. But there are on both Atlantic and Pacific Coasts ice-free ports.

The summer is hot in Canada and therefore the northern border for wheat extends to the 60th parallel. The forest zone is occupied by coniferous forests, the region of the Great Lakes—by mixed forests, and the Western Highlands by prairies.

Canada is very rich in useful minerals especially in coal (the deposits of which are estimated at about 10 per cent of total world resources), petroleum, copper and nickel ores. There are also gold, silver, lead and iron ore. These minerals are concentrated in the mountains of the west and nickel, iron and copper ores on the shores of Lakes Superior and Huron.

§ 2. Population

Canada, which occupies a territory twice that of the European part of USSR has a population of only 10.4 million, with an average density of but one person per sq. km. As in the USA, Canada's colonization began in the east, and today its population is chiefly there and the south-east.

In national composition, 55 per cent of the population are English and Irish, 28 per cent are French (up to the end of the XVIIIth century Canada belonged to France), 12 per cent are of other European nationalities and 1 per cent are Indians.

The main cities are *Ottawa* (population 120,000)—the capital; *Montreal* (population 820,000), the greatest commercial and industrial city of Canada; Toronto (630,000), *Quebec*, *Halifax* on the Atlantic Ocean, *Vancouver*, port on the Pacific Ocean.

Of the people engaged in gainful occupations, 35 per cent are in agriculture and 28 per cent in industry.

The proletariat numbers some 2,100,000 of which 1,600,000 are urban and 500,000 rural.

§ 3. Economy

Canada is a Dominion of the British Empire, but stands on a higher level of capitalist development than the other colonies. The occupational census and the nature of the national output indicate the industrial agrarian character of the Canadian economy.

Agriculture

The agriculture of Canada is chiefly represented by wheat growing, though cattle breeding also plays an important role. It is highly capitalist farming, and the product is mostly exported. The most important crop is wheat, which occupies 40 per cent of the total area under cultivation. The chief wheat growing regions are the prairies of the west. In respect to wheat production Canada occupies the third place in the world (after the USSR and USA).

Half of the crop is exported, which gives Canada first place

among the world's wheat exporters.

Besides wheat, other important crops are oats, sugar beets, flax and fodder grasses. These crops are cultivated in the eastern section of the country.

Cattle-breeding is specialized—beef cattle on the western prairies, and dairy cattle in the east.

The products of Canada's animal industry in the form of frozen, refrigerated and tinned meat, canned milk and cheese, are exported to the world market, mostly to Great Britain. The social structure of Canadian agriculture is akin to that of the USA. The farm establishments are of the same capitalist character, with the same sharp stratification. There are large-scale farms, extensively using hired labour, complex machines (tractors and combines), and there are middle and small farms. The latter are dependent upon banking and commercial capital for credits and for the marketing of their produce.

The dependence of Canadian agriculture upon the world market sharpened the agricultural crisis in Canada, even as far back as 1926, when the fall in world prices began in wheat and meat. This crisis has enlarged and deepened since 1929, i.e., since the beginning of the world economic crisis. The fall in prices, sometimes to a point below cost brought mass destruction to the small and middle farms, sharp reduction of the sown area, and unemployment to half the agricultural proletariat.

Of great importance in Canadian economic life are the lumber, the fur and the fishing industries.

All are of export significance. 80 per cent of the timber and 70 per cent of the fish are exported.

Industry

The industry of Canada has begun to develop rapidly only since the beginning of this century, especially since the World War. Canada's industry is in the hands of foreign capital, partly British, more American.

The main branches of industry are mining, generation of electric power, food industries, woodworking and paper industries. During post-war years metal industry has developed.

In respect to mining Canada takes first place in the world in the output of nickel (80 per cent of the world's output); her extraction of asbestos also gives her first place.

Lead, other metals and coal are also mined. In spite of the tremendous reserves of coal, coal mining is poorly developed. Mining is concentrated mostly in the Great Lakes region. In the East near Lake Ontario there are oil fields.

The production of electric power is based upon "white coal" and concentrated mainly in the region of the Great Lakes (chiefly at Niagara Falls).

The power developed is used by both Canadian and American manufacturers, and is an item of "export" to the USA. Food manufacture is presented chiefly by flour milling, meat preparation and canning, mostly for export.

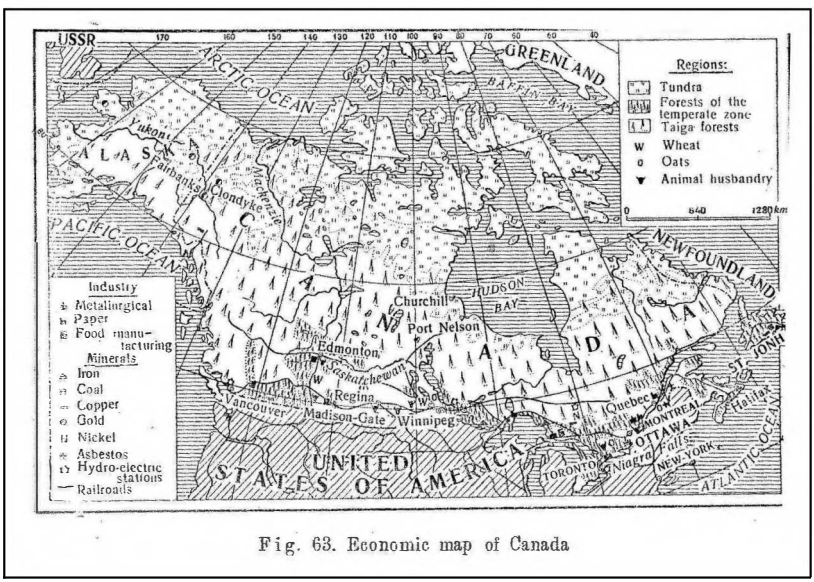


Fig. 63. Economic map of Canada

Fig. 63. Economic map of Canada

The products of the wood working and paper making industries (especially newspaper) are also chiefly exported.

The new metal industry consists of ferrous metallurgy, of the production of aluminium (15 per cent of the world's output, third in the world, after USA and Germany), of production of non-ferrous metals; and of machine construction, notably automobile building. In the latter, Canada occupies fourth place in the world after the USA, France and England (12 per cent of world production before the crisis).

The main industrial centres are Montreal and Quebec on the St. Lawrence and Toronto on Lake Ontario. Canadian industry is characterized by a high standard of technique, great concentration of capital, a predominance of foreign investments and dependence upon the world market.

The world crisis has caused a great reduction of the Canadian industrial output (by more than a half in black metallurgy and machine building and brought unemployment to 40 per cent of the Canadian proletariat.)

Economic regions

The huge territory of Canada may be divided into the following economic regions:

1) The industrial east, covering the provinces of Quebec and Ontario, embraces almost the whole manufacturing industry of the country, a considerable part of the mining (extraction of nickel, asbestos and copper) and the majority of the hydroelectric' power stations. 70 per cent of the Canadian proletariat is found here. Agriculture is represented by dairy cattle raising and forestry.

2) The agricultural west which includes the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, composes almost the whole wheat output (95 per cent of all the wheat sown in Canada) and beef cattle raising.

3) The Middle Canadian forest region occupies the central part of the country and has a scattered population. The fur and timber Industries are developed there.

4) The northern region is the marshy plain.

Transportation

The railway system of Canada covers a lot of territory—70 thousand sq. km. but not at all intensively. Notable is the Canadian Pacific transcontinental line joining the industrial city of Montreal in the east with the port of Vancouver on the Pacific Coast. Canada has an important system of inland water transport in the Great Lakes and the St. Lawrence River, open for sea-going ships. Sea transport is handled by Canada's own merchant marine (1,500,000 tons) and by the British and USA ships as well.

Foreign trade

The foreign trade of Canada is important (turnover 4,500,000,000 gold roubles, with an active export balance) up to 1929. The chief goods exported are—wheat (grain and flour), livestock and meat products, dairy products, fish, timber, different metal ores, furs, paper and automobiles. The export is to the USA 50 per cent) and to England (40 per cent).

Export is for the most part in the hands of monopolist trade associations with the participation of bank capital—the grain trust, the timber associations, and so on.

The main imports are industrial commodities—metals and hardware, textiles, sugar, and petroleum products. 68 per cent of the import comes from USA, 15 per cent from Great Britain.

Relations with Great Britain and the USA

In spite of the fact that Canada is a Dominion of Great Britain, the post-war period finds Canada under the very great economic and political influence of the USA. From 1913-1930, the investments of the USA in Canada have multiplied six times, British investments much less. The change in the relative investments of Great Britain and the USA, and the replacing of English by American capital, is shown in the following table.

FOREIGN INVESTMENTS IN CANADA.

	Great Britain	USA	Others
1913	73 per cent	22 per cent	5 per cent
1930	35 per cent	61 per cent	4 per cent

The predominance of investments in Canadian economy bas changed from England to the USA.

If we consider a]so the role of the USA in Canada's trade, both import and export, and remember Canada's direct territorial contiguity with the USA, a picture of the practical conquest of Canada by the United States becomes clear. True, Great Britain has not yet given up all its stands in Canada. Particularly she struggles to hold the Canadian market. The Ottawa conference (1932) of Great Britain and her Dominions brought the Anglo-Canadian agreement providing for preferential conditions for English industrial goods imported into

Canada, in exchange for like privileges for Canadian agricultural products exported to England.

The Canadian bourgeoisie is especially hostile to the Soviet Union because it is a serious competitor in the export of such chief commodities as wheat, meat, timber and furs. At the Ottawa Conference the Canadian government demanded that England break the Anglo-Soviet trade treaty, and England acceded to the demand.

3. NEWFOUNDLAND

Physical-geo graphical outline

The territory of the Dominion of Newfoundland is the Island of Newfoundland (in the Atlantic Ocean west of Canada) with an area of 111,000 sq. km. and the north-eastern shore of the Labrador Peninsula with an area of 310,000 sq. km.

Newfoundland is mountainous, covered with lakes and marshes, and has infertile soils —result of a long ice age. The climate is rigorous. Vast areas are covered with coniferous forests. Newfoundland is extremely rich in mineral resources, notably iron ore, estimated at 3,600,000,000 tons.

Population

The deposits of copper, coal, silver, lead and gold are less important. The population of the Island of Newfoundland is only 280,000 and that of the Dominion's part of Labrador only 4,000. The population is largely English and French. The aborigines (Algonquin Indians) were practically exterminated at the beginning of the XIXth century.

Economy

The huge raw material resources of the country are not much exploited. Of primary importance are the fisheries, then the timber industry. Linked with the latter are paper and cellulose manufactures. The products mostly exported are dry cod, iron ore, cellulose and paper. The chief town is *St. Johns*. In 1933 under the influence of the

world crisis, the government bank of Newfoundland failed; in connection with this Newfoundland is deprived of the status of a Dominion.

4. THE COUNTRIES OF LATIN AMERICA

A. GENERAL OUTLINE

§ 1. The political map

By the term "Latin America" is understood the group of American countries having something of a common historical background, a like level of economic development, a similar national economy, a similar political structure and a like national composition of population. This group of countries occupies 1) the southern part of North America (Mexico, 2,000,000 sq. km.); 2) Central America (550,000 sq. km.); 3) South American (18,600,000 sq. km.) and 4) the West Indies—a large group of islands in the Caribbean Sea (240,000 sq. km.).

These countries are designated *Latin* America because they were seized early and colonized by Spain and Portugal, i.e., by people of the Latin group. In distinction from the USA and Canada, countries of *Anglo-Saxon* America speaking the English language—the Spanish and Portuguese languages and influence predominate in Latin America. Latin America occupies a vast territory, 21,400,000, sq. km., and represents the greatest semi-colonized district. Formally, except for the trifling part of it that is occupied by colonies of the imperialistic powers, it constitutes a group of independent republics. But in fact these republics are countries dependent upon foreign capital.

Such nominally independent republics of Latin America are:

In South America—*Argentina, Uruguay, Paraguay, Brazil, Chile, Bolivia, Peru, Ecuador, Columbia and Venezuela* (Brazil and Argentina the largest).

In Central America—*Guatemala, Honduras, Nicaragua, Salvador, Costa-Rico* and *Panama.*

In North America—*Mexico.*

Colonies proper are: In South America —*Guiana*, divided among

Great Britain, France and Holland. In Central America —*zone of the Panama Canal*, belonging to the USA and British Honduras. In the West Indies, the islands of *Cuba*, and *Haiti* are republics (on the island Haiti are located two republics—*Haiti* and *St. Domingo*) under the protectorate of the USA. The Islands of *Jamaica, Trinidad* and a part of the *Lesser Antilles* belong to Great Britain. *Porto-Rico* and *St. Thomas Island* to USA, *Guadeloupe* and *Martinique* to France.

§ 2. Physical-geographical outline

Surface

Along the western coast of Mexico, Central and South America stretch mountainous chains called the Cordilleras in North and Central America and the *Andes* in South America. The Cordilleras of Mexico and the Andes represent continuous chains of mountains precipitately sloping seaward in the west. There are many volcanoes, both extinct and active. Eruption and earthquakes occur not infrequently.

The average height of the Mexican mountains is 2-3 km., though one summits are 5.5 km. high (the volcanoes of Orizaba and Popocatepetl). In Central America the mountains reach 3-4 km. and in South America 6.5-6.9 km. (the highest summit of the Andes—Aconcagua 7 km.).

Eastward from the Cordilleras in Mexico is located the vast *Mexican Plateau* (1-2 km. high), broken by mountains in different places.

In Central America, which in part (Isthmus of Panama) is only 60 km. wide, the mountains alternate with small plateaus and maritime lands.

The West Indian Islands are of similar relief.

In South America eastward from the Andes stretch vast lowlands, the valleys of great river systems. On the north are the *Orinoco*, the *Amazon lowlands* and in the south is *La-Plata lowland*.

In the eastern section of South America are located the small plateaus; the *Guiana* and the vast *Brazilian*. At the eastern end of the Brazilian Plateau rise high (27 km.) mountain chains. In the extreme south, eastward from the Andes, rises the moderately high plateau *Patagonia*.

Rivers

South America possesses the most extensive inland waters of Latin America. The largest river is the mighty *Amazon*, first in the world in volume and area of basin (7,000,000 sq. km.), with its great tributaries the *Madeira* and the *Rio-Negro*. The depth of the Amazon allows sea going ships to sail inland 3,500 km. The *Parana* River with its main tributary the *Paraguay* is also a waterway of great capacity. The mouth of the Parana is called *La-Plata*. Of less importance is the Orinoco, a river in the northern part of South America.

Climate and vegetation

Almost the whole of Latin America—Mexico, Central America, West Indies, and the greater portion of South America, are situated in the tropical belt. Only that part of South America where Argentina, Chile and Uruguay are situated in the temperate zone.

Owing however to winds from the Atlantic Ocean (the trade winds) that penetrate inland, to the Andes, bringing abundant rainfalls, the heat is less intense than in other tropical countries as Central Africa. The constantly blowing trade winds and the enormous evaporation of water from the ocean due to the heat cause very heavy rainfalls—from 100 to 200 cm. yearly. In the upper reaches of the Amazon and the Madeira and also on the coasts of Guiana the rainfall amounts to over 200 cm. (hence the fullness of the *Amazon*).

The rainfall is considerably less in Argentina (25-50 cm.) owing to the temperate climate the evaporation is not so great. It is also much less in the regions of the Andes and the Mexican Plateau, because the rainfall is retained on the eastern slopes. The rain falls largely in the summer.

The climate of the western coast of South America between 5° and 30°s. lat. is influenced by the cold Peruvian Sea current.

The vegetation of South America is exceptionally rich. Central America, the West Indies and the equatorial belt of South America are covered with dense palm forests. The greatest are the tropical forests of the Amazon lowland, exceeding those of other tropical countries. South America is the home of the ivory and cocoa palm, of the cinchona an rubber tree, of cocoa, vanilla, the potato plant, tobacco and maize In Latin America are important world centres of sugar cane and other tropical cultures.

The Mexican Plateau, the lowland of La Plata and the Patagonian Plateau are of steppe character, devoid of forest vegetation (the prairies of Mexico and the pampas of Argentina). Argentina is a region of grain growing and cattle-breeding.

The Brazilian Plateau and the lowland of Orinoco are covered with savannah. The Andes within the limits of the hot belt are covered with beautiful sub-tropical forests on their eastern slopes and with Alpian mountain meadows on the heights. Only in the region of 20°-28°s. lat. does high mountain desert prevail. The western slopes of the Andes within the tropics are subjected to the influence of the cold Peruvian current and get little rainfall. They are poor in vegetation and of desert character. "It is otherwise below the tropics—in the temperate zone the eastern slopes of the Andes facing Patagonia are dry. But the western section with abundant rains are covered with forests.

The useful minerals

Latin America possesses vast mineral resources, concentrated in its three mountainous sections: 1) in the middle and northern Andes, 2) in the mountains of the Mexican Plateau, 3) in the hills of the eastern part of the Brazilian plateau.

The most important mineral is oil, the deposits of which are estimated to be about 2 billion tons (about 1/5 of the known deposits of the world).

The most important oil fields are found in the western part of the Mexican Plateau and at the foot of the northern and middle Andes—in Venezuela, Columbia, Bolivia and Peru. The oil fields are extensively exploited, have attracted foreign capital and are one of the objects of international imperialist rivalry.

The deposits of iron ore on the Brazilian Plateau are tremendous—about 7 billion (16 per cent, of the known world resources), but so far they are little exploited. There are beds of iron ore in Cuba 3 billion tons, and also in Mexico and in Chile.

Well exploited are the silver mines of Mexico, Peru and Bolivia, of copper in Chile, Peru and Mexico, of tin in Bolivia, of platinum in Columbia. Gold is found in many places but in small quantities. here are considerable deposits of manganese in Brazil.

Finally and of world significance, are huge deposits of saltpetre, utilized for chemical fertilization, and found in Chile in its northern desert section.

Latin America which is rich in many natural resources in great variety is poor in coal. There are some deposits, but of a low non-coking quality and in small quantities in Chile, Peru, and Mexico.

In general, the natural conditions of Latin America are favourable for economic progress. The rich flora, the valuable and varied agricultural crops, the vast deposits of metals and saltpetre, and the huge reserves of energy—petroleum and water power which make up for the lack of coal. But in spite of these favourable natural conditions, Latin America still stands at a low level of economic development. The reasons for this are to be found by studying the social-historic background of Latin America's development.

§ 3. A short outline of the subjugation of Latin America

The countries of Latin America are dependent not only at the present time: for four centuries they have been colonies of the European powers.

In the epoch of great geographical discoveries in the XVIth century almost the whole Latin America of today was seized by Spain and Portugal. Before that time it was held by tribes of the native people whom Europeans called Indians (because Columbus mistook America for India and the people—for Indians); in Mexico it was the Aztecs, and in South America, the Incas.

Spain subjugated these peoples by military force, as they were ignorant of the use of steel weapons and particularly of firearms. The Spanish feudal lords, merchants and plain adventurers, seeking riches, were therefore able to plunder freely and to take out of the country the wealth that came to their hands, especially gold and silver. Organized native life was destroyed in the process. The Spanish "conquest" America is one of the bloody pages of history. At that time the Portuguese took Brazil.

The main source of enrichment of the conquerors was the exploitation of the gold and silver mines by the use of forced and unpaid labour. The conquerors took away the land from the Indian communes and established plantations of sugar cane, cocoa and coffee. They forced the landless Indians to work on these plantations for nothing, thus exploiting them inhumanly.

The Indians either ran away to the forests or died from the strain.

The resulting shortage of labour was met by importation of Negroes, whom the Spanish and English sailors seized on the African Coast and sold into slavery.

The descendants of these enslaved Indians and Negroes constituted the oppressed section of the population of Latin America. The dominant classes consisted of descendants of the Spanish and Portuguese feudal aristocracy and clergy, together with the commercial bourgeoisie. The descendants of the Spanish and Portuguese immigrants to Latin America began to call themselves Creoles.

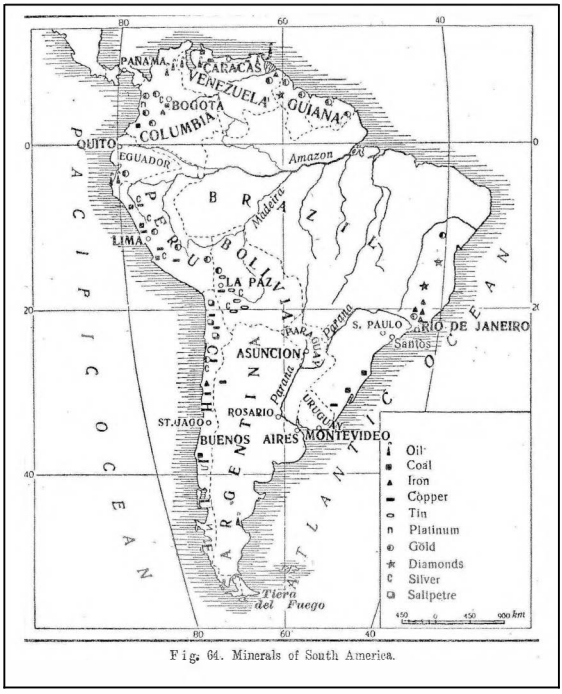


Fig. 64. Minerals of South America.

Fig. 64. Minerals of South America.

The Creole dominant classes received military and other support from the mother countries (Spain and Portugal), but for this paid a large share of their profits. By the close of the XVIIIth century, when Spain and Portugal had become weakened by the struggle with England and less able to support the domination of their colonists, the

Creole landowners refused to share their income with the mother country. After the Great French Bourgeois Revolution in 1789 and the Napoleonic wars and after the old royal houses had been overthrown in Spain and Portugal the Creole aristocracy and clergy who were hostile to the bourgeois revolution, rose up against the metropoly. This uprising was supported by representatives of the mercantile class and of the nascent petty bourgeoisie, who were inspired by the favourable situation attained the United States bourgeoisie as a result of their successful revolution against England.

As a result of the uprising in 1822, Mexico was declared an Empire and in the same year Brazil separated from Portugal. In 1831 the vast Spanish possessions in South America were seized by some military dictators, and after a struggle among themselves turned into independent republics. There remained with Spain only the Islands of Cuba and Porto Rico. In all the newly formed governments the Creole military and the landlords exercised dictatorship.

But the independence of these governments soon showed its unreality. Even during the first years of their existence they were under the necessity of appealing to English capital for financial aid. England which at that time at the climax of its economic and political power, soon captured a large part of the Latin American market, found opportunities for profitable investment of her capital and a raw material and food base.

Up to the last quarter of the XIXth century England encountered no serious competitors in Latin America.—Not until the rising imperialism of the USA appeared on the stage and put forward the "Monroe Doctrine" with its slogan of "America for the Americans". (It was formulated by President Monroe in 1823.)

In the year 1877 the USA began successfully to combat English influence in Mexico, and had succeeded just before the World War. In the eighties United States imperialism became active in Central America and the West Indies. In 1898 after war with Spain the USA took Spain's last American colonies—the Islands of Porto Rico and Cuba. Cuba was formally established as an independent republic. The US made into colonies (protectorates) the two Negro republics—Haiti and St. Domingo (both on the Island of Haiti). In 1904 by mutual "agreement" with the Panama republic (specially created by USA) it seized a part of the Panama isthmus, across which a French company had started to build a canal, but had become bankrupt. The USA finished the construction of the canal and in 1914 opened it for navigation. Besides the general economic and strategic importance of

the canal, mentioned already in the chapter on the USA, it facilitated conquest of the markets of the western section of South America.

Starting its attack on Latin America, United States imperialism established as early as 1889 the so-called Pan-American Union, comprising the USA and all the twenty Latin American republics. The chairman of the Council of the Pan-American Union is the Secretary of State of the USA, and its members the ambassadors of these republics in Washington. The leading role belongs to the USA.

American and British imperialist rivalry sharpened after the World War during which the prosperous USA had enlarged its production. Having succeeded in dominating Mexico, Central America and the West Indies, the USA took the offensive in South America, displaced England, and in most of these republics secured the dominant positions in the fields of foreign trade and investment of capital.

One of the methods made use of by American capital to maintain its domination in the "independent" Latin American republics is the financing of frequent uprisings and "revolutions", to overthrow regimes undesirable to capital of the USA and to replace them by agents of the latter. Sometimes they resorted to armed interference—intervention (for example in Mexico, Venezuela, Nicaragua, Cuba, Panama, Chile).

It should be mentioned that towards the close of the XIXth century, a long time after the separation of the countries of Latin America from Spain and Portugal, a fairly intensive immigration began again of Spanish, Portuguese and Italian colonists. But now it is a different class of colonists. It is not the feudal aristocracy going to seize plantations, and not merchants seeking easy profit, but primarily peasants, ruined and deprived of land, compelled to leave their mother countries in ten and hundreds of thousands to start life anew.

§ 4. Economy and population

The domination of foreign capital and the rivalry between England and USA

Foreign capital dominates all the countries of Latin America. It holds all the commanding summits of the people's economy. Industry (mining and manufacturing, products of agriculture), transportation (railways, sea and river navigation, street cars), municipal utilities

(power stations, water works) banks and foreign trade. The governments of the Latin American republics and the parties supporting them are agents (often quite openly) of foreign capital.

As has already been stated, Latin America is an object of rivalry between England and the USA. Before the World War the South American market was 29 per cent in the hands of England and 15 per cent in the hands of the USA. After the war and during the years preceding the crisis this proportion sharply changed. England's share of the import to South America decreased to 20 per cent and that of the USA increased to 31 per cent.

The displacement of English capital from Latin America in favour of United States capital, is seen still more clearly in the matter of investments.

INVESTMENTS IN LATIN AMERICA
(in billions of gold roubles).

	1913	1932
England	8.5	11.8
USA	2.5	11.4

The table shows that at the present time English investments in Latin America hardly exceed those of the United States, whereas in 1913 the excess was considerable. In two decades English investments have grown 37 per cent and North American 4 ½ times, i.e., 350 per cent.

This process shows with especial sharpness in South America if we examine it separately, excluding Central America, the West Indies and Mexico (where United States capital was strong even before the war):

INVESTMENTS IN SOUTH AMERICA
(in billions of gold roubles)

	1913	1932
England	7.6	9.0
USA	0.3	6.3

In South America we see a greater predominance of English capital then in Latin America as a whole, but we also see a more rapid tempo of growth of United States investments. In twenty years they have grown 21 times, i.e., 2,000 per cent; English investments only 20 per cent.

All this points to a decisive, though not yet completed substitution of American for English capital in Latin America. It should be mentioned that in South America there is also invested the capital of Germany, Italy, France and other countries estimated at about five billion gold roubles.

United States investments are predominant in Central America, Mexico, in a part of the West Indies, and in the northern republics of South America. Especially heavy are the investments of the USA in Cuba (sugar plantations and sugar mills); in Mexico (petroleum, silver mining, metallurgy, plantations) in the Central American republics (coffee and banana plantations, transportation); and in Venezuela and Columbia (petroleum). The investments of the USA are also predominant in the western section of South America, though less so than in the above mentioned countries. These include Chile, Peru, Bolivia (mining—saltpetre, copper, petroleum, tin and silver).

English capital predominates in Argentina, and Uruguay (in railway transport, meat packing and oil extraction) and in Brazil (in state loans, the textile industry, coffee plantations and coffee trade).

Of extremely sharp character is the Anglo-American struggle for sources of important raw materials and fuel, petroleum, saltpetre, rubber and for the development of railway transportation. The latter an effective means of penetrating and exploiting the colonial and semi-colonial countries.

Before the beginning of the world crisis United States capital made a strong bid against English capital—in Brazil and Argentina. A vigorous struggle between them is also carried on in the western section of Latin America (Chile, Peru, Bolivia). The northern section of South America, Central America and Mexico, are already fully subjected, as we have noted, to the United States, and are considered as one of its fields of “special interest”. Besides their importance as markets for investment of United States capital these countries are of great strategic significance. They approach the Panama Canal zone, which is guarded jealously by the USA and of course the territory of the USA itself. But England does retain some of her footholds even here—the old investments in Columbia, Venezuela, Mexico, and colonies, the Island of Jamaica (with a naval base) and other islands, British Honduras in Central America near Panama, and British Guiana in South America.

The one sided economic capitalisation of Latin American countries

The social-historic conditions under which Latin America developed—its enslavement by European power, its retention of feudal features —have resulted in great backwardness and under the influence of the world market and foreign capital—led to a deformed economic specialization.

Foreign imperialism has neglected or thwarted the independent economic development of the Latin American countries and has regarded them only as sources of raw material and foodstuffs, thus giving a narrow direction to their productive forces. Each of these republics, according to its agricultural specialization has become basically a one-product country, coming to the world market with coffee, or cocoa, or sugar etc. Such specialisation intensifies the dependence of the Latin American countries upon the world market and foreign capital. Overproduction, of their particular commodity, its price collapse on the world market drought and crop failure, within the country, become economic catastrophes.

Such one-sided specialization has also taken place in the industries of Latin American countries—food industries and mining (for instance the specialization of Cuba in sugar production, the specialization of Chile in the extraction of saltpetre and copper).

Industry of Latin America and its geographic distribution

Foreign capital invested in the colonial, semi-colonial and dependent countries is chiefly invested transportation, plantations, mining and in municipal utilities—as a rule foreign capital is not interested in developing manufacturing industries, especially heavy—metallurgy and machine building, because this development would promote the economic independence of the colonies and dependent countries and undermine the domination of foreign capital.

Thus in Latin America emphasis is placed on the mining industry and especially on the extraction of petroleum. Petroleum extraction is intensively carried on in Venezuela (third place in the world after the USA and USSR), Mexico, Columbia, Peru, Argentina and on the Island of Trinidad. United States capital predominates in petroleum extraction, though English capital plays an important role too. The oil

is not refined at the place of its extraction; it is exported in the crude, and the refined products (kerosene, black mineral oil, benzene, etc.) are imported into Latin America from abroad.

Of great significance is the exploitation of the deposits of saltpetre in Chile, which in 1929 were found to be 50 per cent in the hands of the USA (the gigantic concern of Hugenheim) and 30 per cent in the hands of England.

The output of copper in Latin America constitutes 25 per cent of the world total. Three-fourths of it comes from Chile, then from Peru and is in the hands of North American capital (the same Hugenheim concern).

The output of tin in Bolivia is 20 per cent of the world's total output and is 60 per cent controlled by American capital.

The output of silver in Latin America is half of the world's output and three-quarters of it comes from Mexico. It is almost completely in the hands of American capital.

The output of platinum in Columbia is estimated at about 30 per cent of the world output, and is also in the hands of American capital.

The manufacturing industry, but slightly developed in Latin America for the reasons mentioned, is mostly represented by those branches of light industry in which the industrial process is very simple, e.g., the manufacture of tobacco goods, sugar, hats. Canning is developed a little in Argentina and Uruguay, and meat refrigeration. The preliminary treatment of certain raw materials which cannot be otherwise transported to markets is sometimes developed as, for instance, the first stages in the treatment of saltpetre and copper ore in Chile, the concentrating of tin ores in Bolivia to lessen cost of shipment. But the smelting of these ores takes place in the USA and England.

There are some enterprises in Latin America manufacturing goods of prime necessity, particularly textiles. But these enterprises are usually found, as for instance in Brazil, in places distant from the river highways or the sea ports, where import goods could hardly penetrate because of the cost of transportation. During the World War, when the stream of English and German goods to Latin America dried up, local industry expanded.

The specialisation and geographic distribution of agriculture

The dominant branch of agriculture in Latin America is plants cultivation. In the tropical and sub-tropical regions it is on a plantation

scale.

The main plantation crops are coffee, sugar cane, bananas and cocoa.

Foremost among the crops of Latin America stands the coffee bean, usually 85 per cent of the world output (in 1930—17 million quintals). The greater part of it is grown in Brazil where it constitutes 75 per cent of her export. Coffee is also the one crop grown in Columbia, Haiti, Salvador and Guatemala, composing from 80 to 90 per cent of their export. The most important place belongs to the sugar cane plantations and manufacture of sugar estimated at 30 per cent of the world's total production (in 1930—81 million quintals). The chief grower of sugar cane is Cuba, sugar is its monoculture (88 per cent of its export). Sugar cane is also raised on the other islands of the West Indies, and in Guiana and Peru.

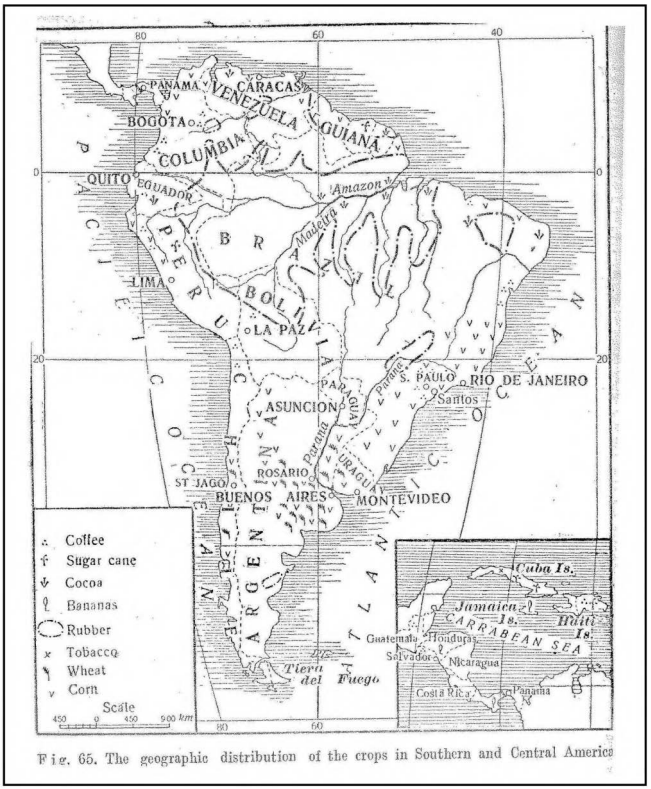


Fig. 65. The geographic distribution of the crops in Southern and Central America

Fig. 65. The geographic distribution of the crops in Southern and Central America.

Bananas are the monoculture of Honduras (82 per cent of its export) and in Panama (63 per cent of the export). They are widely grown also Porto Rico and on the Island of Jamaica.

Cocoa beans grow in Brazil, Venezuela and Ecuador; for Ecuador the cocoa bean is a monoculture (50 per cent of export). Tobacco and cotton, which are of secondary importance in Latin America, are cultivated—tobacco mostly in Cuba, and cotton most in Peru, Brazil and Mexico.

The rubber trees in Brazil and Guiana are worthy of notice. They are not of the plantation type that are cultivated in Indo-China and Indonesia, but wild in the tropical forests. They yield very little rubber by comparison.

Grain—wheat and maize—is grown in the countries of temperate climate—Argentina and Uruguay.

There also is the beef cattle region and the sheep breeding region. Argentina and Uruguay export grain, frozen meat and wool.

The population and its social structure

The population of the whole of Latin America is 116,000,000 of which 82,000,000 live in South America, 16,500,000 in Mexico, 8,000,000 in Central America and 9,500,000 in the West Indies.

The aboriginal inhabitants of America, the Indians, were in large part either killed by the conquerors of the country or ultimately died out. At present they compose only 15 per cent of the total population of Latin America. They are mostly located in the mountainous regions of Mexico, Guatemala, Bolivia and Peru, either in the depths of the tropical forests or in the savannas of Brazil.

The largest national group—40 per cent of the population—consists of the Metis—mixed offspring of Indians and whites. They are distributed over the whole country except in Argentina, where there are few of them.

The whites constitute 30 per cent of the total population. Some of them are Creoles—descendants of the early Spanish and Portuguese, some are later colonists from Italy, Spain, Portugal, some—colonists and offsprings of colonists from Central and Eastern Europe, ho migrated only in the course of the last 50 years. The majority of the colonists settled down in Argentina, Uruguay and Brazil. Of the whites located in Argentina, the Spanish and Italian elements prevail; in Brazil, the Portuguese; and in the other countries—the Spanish.

And finally, about 15 per cent of the population are Negroes and

Mulattoes. They are mostly concentrated in the tropical plantation regions.

The social structure of Latin America is largely made up of the elements of feudalism and serfdom, in general of the pre-capitalistic forms of exploitation. The economic exploitation is accompanied by a vigorous race oppression of the coloured toiling population.

The dominant class of Latin America are mostly the big landowners belonging to the old Creole gentry. They possess 80 per cent of all the land under cultivation and pasture. Their estates generally exceed a thousand hectares. There are many estates in Brazil and Argentina with area of from 25,000 to 75,000 hectares each. The owner of such a domain-district is often the governor, the judge or the chief of police in the region belonging to him. Where that is the case he not only keeps the toiling population on his land in utter economic dependence, but having absolute state power he is able to dispose of the freedom and property and even of the lives of his population without any control.

The big landowners do not always cultivate all the land they have; a considerable portion of it remains uncultivated or fallow, and a great part is rented.

Small peasant farming (2-3 hectares) is so uncommon that it is almost unnoticeable in the economy of Latin America. Insignificant alike are the Indian communities that escaped destruction.

The great mass of the agricultural population is landless and belongs to the oppressed classes: they are tenants, hired labourers and peons (half-serfs).

The tenants are for the most poor immigrants from Europe and the native poor. The conditions of rent are very often of a bondage character. The rent is commonly 30 per cent of the crop. In view of the fact that the tenant generally does not have sufficient means to exist till the next crop and to get the necessary implements and seeds, he is obliged to borrow at high interest from the land owner, or pawnbroker, or advance purchaser of the crop. The tenant can seldom meet the indebtedness, and as a result is converted into a hired labourer.

The tenant in Chile has no right to leave his district without having paid his debts and to pay his debts he is obliged to work for the landowner at 40 per cent of his ordinary wages.

Farm labourers are the most numerous social group in Latin America; they constitute 75 per cent of the population. They come from both the coloured inhabitants of the country—Indians, Metis and Negroes—and from the white immigrants. They work on the big

estates, plantations and farms. They receive extremely low wages, mostly in kind. The severe exploitation, the malnutrition and the unfavourable climatic conditions are conducive to tuberculosis and malaria and lead to mass extinction. The hired labourers are not free to quit their work until the end of the contract. To prevent desertion of the labourers watchmen are always on guard. Communication with the external world even correspondence with families, is not allowed.

The conditions of the peons are even worse. Usually they are landless Indians and Metis receiving from the landowner a small piece of land and a small settlement loan. For this they are obliged to work without pay on the landowner's land and even in his house. A peon does not have any hope of paying his debts and coming out free from the state of practical serfdom.

The industrial proletariat is comparatively not numerous. In South America it is estimated at 4,700,000 (there are no data on Latin America); including 1,500,000 in Brazil and 1,100,000 in Argentina.

The conditions of the industrial workers are not better than those of the farm labourers. Workers in the mining industry, mostly Indians are in a even worse position. In the tin and copper mines of Bolivia and Peru the working shift is 36 hours. During this time the workers sustain themselves only with toasted grains and cocoa plant leaves (from which cocaine is produced).

The coloured population, deprived of land and placed in a position of semi-serfdom, suffers in addition from oppression and arbitrary penalties and fines at the hands of the administrative powers. The police and court do not protect them. They are excluded from participation in political life. Education for the Indians is not developed. Nothing is published in their language. The masses are illiterate.

The economic crisis and the radicalisation of the masses

The world economic crisis has painfully affected the backward economy of the colonial and dependent countries which are unable to compete in the marketing of their production. Especially heavily has it affected the Latin American countries having a narrow specialization. Owing to this dependence upon one product even a little fall in prices on the world market means a catastrophe.

Brazil for instance has suffered heavily from the fall in coffee prices. Even before the crisis, in an attempt to maintain prices, production was regulated and huge reserves of coffee (about 30

million bags) were kept off the market. The withholding from the market of such stocks caused the further expansion of plantations and more overproduction. In the end seventeen million bags of coffee were deliberately destroyed. Many plantations have been abandoned.

The planters of sugar cane have also suffered heavily. So have the growers of other monocultures in other Latin American countries. The grain and live stock economy of Argentina has also been hard hit.

The mining industry has contracted also.

The hard situation in Latin America was made worse by the disproportion in the prices received for agricultural products exported and the prices that had to be paid for industrial goods imported. The prices on the former declined to a greater degree then those of the latter.

The crisis has brought much unemployment, has intensified the exploitation of the toilers, caused the further impoverishment of the masses, and led to the failure of many proprietors. A number of the republics—Brazil, Chile, Bolivia, Peru, Ecuador and Mexico, had to acknowledge bankruptcy and cease to pay their external state debts.

These manifestations of crisis have set in motion the radicalization of the toiling masses of Latin America. Side by side with the "revolutions" that are common in these countries (in the interests of British or American imperialism) there is a wave of revolutionary uprisings of workers and peasants. It heralds the approach of an era of class struggles directed against both foreign imperialists and local bourgeoisie, According to the analysis of the Comintern the main objectives of the revolutionary movement in Latin America are on the one hand the struggle with feudalism, with the pre-capitalistic forms of exploitation and the accomplishment of the peasant's agrarian revolution, and on the her hand, struggle against foreign imperialism for national independence.

B. ARGENTINA

§ 1. Physical geographical outline

The territory of Argentina is 3,500.000 sq. km. Its greater portion is located in the temperate zone. Its constituent parts are: 1) The central section of Argentina, in topography akin to the La Plata lowland, a prairie plain—Pampas with extremely fertile soil, a warm climate and sufficient rains. It is one of the best wheat-growing regions on the

globe. 2) The southern section of Argentina, a plateau (the Patagonian), of dry prairies. 3) The western section, extending the Andes, suffers from a lack of rainfall, and is therefore in some places of a semi-desert character.

The northern section of Argentina is located in the tropical belt and in regard to its relief is similar to the La Plata valley, and like it is covered with tropical forests.

§ 2. Economy and population

Argentina is the most developed of all the dependent republics of Latin America; it is distinguished by a strong capitalist rural economy producing for export and specialized on grain crops and animal product — meat and wool.

Argentina is one of the few "White Man's" countries in Latin America. Of the population of 11,800,000 there are only about 40,000 Indians, living in the tropical forests of northern Argentina, in the mountains of the west, on the dry steppes of the extreme south and in the Tierra del Fuego. Besides the Indians, it is estimated that there are 320,000 Metis. The rest of the population, over eleven million, are of European origin.

The density of population is extremely low—3.8 per sq. km.

More than half of the population of Argentina (54 per cent) live in the cities. The number of large cities is rather small. The most important among them are *Buenos Aires*—the capital, with a population of three million (25 per cent of the total population), *Rosario* and *Bahia Blanca*.

Argentina is one of the most important regions of the world in regard to grain export and export of animal products (wheat and wool). Argentina's wheat export (21 per cent of the word export) before the crisis shared with Canada the first place in the world (in wheat production however she occupied fourth place after the USA, USSR, and Canada). She held first place in the export. of maize (in size of crop second, after the USA) and was first also in export (in crop a well) of flax seeds and of meat (60 per cent of the world export) and second in export of wool (after Australia). Extensive methods of cultivation are generally used. Before the crisis in the pampas region mechanization was widely developed.

In manufacturing, of prime importance are the agricultural industries, especially the preparation and refrigeration of meat for

export.

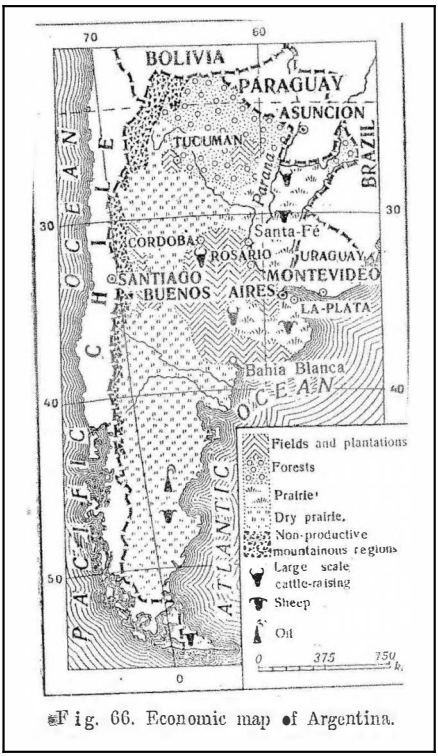


Fig. 66. Economic map of Argentina.

Fig. 66. Economic map of Argentina

The economic mainstay of the country is its central part the pampas. Here on fertile steppes are raised the bulk of the crops and animal products. Here is produced 80 per cent of the entire Argentina output and 90 per cent of her export goods. Here also, in the Buenos Aires region, almost the whole of the country's manufacturing industry is found. 70 per cent of the total population is here, the most important cities and ports, and 80 per cent of the railroads.

The outlying regions are of less importance than the pampas. On the dry Patagonian steppes sheep raising is developed, and there oil is extracted. In the tropical and subtropical northern sections the production of tanning extracts from the quebracho tree, cotton growing and cattle raising, are developed. Western Argentina, a semi-desert

for the most part, has a series of oases where sugar cane and grapes are grown. In the west, in the Andes, mining is a little developed.

About 9 billion roubles of foreign capital are invested in Argentina. England's share is about 6 billion, i.e., 67 per cent, that of the United States is about 2 billion, i.e., 22 per cent, and that of other countries (Germany, France, Italy, etc.) is about 1 billion, i.e., 11 per cent.

The foreign trade is characterized primarily by an agrarian type of export and an industrial type of import. The exports are chiefly to England (32 per cent), Germany (10 per cent) and the United States (9 per cent). The imports are first from the United States (26 per cent), second from England (18 per cent), Germany (11 per cent). Export usually exceeds import. The export of Argentina, the basis of its economy decreased twice during the world economic crisis. The drastic fall of prices on the world market coincided with crop failures in Argentina in the years 1929 and 1930, and brought utter ruin to the small and middle sized farms. Her weak domestic industry, under the pressure of the competition of imported goods, has also declined.

C. BRAZIL

§ 1. Physical-geographical outline

Brazil (to, be more correct, the United States of Brazil) occupies vast territory, 8,500,000 sq. km., almost equal to the territory of Europe. Its topography divides it into two sections: the *Amazon Valley* to the north and the *Brazilian Plateau* to the south and the east continuing south-eastward the Plateau goes down to *La-Plata Valley*: The Amazon Valley has a damp equatorial climate, very harmful for accustomed to that temperate belt. It is covered with thick tropical forests, including valuable palms, and wild rubber trees. The northern part of the Plateau has a tropical climate, the southern a climate like that of La-Plata Valley temperate-damp, sub-tropical. The southern section is rich in building timber (uranquaries) and possesses a fertile red soil. The western section of the Brazilian Plateau has a drier climate and comparatively poor vegetation, changing very often in the savannah and bushery plants.

The rivers of Brazil are the Amazon and its tributaries, and the Parana and its tributaries. They are important main lines of transport and at the same time are colossal reserves of power.

In distinction from Argentina Brazil is extremely rich in mineral resources. Its iron ore deposits estimated at some seven billion tons, constitute 16 per cent of the known world deposits. There are considerable deposits of manganese, low grade coal, gold and diamonds. The minerals are located on the Plateau.

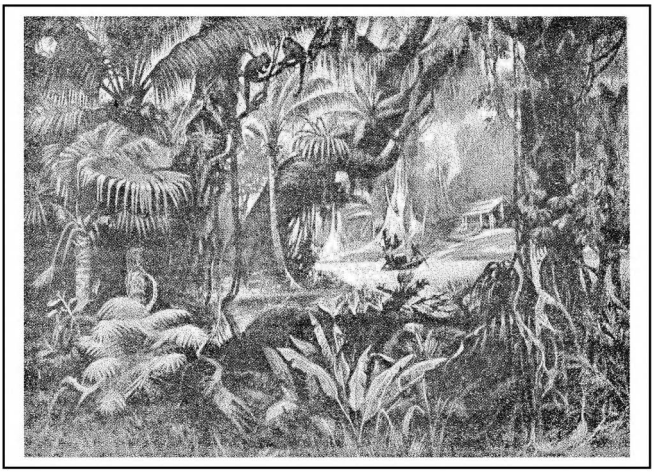


Fig. 67. Tropical forests in Brazil.

§ 2. Economy and population

Brazil is the largest of the dependent republics of Latin America, in regard to its territory and population. Its great natural resources consist of iron, manganese, wider power and woods. These resources are poorly developed. It is characterized by an agrarian economy, with a monoculture specialization, that of coffee.

The rich and varied natural resources of Brazil are utilized to a very small extent. There is comparatively little mining, great water power goes to waste, and the land is but one per cent cultivated in spite of the fertile soil. This follows from the early enslavement of Brazil, resulting in the preservation of strong pre-capitalist features, protected by foreign capital. As we saw in the general outline of Latin America, these conditions are responsible for the retarded industrial development of the country and for the harmful economic

specialization in coffee, for the evil of monoculture. The interests of foreign capital dominate over those of the country.

The larger part of the territory of Brazil is neither populated nor utilized. The population of Brazil is estimated at 42 million. 36 per cent are whites Creoles, and immigrants from Portugal, Italy and Spain; 36 per cent are Metis; 19 per cent—Negroes and Mulattoes and 9 per cent Indians.

Almost all the population is concentrated on the plateau in the eastern section of the country, chiefly along the seaboard, In the depths of the country are only three or four percent of the population. The coast section of the Brazilian Plateau is the region of coffee plantations and the economic centre of the country. The main cities of Brazil are located here: *Rio de Janeiro* (1,500,000 population)—the capital, the commercial, and industrial centre and seaport; *San. Paolo* (750,000)—the main centre of the coffee plantation region and also a port; *Bahia* (300,000), trade and industrial centre and port.

The production and export of coffee plays the leading role in the economic and political life of Brazil. The export of coffee in regard to its gross profit constituted three-fourths of the Brazilian export before the crisis), Brazil supplies 75 per cent of the world consumption of coffee.

Other agricultural products such as cotton, rubber and wheat, in spite of the favourable physical conditions, are produced only in small amounts. Wheat is even imported from the United States and Argentina.

The coffee plantations are primarily on estates belonging to the big local landowners from the Creole aristocracy, and partly on plantations owned or controlled by English capital. Hired labourers and peons do the work on the plantations.

The Brazilian government, representing the interests of the great coffee planters, attempted to "regulate" the production of coffee and its prices, or more correctly, to maintain the prices at an artificially high level. The specially created "regulating" organization—the Institute for the Protection of Coffee —had the right to adjudge the world price on coffee as too low. Then the new crop of coffee was put in storage, and a small advance, from a fund formed by the aid of an English loan, was paid to the planters. This measure in the very beginning really did raise prices on the world market. The big Brazilian planters and the English capitalists connected with the plantations who were able to wait for increasing prices won great profits from this speculation. And on the contrary, the many small producers of coffee who could not find a way out of their difficulties were ruined. "Regulation" became a

political question. The conservatives support it but the liberals are against it. The USA, the basic consumer of Brazilian coffee (Great Britain consumes mostly Arabian coffee) contended against the artificial running up of prices; United States capital rapidly began to develop coffee plantations in the other Latin American republics (Haiti, Columbia, Salvador, etc.) in order to break the Anglo-Brazilian monopoly. As a result of the regulation policy, the stocks of coffee in Brazil grew from 4,300,000 bags (of 60 kg.) in 1926 to 21,400,000 bags in 1930. The overproduction of coffee coincided with the beginning of the world crisis that has shaken the economics of the whole capitalistic world, and especially those of the colonial and dependent countries. In 1930 the prices on coffee fell by one half. The average annual export from Brazil is fifteen million bags and the government destroyed about five million bags. Further the regulation has resorted to a systematic destruction of over half of the crop (24 million bags for the years 1932 and 1933) and to reduction of the area under cultivation.

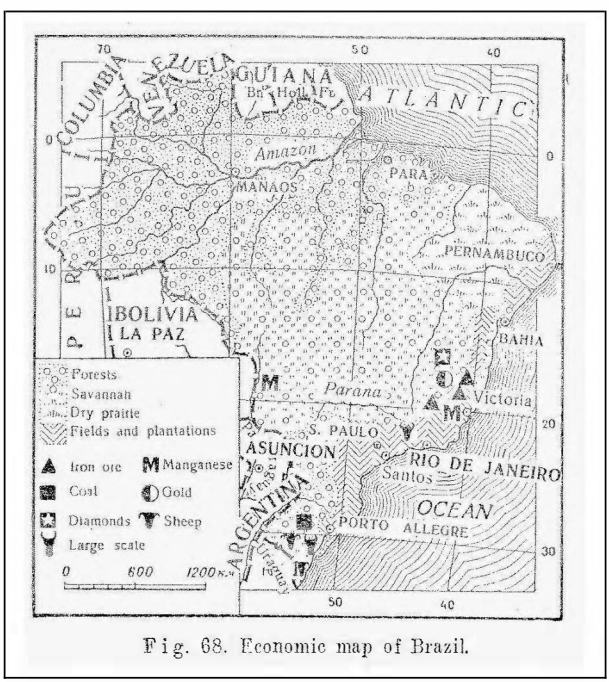


Fig. 68. Economic map of Brazil.

Fig. 68, Economic map of Brazil.

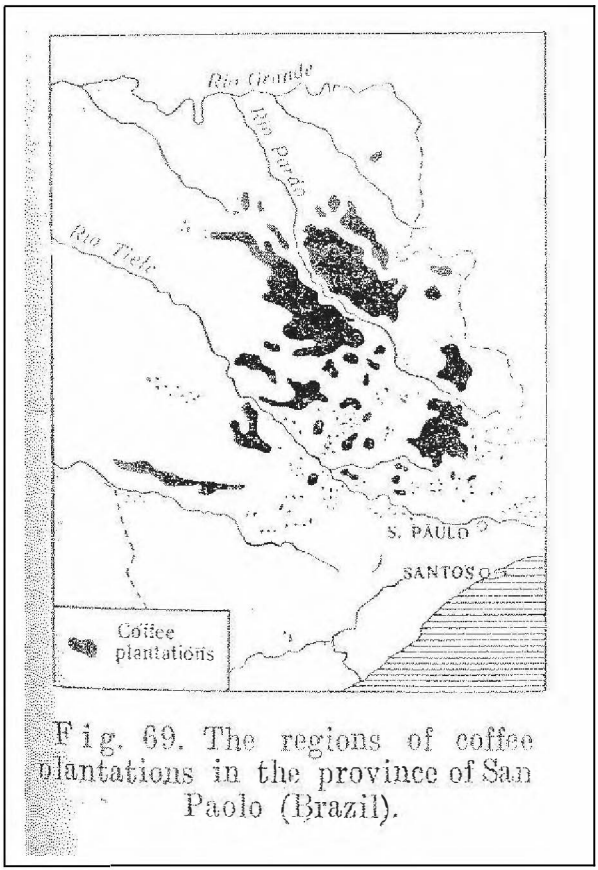


Fig. 69. The regions of coffee plantations in the province of San Paolo (Brazil).

Fig. 69. The regions of coffee plantations in the province of San Paolo (Brazil),

The world crisis has seriously affected Brazilian manufacturing industries (especially textile, food and leather).

Inland transportation is but slightly developed. The railway network (total length 32,000 km.), is thickly developed only in the chief coffee region. The splendid network of navigable rivers (with a total length of 65,000 km.) is utilized but slightly. Sea transport is more developed.

The main ports are *Santos* (coffee export especially) and *Rio de Janeiro.*

A characteristic of foreign trade of both Brazil and Argentina is their active balance of exports over imports. Three-fourths of Brazil's export is coffee. Other items are cocoa, rubber and manganese ore. 45 per cent of the export goes to the USA, 10 per cent to Germany, an 5 per cent to Great Britain. Brazil imports wheat, textiles, petroleum products, machines and metal goods. The import comes 28 per cent from the USA, 21 per cent from Great Britain and 12 per cent from Germany. The world crisis has reduced the foreign trade turnover by almost a half.

The total amount of foreign capital invested in Brazil is over five and a half billion gold roubles. 54 per cent is English, 17 per cent American (USA) and the rest, 29 per cent, comes from other countries (France, Germany, Italy, etc.). English capital is primarily invested in stat loans, in electric light and power enterprises and in other industries American capital is also invested in industries and in light and power.

IV. THE COUNTRIES OF ASIA.

1. JAPAN

§ 1. Physical-geographical outline

Geographical location

Japan is situated on islands to the east of the Asiatic continent (see map 53).The metropoly proper consists of the following groups of islands: 1) of a group of *Japanese* islands, among which the most important are: the largest of them *Honshu* (it is also called Hondo and Nippon), to the north of it *Hokkaido* (or Yezo), and to the south *Shikoku* and *Kyushu*. 2) Of a group of the small *Kuriles* islands stretching north from the island of Hokkaido to the peninsula of Kamchatka. 3) Of a group of small islands of *Ryukyu* stretching to the south from Kyusyu.

In all there are over 500 islands, with an area of 382,000 sq. km. and a population of 67,000,000 (England's area is 245,000 sq. km. with a population of 46,000,000).

Besides this, Japan possesses the following colonies: the Island of *Formosa* (or *Taiwan*), the *Korean Peninsula*, the ports of *Dairen*, *Riojun* (the former Port Arthur), the southern section of the Island of *Sakhalin* (Karafuto), as Mandatory Territories *Marianas, Caroline* and *Marshal* and islands. These colonies aggregate about 300,000 sq. km., and have a population of 25,000,000.

The eastern shores of Japan face the Pacific. On the east Japan is separated from the Continent of Asia by the Japanese sea. On the north here is the Sea of Okhotsk, on the south, the East China Sea.

Japan occupies in Asia much the same position as England in Europe.

Her geographical nearness to China gives her an important advantage over the other imperialist powers in the struggle for the economic penetration of China, and puts her in a strategically strong position for dominating China.

Her islands, Ryukyu and Formosa, stand in the way of her rivals approach to China via the Pacific, and the possessions she holds on

the Chinese coast secure her dominance of the Yellow and Eastern Chinese Seas. Japan is most conveniently situated to rob China.

Mountains cover seven-eighths of Japan's territory. In parallel chains they stretch from north to south.

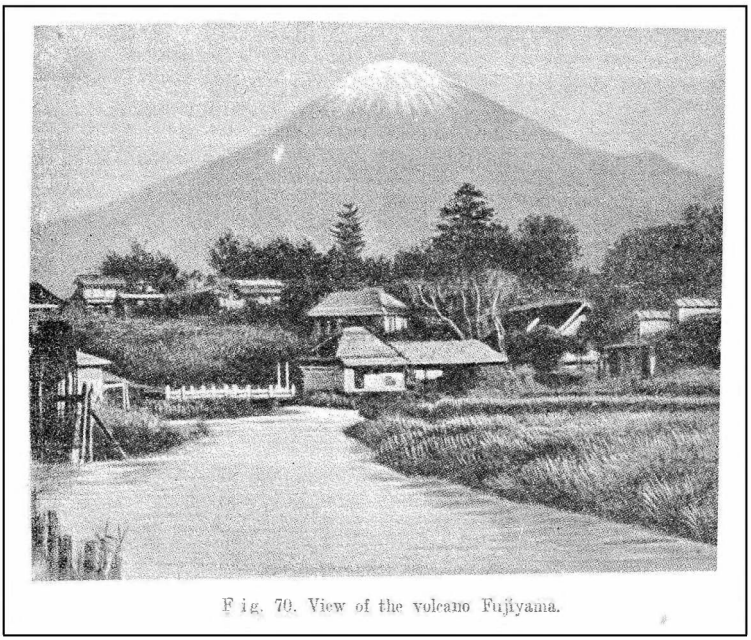


Fig. 70. View of the volcano Fujiyama.

Fig. 70. View of the volcano Fujiyama.

In the southern section of the Honshu Island they turn south-west. Valleys lie among the mountain ranges; these are small plains in some places mostly near the sea coasts (as for instance in the regions of Tokyo and Osaka). Most of the mountains are from one and a half to two km. high. There are some summits that reach a height of 3.5 km. The volcanic peak, Fujiyama, is the highest (in the middle-east of the Honshu Island) —3¾ km. high. Subterranean and volcanic forces constantly manifest themselves in Japan. The formation of the Japanese Sea, that now separates Japan from the Asiatic mainland is thus to be accounted for. Extinct volcanoes, rocks of volcanic origin on mountains and plains and the present day activity of the underground forces in the way of active volcanoes and earthquakes, testify to there having been these manifestations in the past. Slight earth vibrations

not noticeable to people, but registered by the sensitive seismograph, take place almost daily. Violent earthquakes occur quite frequently. There have been two hundred serious earthquakes in the course of the last 500 years. The last ones took place in 1923, 1927 and 1933. In 1923 *Tokyo*, *Yokohama* and four other towns were for most part destroyed. 225,000 people perished, 450,000 were injured, and two billion gold roubles worth of property was destroyed. The earthquakes of 1927 and 1933 were much less severe and disastrous.

Climate

The climate of Japan varies in the northern and southern sections. The average January temperature in the northern part of the island of Hokkaido is —11° that of July +18°. The Kuriles hav e even a lower winter temperature. Snow and frost also visit the Island of Honshu but do not remain for long. The extreme southern end of the Japanese archipelago reaching into the subtropical zone is subjected to the influence of the warm current Kuro-Sivo and to the monsoons. The average January temperature in the southern part of the Honshu Island and on the Islands of Shikoku and Kyushu is +5°, the July +27°. Proximity to sea and tropics and being within range of the monsoons results in abundant rains. The summer is generally hot and moist. 200-300 cm. of rain fall on the southern section of Japan, and only 100 cm. on the Island of Hokkaido. In fall the monsoons change their direction, and the dangerous storm—typhoons become a menace to buildings and shipping.

Rivers

The Japanese rivers, due to the topography, are of a mountainous character. They are shallow, short, rapid, full of rapids and waterfalls, and greatly overflow during the rains. They are not suitable for navigation, but they are widely utilized to irrigate the rice crops and to obtain water power.

Minerals

Japan is comparatively poor in minerals, fuels as well as raw materials. There are coal beds spread all over the country, principally on the Islands of Hokkaido and Kyushu. The amount, however, is

insignificant (8 billion tons). Japanese coal is of a low grade, and mostly does not coke. It is also at a great depth. The known supplies of oil are also not large.

Of metals, there is copper, not enough however to meet Japan's industrial needs. Her iron, silver and gold deposits are also small.

Forests

Forests cover about fifty per cent of Japan, mostly on the mountain slopes. Such a percentage of woodland is found only in a few countries such as Sweden and Norway. The principal forest lands are in the northern part of the Island of Honshu, and in the southern part of Hokkaido. These are regions of mixed forests. In the north there are thick forests. There is a sub-tropical zone to the south, which becomes tropical in the southern section of the Kyushu and the Ryukyu islands. Evergreen oaks, palms, Japanese pine trees and maples grow in the sub-tropical zone, and bamboo, camphor trees, alms and so on are found in the tropical zone. Japanese forests form a raw material base for her building, paper, and match industries. But their cutting is carried on wastefully, without due regard ore-forestation or conservation of natural resources. This destroys the forests. Even so, the home supply of timber does not meet the country's needs, and it has to be imported.

Fisheries

The fisheries of Japan are of great importance. The waters of the Pacific Coast, of the Okhotsk and Japanese Seas, are among the richest of fish regions in regard both to quantity of fish and to variety of species.

§ 2. A brief historical outline

Up to the middle of the XIXth century Japan was a feudal state. The feudal lords owned the land, held the state power, and lived on the labour of their peasants. The agriculture was of a natural type. Industry was weak and trade was but slightly developed. The main articles of trade were either those produced in certain

localities—sugar, salt, tobacco, silk and textiles of different regions, or the monopoly products—rice wine (saki). Japan did not engage in foreign trade. She long refused to enter trade relations with the countries of Europe and of America and at allow their ships to enter her harbours.

But in the middle of the XIXth century the situation changed. Trade capital grew, different branches of manufacture were established, and production or the market began to develop, principally silk weaving, cotton spinning and weaving, the manufacture of porcelain, copper goods and sugar. The establishment of the market, the growth of industry, the consequent strengthening of the trading bourgeoisie, clashed with the old feudal life and gradually undermined it.

In 1854, threatened with bombardment by a United States fleet, Japan agreed to open her two ports for the trade ships of the United States, England and Russia. This accelerated the capitalist development of Japan. Later, the imperialists, by threatening and by bombarding the Japanese coast, forced her to sign unequal treaties which lowered for them the Japanese tariffs on imported goods, gave their subject nationals extra-territorial rights, their own consular courts, etc., and provided for the opening up of other Japanese ports to them.

The development of Japanese industry and trade was doubly handicapped —on the one hand by the feudal order and its old economic policies, and on the other hand by the foreign capitalists who flooded the country with goods that the infant industries of Japan could not compete.

In 1868 a revolution took place headed by the trade bourgeoisie and the discontented strata of the feudalists. “Strengthen the Mikado’s (Emperor’s) Power” and “Struggle Against Foreign Capital” were its slogans. The participation of the feudalists and of the Mikado made it “a revolution from above”.

The new government eliminated the old feudal restrictions on manufacture and trade. For the most part it retained the feudal relations in agriculture, though it did establish private property rights on land that was partly confiscated from the estates of the great landlords, did allot to lower feudalists —the Samurai— these estates and also to the peasants small sections of land, and substituted for the tax in kind a money tax. The government actively assisted capitalist development of the country. Industrial and bank enterprises were organized by the government, and then transferred to private capital. It built railway and ships. It strove to secure raw material and fuel bases.

The continued progressive industrial development of Japan, and its participation to some extent in the imperialist division of the world, led to her becoming in the XXth century a strong imperialist country.

The first stage of the Japanese colonial expression was the war with China in 1894. As a result of it Japan got Formosa and the small Pescadore islands near the Chinese coast, and brought Korea under her control. This war raised Japan's prestige among the imperialists and freed her from the unequal treaties. The second stage was the war with Russia in 1904-1905, which ended in complete victory for Japan. She got the southern half of the Island of Sakhalin, the ports of Dalny (Dairen) and Port Arthur in Southern Manchuria, and the South Manchurian railroad (to the south from Changchun to Dairen), built by the tsarist government. The third stage was the imperialist world war of 1914-1918. Japan seized the German colonies in the Pacific —the Caroline, the Marianas, the Marshall islands, and the port of Tsingtao on the Chinese coast. She forced China to give great privileges to Japanese capital in Southern Manchuria. Taking further advantage of the pre-occupation of the other imperialist powers engaged in fighting the World War, Japan captured a significant part of their world trade, took England's and Germany's positions in China, and partly in India and Australia and in belligerent Europe itself. Japanese imperialism, having grown tremendously during the World War, made attempts from 1918 to 1921 to seize the Soviet Far East. She undertook intervention in Vladivostok, Khabarovsk and North Sakhalin regions. The diplomatic influence of the United States which did not desire the further strengthening of Japan, and the decisive defeat of the whiteguards by the Red Army, led to evacuation of the Japanese troops.

The latest stage of Japanese imperialist development occurs under the conditions of the world crisis. Struck hard by the crisis, Japan is manifesting still greater aggressiveness. In 1931 she invaded China, attacked Shanghai and seized Manchuria. She separated it from China and organized the "independent" state of Manchukuo as a Japanese colony. At the end of 1932 Japan resumed its intervention activities in China, penetrating Inner Mongolia and Northern China.

§ 3. The general characteristics of Japanese economy and population

Japan is a country of a medium capitalist development. It is

one of the strong imperialist powers with a combination of large-scale industry and small handicraft production. The imperialism of finance capital is merged with the military-feudal imperialism. Backward agriculture with feudal survivals plays an important role in the economics of the country. There is a lack of essential raw materials and fuels. The home market has small capacity. There is extreme aggressiveness on the part of imperialist circles. Japan's governmental form is that of a constitutional monarchy.

Japan is an imperialist country of medium capitalist development, with a high concentration of capital and strong feudal survivals. As an example of the concentration of capital, 90 per cent of the cotton industry is centralized in the hands of a single capitalist association; the whole sugar industry is in the hands of six firms, the electrical industry belongs to five firms. This centralization covers production as well as trade and credits. 75 per cent of the silk export is in the hands of firms. Finance and credit are centred in five banks ("the big five"). Bank capital penetrates industry organically, is part of it. All this indicates a high level of capitalist development. But side by side with it there are strong survivals of feudalism, typical of countries of a medium capitalist development. The revolution of 1868 was of a half way character. A part of the old feudal owners kept a considerable part of their land. The landless nobles—the Samurai—became landlords. The peasantry received the smallest and poorest sections. The new landlords joined together with the bourgeoisie in running the government, and used the governmental and taxation apparatus to continue to enslave the peasantry.

Thus, Japanese imperialism is an organic combination of the imperialism of finance capital and of the military-feudal caste, the military police monarchy and its bureaucratic apparatus playing a tremendous role.

These feudal remnants keep the great mass of the population very poor, and the capacity of the home market very small.

The semi-feudal pre-capitalist exploitation of the peasantry results in low wages and also hinders the technical progress of many industrial branches (light industries). Therefore side by side with centralized large-scale industry there is small handicraft industry and capitalist handicraft production to a marked degree.

The low capacity of the home market has obliged Japan to orientate herself towards foreign markets. According to Japan's official

data about one third of the goods produced in Japan are exported.

The vulnerable spot of Japanese national economy in its relation with world markets is its narrow specialization, and the narrow rang of foreign markets.

Raw silk constitutes 40 per cent of the export and is entirely directed to the United States. 30 per cent are textile goods exported to China an India. Such narrow specialization makes her dependent upon world capitalist economy.

By colonial usurpation (Korea, Manchuria, North China), Japan is attempting to secure a raw material and fuel base, opportunities for her investors, and markets for her goods. Brutal exploitation of workers allows the selling of Japanese goods at extremely low prices, enabling her to compete successfully with other countries. The world crisis shaking Japanese economy stimulates still greater aggressiveness.

Before the World War agriculture was predominant in Japan's national economy. The urban population was about 46 per cent of the total population. After the war (1928) the situation had changed. Industrial production had grown to 69 per cent and the urban population to 52 per cent. Agriculture, however, continues to play a predominant role in point of numbers engaged in it. 50 per cent of the self-supporting population is engaged in agriculture, only 20 per cent in industry.

The population of Japan is about 67,000,000. The density is high, on the average 170 persons per sq. km. Southern and south-eastern Honshu and the northern parts of the Shikoku and Kyushu islands, ha the greatest density, from 200-300 persons and in some places eve 500 per sq. km. On the Hokkaido Island it is only 50. There is a considerable annual growth of population in Japan: 20 per 1,000. Main cities are *Tokyo* (5,000,000 inhabitants), the capital, *Osaka* (2,500,000), *Nagoya* (900,000), *Kobe* (800,000), *Kyoto* (750,000), *Yokohama* (620,000)

§ 4. Industry

Japanese industry, which before the revolution of 1868 was completely of a small handicraft type, even now, despite its degree of capitalist development, is characterized by the large number of small enterprises. Thus, 55 per cent of the industrial enterprises employ 5-10 workers each, 40 per cent —from 10 to 100 workers and only 5

per cent —over 100 workers. Only 1 per cent employ more than 500 workers. 31 per cent of the countries industrial workers, however, are employed by this 1 per cent. *4/5* of the enterprises are machine equipped. Electrification, mostly based on water power, plays a great role in Japan. Electricity serves most of industries, transportation enterprises, and 85 per cent of the population.

As has already been mentioned, in spite of the great role of the small enterprises, the monopolistic associations have developed tremendously.

The textile industry

The textile industry, whose output is 39 per cent of the country's total production, and represented by the cotton, silk and woollen branches, is predominant in Japan. Japan's cotton industry occupies second place in the world after the USA in amount of cotton manufactured (12 per cent of the world's), but only sixth place in number of looms (8,000,000). It evidences the great labour productivity, which together with the extremely low wages, allows the Japanese mill owners to sell their textiles successfully in competition with other countries, particularly with England and the United States. Affected by the crisis, however, the cotton output of Japan has been reduced 30 per cent.

The greater part of the cotton enterprises are amalgamated into 72 concerns (3 big ones, 12 medium and 57 small), which in turn are united in the Japanese cotton weaving association, connected with the large concerns.

Osaka is the main centre of the cotton industry.

The silk industry is of less importance in the country's economy, but in regard to the relative importance in the world silk manufacture Japan occupies the predominant place—89 per cent of the world's output of natural silk. It is the only industrial branch utilizing home raw material. The Japanese silk industry is in the hands of big scale capitalist associations. It is based upon exploitation of the small peasant farms hat provide the raw silk, and of those employed in the silk industry mostly women and children). Despite a more than fifty per cent decline the world market price as a result of the crisis, the Japanese silk industry has even increased its output (partly by driving out other countries from the world natural silk market and partly by storing silk).

The woollen industry and the manufacture of rayon (10 per cent of

the world's output) are new branches in Japan, most of whose production is exported.

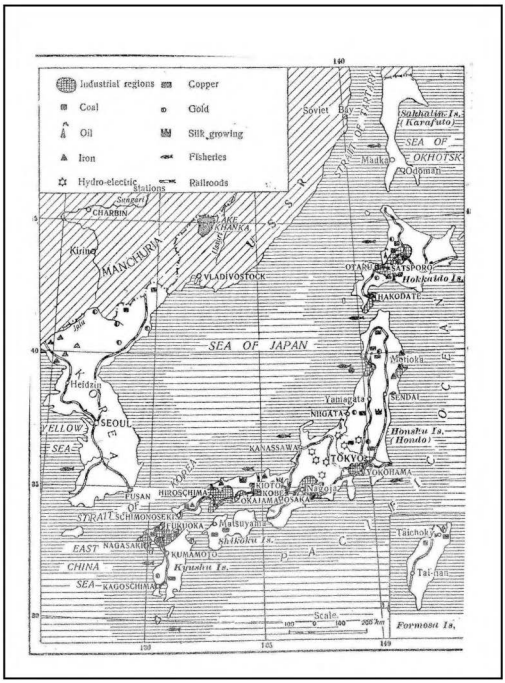


Fig. 71. Economic map of Japan.

The metal industry

Metal industry is the second important branch of Japanese industry. It consists of metallurgy and machine building. The Japanese ferrous metallurgy is of negligible importance in the world output (1 per cent) and meets only half of the home requirements in ferrous metal. Additional cast iron and steel is imported from Manchuria, China, India, United States and Great Britain. Japanese metallurgy, not having its own fuel and raw material base, utilizes ores imported from Manchuria, Korea and Malacca, imported cast iron and coal imported mostly from Manchuria. The iron ore beds in Manchuria, in the Mukden region, are estimated at 400,000,000 tons. Though these ores are poor in iron (30-40 per cent), they meet the country's needs about 50 per cent.

There are also great Japanese metallurgical plants in Manchuria which supply the Japanese machine building with cast iron. There are coal beds in Manchuria, estimated at 1,700,000,000 tons. Chief among them are Fushun and Yantai (near Mukden). They belong to Japan and yield 7 million tons of coal annually. Of this, ¼ is exported to Japan, 1/5 is consumed by the Japanese metallurgical plants in Manchuria and 1/5 by the South, Manchurian railroad controlled by Japanese capital.

Non-ferrous metallurgy is represented by the copper industry. It reached its peak of development in 1917 and since has fallen, due to exhaustion of the main copper beds in Japan. The aluminium industry has begun to develop on a hydro-electrical base and on imported bauxites.

Japanese machine building is represented by ship building, the aviation and automobile industries and by the electro technical industry.

Ship building grew tremendously during the World War, but from 1921 to 1927 was in a state of crisis due to overproduction. By 1929 there had been a certain rise, but again there was a fall in 1931. The aviation and automobile industries have developed during recent years, and being connected with war preparations they were strongly assisted by the Japanese government. Some of the idle ship building plants were turned into automobile and aviation works.

The electrotechnical industry has also greatly developed in Japan, producing 4 per cent of the world's total.

Other machine building branches are but slightly developed and the country's needs along those lines are covered by import.

The war industry, the production of guns, artillery, shells, military aeroplanes, automobiles, etc., plays a tremendous role in the Japanese metallurgical industry. Due to the great continuous demand of the War Department Japanese metallurgy has decreased less than in other countries during the years of crisis.

Other branches

Among other industrial branches of considerable importance are the food industry (15 per cent of the total); chemical (rayon manufacture, explosives, match industry, ceramics, china, cement production, wood-pulp, and paper-cellulose).

The general level of Japanese industrial development

As comrade Kuusinen pointed out at the XIIth plenum of the E.C.C.I., "Japanese capitalism is a weak capitalism at bottom. It is primarily based upon the production of textile goods for export and the means of war for its own use. But it has not the base upon which in other countries, such as Germany and the United States, strong financial capital has developed, whose solid back-bone is heavy industry."

Only the new industries, chemical, electrotechnical, aviation, are at really high technical level and have considerable mechanical equipment. The old branches, especially the textile, food and chinaware, are characterized by backward equipment and prevalence of handicraft labour.

The condition of the proletariat

The position of workers in Japan is more difficult than in other capitalist countries. Feudal survivals in the country-side and the ruin of the Japanese peasant causes a rapid influx of labour to the cities. A tremendous standing army of unemployed and the poor living standards of the toilers makes possible the most brutal exploitation of workers. The working day is generally 11 hours, in many enterprises 12-15 hours. Wages are very low. Labour protection does not exist at all. The labour of women, youth and children, paid even less, is widely used, especially in the textile industry. The conditions of the textile workers are extremely hard. These are mostly the daughters of peasants, 12-20 years of age, legally signed over by their parents to the factory administrations for 2-3 years. They stay in the factory barracks without right to leave its gates. Their pittance of a wage is not paid to them; a part is taken for their food, a part is sent to their parents, and part is put in a savings bank in the girl's name. The severe exploitation often changes a young girl during the 2-3 years of her factory life into an invalid. Not a few die before the contract is finished. The Japanese working woman is a half-slave.

§ 5. Agriculture

The social structure

The Japanese agriculture is characterized by its feudal survivals. The big and middle landlords and the kulaks are 14 per cent of the country's land owners, but possess 58 per cent of the entire agricultural area.

The small landlords and middle peasants (owning from 1 to 3 hectares) number 38 per cent of the owners and possess 32 per cent of the land. Small peasant-proprietors (up to one hectare), are 48 per cent in number, but possess only 10 per cent of the land. Thus, the most numerous group possesses of the least amount land.

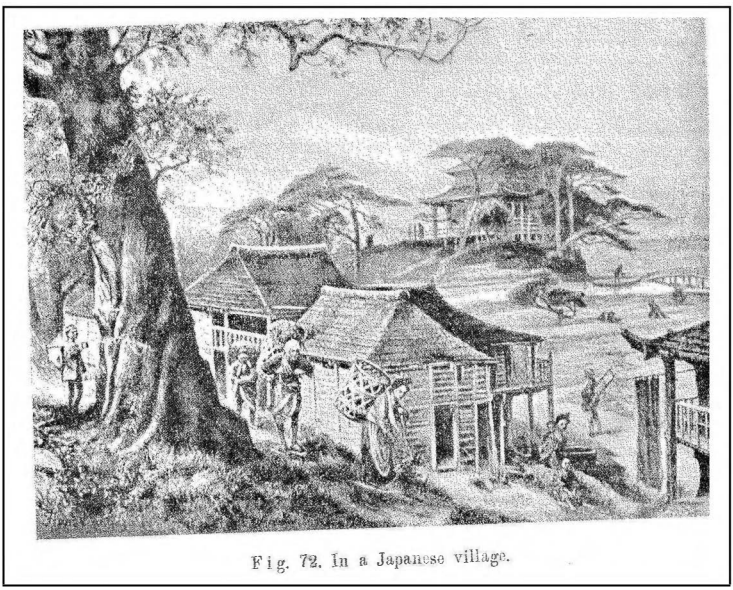


Fig. 72. In a Japanese village.

Fig. 72. In a Japanese village.

It must be added that the majority of the landlords of Japan do not cultivate their own land, as do German landlords or American capitalist farmer, but rent it to the landless peasants in small pieces. There are about 4,000,000 of such small peasant-tenants, and over

half of them rent tiny pieces of land (half a hectare or less), that barely sustain them in a half-starving condition. Such a peasant-tenant is the main figure in Japanese agriculture; he is exploited by the landlord, who charges 60-80 per cent of the harvest as rent, and by the merchant who buys his produce for as little as possible, and by the pawnbroker who charges high interest for loans wherewith to pay the high taxes. The small peasant-proprietor also works under difficult conditions. To meet high taxes and other charges he mortgages his land, then loses it and falls into the ranks of the landless tenants. All this creates semi-serfdom conditions for the small Japanese peasantry and obliges many of them either to flee to the cities to find work or to emigrate abroad. Peasant uprisings frequently occur.

Principal branches and crops

Rice is the main crop. It occupies 60 per cent of the area under cultivation and produces 50 per cent of the agricultural output. Rice is grown all over the country, except on Hokkaido island, primarily on the plains. It is the staple Japanese food product. The Japanese make wide use of artificial irrigation, they thoroughly cultivate their land, every sprout is cared for and they apply mineral and organic fertilizers to their land, largely from putrefied fish. Due to those measures, the rice crop there is 2.5 times higher than in India and 3 times that of Indochina (the Japanese crop is 34 quintals per hectare).

Sericulture—silkworm breeding—is the second most important agricultural branch. It produces about 20 per cent of the whole agricultural product. It furnishes the Japanese silk industry with raw material, and is also an export branch of world significance. 70 per cent of the raw silk produced in Japan is exported (primarily to the United States). Formerly Japan met about 40 per cent of the world silk consumption. The development of rayon production after the war sharply affected the Japanese silk industry.

Among other crops, barley, tea and vegetables, especially soy beans, are grown in Japan.

Cattle-breeding does not play an important role. Comparatively little meat is eaten in Japan (they use much more fish). And working cattle, horses, etc., are not very widely used in Japanese agriculture. Nor is there any machinery used in Japan's agriculture. The big-scale farmers prefer to use cheap, serf-like hired labour. Therefore manual work is predominant in Japanese agriculture.

The sharp contradictions in Japanese agriculture are causing its

decay. The area under cultivation does not expand. The rural population is decreasing, crops are declining.

Crisis

The world economic crisis reduced prices on agricultural produce and further worsened the conditions of the Japanese peasant, and of the agriculture as a whole. For instance prices
on raw silk in 1932 had fallen 80 per cent in comparison with 1929. The price does not cover even one third of the cost of silk production. The situation is made worse by the fact that prices on industrial goods fell only 30 per cent.

Fisheries

The fishing industry is a very important branch in Japan. It is carried on in all waters surrounding the country. Japanese fishers approach the shores of the USSR and of North America.

About 1,500,000 persons are engaged in fishing. The principal fish caught are herrings, pilchards, mackerel, salmon and sharks. Fish very important food product with the Japanese.

Forestry

Forestry is highly developed but is carried on wastefully. Trees are cut in great numbers for the building, paper-cellulose and chemical industries. Japan does not meet her requirements in timber, and imports from North America and USSR.

§ 6. Foreign trade and movement of capital

Foreign trade

Japan's foreign trade continuously expanded from the eighties of the XIXth century and developed impetuously during the World War, and after it, right up to the world crisis. In 1929 imports reached, 1.88

billion gold roubles and export 1.82 billion. Cotton, wool, iron ore, timber, coal, petroleum (54 per cent of the import) are the principal imports. Among the foods imported are rice, sugar and beans (14 per cent). Semi-manufactures imported are—cast iron and steel. Machines are 15 per cent of the import.

The main goods exported are raw silk, estimated at 40 per cent of the total export; cotton yarn and textiles—30 per cent; silk textiles—5 per cent. There are also exported—paper, matches, metal goods, chin aware, tea and fish products. Thus, semi-manufactures (46 per cent) and finished goods (40 per cent) are of about equal importance in her export.

Japan imports cotton and timber from the United States; iron ore, coal and cast iron from China; cotton, rice and sugar from India and machinery from England.

Japan exports practically all of her raw silk to the United States. Finished goods—textiles, etc. are sold for the most part in Asiatic countries. Trade with the United States is of great interest to Japan, for America absorbed, before the crisis, 42 per cent of Japan's total export. Besides raw silk America purchased her silk textiles, porcelain and tea. China was Japan's second most important market, absorbing 27 per cent of her export. Other countries were of less importance—India, 8 per cent; European countries 7 per cent; Australia and New Zealand 3 per cent.

With the crisis and the fall of prices on silk, the role of the Unite States in Japanese export decreased. Japan also faced resistances on other markets—the anti-Japanese boycott in China, in protest against Japanese imperialist attacks; customs barriers in European and colonial countries. However Japan's low selling prices, possible because of the extremely brutal exploitation of her workers, allow Japan to compete successfully on the Chinese market, not only with goods imported from England, Germany and United States but even with Chinese products. The weight of British India in Japan's export increased. She has similarly gained in Australia, New Zealand, Eastern Africa, and the South African Union.

Japan's trade balance continues to remain adverse.

Movement of capital

The flow of capital, like the structure of Japan's export, is of a double character. As a country at a medium capitalist level, she is a market for investments, and as an imperialist country with

subordinated colonies and semi-colonies she exports capital. All together 25 billion gold roubles of foreign capital are invested in Japan. 55 per cent of this is English, primarily in the form of loans, 30 per cent is from the United States partly in industries and partly in loans. Japan's investments abroad are almost equal to these. They are mostly in Manchurian railroads, in Manchurian coal, iron ore and metallurgical industries. In China they are in cotton industry. In the Japanese colonies, the big scale enterprises belong to Japan. In Indonesia, Japanese capital is in rubber plantations and the oil industry. Japan also has investments in fishing and oil concessions in the Far East granted her by the Soviet Union.

Payment balance

Payment Japan's payment balance is featured by its deficits, balance made up out of capital reserve. The main items are:

	1930	1931
	(in millions of yen)	
Net profit from foreign investments	+ 10.0	+ 5.0
Net profit from shipping	+125.0	+100.0
Net profit from tourists	+ 21.9	+ 10.0
Net payments abroad	— 14.2	—
Trade balance	—160.0	—139.8

The main favourable item is the profit from shipping; the main adverse item is the trade balance, excess of imports over exports. The great purchases abroad of armaments in 1932 increased the adversity of the trade balance. To cover this deficit Japan was obliged to ship abroad a large part of her gold reserve, which in 1932 was reduced to 0.4 billion yen in comparison with one billion in 1930.

§ 7. Colonies

The colonial possessions of Japan cover a territory of 298,000 sq. km., i.e., three-fourths the area of the metropoly. Their population is 25,000,000 of which 1,000,000 are Japanese. Korea and Formosa are the main colonies.

Korea

The Korean Peninsula on the eastern shore of the Asiatic continent, has an area of 221,000 sq. km. and a population of 20,000,000. Korea is traversed by mountain ranges. There is a plain in the western section. Korea has fertile soils, and a mild climate. Of minerals there are small amounts of gold, iron and coal. Agriculture is the mainstay of Korean economy. Rice and soy beans are the main crops. They serve as food for the population and are also exported. After the war cotton growing and silkworm breeding began to develop in Korea; also "chen-shuan" a valuable medicinal plant, a monopoly of the government. Cattle raising does not play any important role. Korean industry is but slightly developed. Korea serves as a market for Japanese industrial goods, textiles and machines, and as a source of raw material—iron ore and gold, food products and lie cotton. It is at the same time an outlet for the surplus population of Japan. And it also is a strategical gateway to China.

Nationalist feeling and the revolutionary movement are strong in Korea, and the influence of the Korean Communist Party there is very great.

The main cities are *Seoul* (350,000) administrative centre; and the port of Fusan (140,000).

Formosa

Formosa, or Taiwan, is an island off the south-eastern coast of China, having a territory of 35,800,000 sq. km. and a population of 4,500,000. It's surface is mostly mountainous. Formosa is located in the tropical belt, in the monsoon zone, and is favourably situated for agriculture. There are deposits of coal, gold, copper and petroleum, the working of which began only after the war. Sugar cane, tea, camphor and rice are grown there. Sugar is exported to the United States, camphor to the whole world (Formosa is the main supplier). Rice, beyond that used for home consumption, is exported to Japan and other countries.

The principal cities are *Taichoku*, the administrative centre, and the port of *Tainan*.

Other colonies

Other colonies of Japan are:

1) *Kwangtung*—a part of the small Liaotung Peninsula taken by Japan after the war with Russia. It has important harbours of Dairen (Dalny) and Riojun (Port Arthur). Kwangtung was the Japanese entering wedge for the penetration of Manchuria and afterwards a strategical basis for the military seizure. The terminus of the south Manchurian railroad is in Kwangtung. The area of Kwangtung is 3,500 sq. km. with population of 1,300,000. Agriculture (maize, wheat, soy) is the main occupation.

2) The southern half of *Sakhalin* (known as *Karafuto* in Japan), also ceded to Japan after the war with Russia, has an area of 36,000 sq. km. with a population of 300,000. This part is considerably poorer in minerals than the northern part, which belongs to the USSR. There are, however, coal and gold. Agriculture and fishing are the main economic branches.

3) The *Pescadore islands* located west of Formosa, twelve in number, with a territory of 100 sq. km.

4) The *Caroline*, *Marshall* and *Marianas* Islands in the Pacific, former German colonies, handed over to Japan as mandated territory. The islands number several hundred, some uninhabited. The total area is 2,500 sq. km., the population 100,000, mostly engaged in fishing.

§ 8. The foreign politics of Japanese imperialism and its relation with the USSR

As has been noted already, Japanese capital at the very beginning of its development set itself the task of capturing foreign lands and turning them into colonies. Japanese imperialism is especially plunderous due to the fact that it combines the imperialism of finance capital with that of the military-feudal elements (using the term that Lenin applied to Russian tsarism). “In both Japan and

Russia", wrote Lenin 1916, (the monopoly of military autocracies, the especial ease to despoil subject peoples, China etc., partly supplement and partly substitute for the monopoly of modern financial capital." In Japan as we as in tsarist Russia, monarchy with its tremendous bureaucratic a military-police apparatus, protects the interests of the dominant bourgeois-landlord block, and plays a very important role in the political life of the country. The role of the Japanese military clique is increasing, and to an extreme degree at moments critical for Japanese imperialism.

Japanese capitalism having strengthened during the World War, began to extend its positions in China. China is viewed as an important market, a raw material base and a place for Japanese investments. 1918-1919 Japan launched an anti-Soviet intervention in the Far East occupied the maritime region, including Vladivostok and the Soviet half of Sakhalin. The expansion of Japan in the Pacific alarmed her powerful competitor, the United States, and at the International Conference in Washington in 1922 it compelled Japan to give up her positions in China and to evacuate Soviet territory. After this, up to 1928, Japan refrained from direct territorial usurpations, but pushed her economic penetration into China, pushing out England and the United States. Japan also gave support to the feudal-militarist circles of China in the civil war. In 1925 Japan established diplomatic and economic relations with the Soviet Union.

In 1927 Japanese imperialism definitely prepared for new usurpations. Their general plan was formulated in Premier Tanaki's secret memorandum (which later became known). It looked to the establishment of a greater Japanese Empire, to include Manchuria, Mongolia, China, the Soviet Far East, Eastern Siberia, and later on, India, Indochina, Indonesia, Central Asia and Turkey. According to this memorandum, armed collisions are inevitable, and first of all with the Soviet Union and the United States.

In the execution of this plan Japan occupied Manchuria in 1931 and turned it into the "independent" State of Manchukuo. In 1932 she made an attack on the Shanghai region, where the main interests of England and the USA are concentrated. Active protests of the other imperialist states, and the great resistance of Chinese troops, compelled her to desist.

Shortly after, Japan returned to the attack in the north and in 1932-33 invaded a part of Inner Mongolia (the provinces of Jehol and Chahar). Japan is now making preparations to seize the territory of the Mongolian People's Republic and turn it together with Inner Mongolia

into another "State" dependent upon Japan. She is also making similar plans in regard to Northern China and Sinkiang. Encountering resistance to her plans on the part of the USA and England, Japan withdrew from the League of Nations in 1933 in order to give herself a free hand.

Along with her preparations for further assaults on China, Japanese imperialists are planning another attempt at anti-Soviet intervention. By systematic and premeditated provocations they attempt to stir up conflicts with the Soviet Union, chiefly in connection with the Soviet owned Chinese Eastern railroad (in Manchuria). But the USSR exposes her provocations and firmly adheres to a peaceful policy.

According to official data (much smaller than in reality), Japan's military forces in time of peace are as follows: infantry—260,000; naval tonnage 850,000 tons, consisting of 10 dreadnoughts and battle ships, 35 cruisers, 200 torpedo boats and submarines, and 2,000 military airplanes. In preparation for war Japan is feverishly enlarging her armaments, crowding her industries to capacity with military orders.

2. CHINA

§ 1. Physical-geographical outline

Geographical location an territory

China is located in the south-eastern part of the Asiatic continent. It consists of China proper and the so-called external possessions. These are Mongolia in the north-east; now captured by Japan, and Inner Mongolia in the north-east; *Western China* or *Sinkiang* in the west, and *Tibet* in the south-west, latter under England's influence.

On the east China is bounded by the Yellow Sea, the East China Sea and the South China Sea, arms of the Pacific Ocean.

Chinese territory aggregates over 8,000,000 sq. km., i.e., 7 per cent of the world's inhabited area, and 20 per cent of the continent of Asia. (Fifth largest political unit in the world after the British Empire, the USSR, France with its colonies, and Brazil). Of this territory nearly a half is occupied by China itself.

Variety of physical conditions

The surface of China is extremely varied. China proper is traversed by parallel ranges that divide it topographically into Northern and Southern China. North China is primarily a plain. The east is a great lowland, the Chinese. South China is slightly elevated and crossed by mountain ranges stretching from south-west to north-east. Between the ranges are plains.

China proper

China proper ranges between 20° and 40° northern l atitude. The north therefore, is in the temperate-climatic zone (like the Transcaucasus), and the middle and western sections are in a sub-tropical zone corresponding to Egypt.

The climate of China proper is characterized by monsoon winds. The summer monsoons blow from the ocean to the continent bringing moisture. The winter monsoons blow from the continent, and are dry winds. There is a greater difference in temperature and rainfall between winter and summer than in the corresponding parallels of Europe and Africa. The average January temperature in Peiping is—5°C, that of July is +26°, whereas in Italy in the same latitude the corresponding figures are +8° and +24°. The January temperature in Shanghai is + 3°, in July it is +27°, whereas in Af rica in the corresponding latitude (in Morocco) the figures are +16° and +26°. The winter in China is dry, the summer wet. The average annual rainfall, in the north (Peiping), is 60 cm.; in the south (Canton) it is 65 cm.

The territory of China proper is traversed by three great river stems: *Hwang Ho, Yangtze Kiang* and *Si Kiang*. These rivers serve irrigation (natural and artificial) and as means of communication. The heavy summer rains cause great floods, often widely disastrous The River Yangtze has great importance. A great navigable artery, it permits ships to go inland from 100-1500 km. according to their size Its basin is the richest agricultural and industrial region of China.

The soils of China are loose (yellow soil) in the north, extremely fertile, rich in plant food, not needing added fertilizer. In the middle and southern sections there are red, fertile soils.

Manchuria

Manchuria, divided from China proper by the Great Khingan Range, is a prairie, with fertile soil and a continental climate. Sufficient rainfall and other favourable conditions for agriculture. The *Amur* River and its tributary the *Sungari*, constituting the boundary between Manchuria and the USSR, run in the north.

Inner Mongolia

Mongolia is a desert and semi-desert country covered with sands and stones, and traversed by high mountain chains. The great Gobi Desert (or Shamo —"The ocean of sand") covers Inner Mongolia. The semi-deserts are dry steppes with low forms of vegetation. Only nomadic cattle-breeding is carried on there. Agricultural oases are met only along the river valleys.

Sinkiang

Western China or Sinkiang is mountainous, and high above the sea level. The high mountain ranges of Central Asia, Tien-shan in the north and Kuenlun in the south, are adjoining. The Northern part of Western China is located in the temperate climatic zone (corresponding to the Ukraine) the centre is in the temperate-warm zone (as in the Transcaucasus), and the south is in the sub-tropical zone. The climate here is sharply continental. Even in the temperate-warm zone the winter temperature is sometimes as low as—32°, whereas in summer it is + 42°.

Sinkiang is also a semi-desert region, primarily given up to nomadic cattle-breeding.

Tibet

Tibet is a lofty plateau with high mountains—the Kuenlun Range. The climate here is extremely continental, with severe winter frosts.

Tibet is a region of dry steppes and semi-deserts, a region of cattle-breeding. Agriculture is only possible in northern Tibet and in some cases in the mountains.

Minerals

China is very rich in various useful minerals, which however have been inadequately prospected. The coal reserves have been estimated at 1,000 billion tons, i.e., 15 per cent of the world's total.

The main coal deposits (see the map) are located in North China (the province of Shansi); in Manchuria (the Fushun mines there are exploited by the Japanese), and in the eastern section of Middle and Southern China (the coal fields in the provinces of Hupeh and Kiangsi are exploited by Anglo-Chinese capital).

Petroleum deposits, not very considerable, are located in the north-western and western provinces.

Iron ore is found in China in comparatively great quantities (according to certain data 1.3 billion tons) chiefly in Southern Manchuria and the eastern section of Central China (the provinces of Kiangsu, Anhwei and Hupeh).

In the mining of rare metals such as antimony and wolfram, China occupies first place in the world; beds of these metals are in the south-west. There is also tin in the south.

§ 2. A brief historical outline

Before the time of the forceful penetration of foreign capital into China, i.e., up to the middle of the XIXth century, Chinese history had had milleniums of independent cultural and economic development. But in the XIXth century China was in a state of depression.

The main reason was the domination of commercial and usurous capital. Being united with the dominant agricultural class it assisted preserving the feudal survivals. It kept the peasantry in subjection, and it resisted industrial development. The highly developed handicraft industry made it possible to meet home necessities and refrain from establishing relations with Europe.

The enslavement of China by the imperialists dates back to especially 1842, the year of the "opium war" between England and China (the cause of this war was the burning in Canton by Chinese authorities of 20,000 boxes of opium smuggled in by the English). China was defeated. By the Nanking treaty, China was obliged to open five harbours to foreign trade, to cede to England the Island of Hong Kong, to exempt foreigners from the application to them of

Chinese laws (extra-territoriality), to limit her right to tax foreign goods, and to pledge her to pay huge indemnities.

In 1850 a peasant revolution broke out, known as the uprising of the taypings. It lasted 14 years, but was finally suppressed by English troops.

In the sixties the imperialists seized part of China's territory. England took the western part of the Indochina Peninsula; France its eastern section; Russia—the district of the Ili River (in Middle Asia).

In 1860 as a result of the "second opium war" new expansion of foreign privileges took place and upon China were imposed new obligations and indemnities.

In 1899-1900 under the growing plundering on the side of foreign capital a new revolution broke out, it was a revolt called "the Boxer Rebellion". This uprising was suppressed by the joint intervention of England, France, Russia, Germany, the United States and Japan. China was tied hand and food by a new treaty and turned completely into a semi-colonial country. The imperialists freely operated in the country, struggling among themselves for its division and for "spheres of influence".

The great masses of China before a double yoke—harnessed by both foreign capital and their own commercial-usurious capital and oppressed by the survivals of feudalism. These circumstances led to a revolutionary movement among the peasantry and the petty bourgeoisie (merchant and craftsmen). In 1905 a bourgeois revolutionary society, "The Union of Adherents" (later on the Kuomintang headed by Sun Yat-Sen), was established. In 1912 Lenin wrote of this Union: "There is still a bourgeoisie in Asia, able to represent an honest, militant, progressive democracy. The main social base of this Asiatic bourgeoisie, capable of progressive action, is the peasant. Its leaders are the intelligentzia, educate abroad." (Lenin, "Democracy and Narodniks in China", Complete Work volume XVI, page 28).

In 1911 the peasants revolted all over China. The Kuomintang headed it, and the revolution conquered. The Emperor was overthrown, and a republic declared. Sun-Yat-Sen was elected president. On taking power the Kuomintang did nothing to break the old social relations, and thus disappointed the peasant's hopes. It did not consolidate the fruits of the revolution; it gave back the power to the old feudal clique. The entire social-economic structure of China remained unchanged.

Since 1914 both the bourgeoisie and the factory mill proletariat

have grown. The conditions for a new revolution have been developing. It broke out in Southern China in 1925. The Kuomintang headed it again, established a provisional government and successfully battled with the old government in Peiping and with foreign capital as well. But the bourgeois leaders of the Kuomintang became frightened at the huge force of the revolutionary movement among the multimillioned Chinese toilers, and in 1927, in fact, betrayed them. They came to an understanding with the Peiping government and with foreign capital in order to drown in blood the revolutionary movement. The revolutionary movement was now headed by the Chinese Communist Party.

After the revolution of 1911 and up to 1926 China remained a single entity, under a common president and government (in Peiping). Following a struggle in 1926 between Northern and Southern China, China broke up into three parts: 1) the North, with the government in Peiping, a region of competition between Japanese and United States imperialism, 2) the Middland, with the government in Nanking, a region of rivalry between England and the United States and 3) the South with the government in Canton—a region of competition between England and France. The cliques heading these governments "while struggling among themselves are ruining the Chinese population, executing the will of their bosses from the imperialist camp". (*Stalin*, Report to the Sixteenth Party Congress.) In 1928 the Nanking government gained recognition as the government of all China, but actually separatist activities and civil war are still continuing.

The division of China proper weakened its hold on its external possessions. Since the nineties of the XIXth century Japan has had a firm foothold in Manchuria. Now she has openly taken it away from China. She staged the comedy of "winning self-determination" for Manchuria as an "independent" state (Manchukuo), but in fact made it a Japanese colony. England has taken possession of Tibet, bordering on India.

§ 3. General social-economic characteristics

China is the world's greatest semi-colonial country. It is subordinated to several imperialist governments, chiefly to Japan,

England, and the United States, and is an object of struggle among them. It is characterized by small handicraft manufacture, small exploitation of the huge mineral resources, backward agriculture, strong feudal survivals and a growing revolutionary movement.

Domination of foreign capital

Foreign investments in China are such that imperialists occupy the commanding heights in Chinese national economy. The total is estimated at about six billion gold roubles, distributed among different countries as follows:

Countries	Millions of gold roubles	Percentage
Great Britain	2,532	41.1
Japan	2,306	37.4
United States	500	8.1
France	284	6.2
Germany	176	2.9
Belgium	134	2.0
Others	144	2.3
Total	6,176	100.0

By means of investments, railroad transportation, this most important means of penetrating China, is in the hands of foreigners. Some of the railroads were constructed and owned outright by foreign capital. Others were built by the Chinese government on foreign loans, and they are under foreign control. 35 per cent of the Chinese railway network is under England's control. Japan controls almost all the Manchurian railways. A large part of the French, Belgium and German capital is invested in railroads. Sea and river transportation is also largely in the hands of foreign imperialists.

Chinese heavy industry, weakly developed, such as coal and iron mining and metallurgy, belongs to Japanese industrialists and is operated to meet the needs of Japan. Half of the best developed industrial branch, cotton manufacturing, belongs to Japan.

Foreign capital, particularly USA, controls the electric station (70 per cent foreign capital), the telephone stations, and civil aviation. English and Japanese capital is dominant in banking, credit an trade.

The foreign dependence is shown in the huge state indebtedness of China abroad, estimated in 1932, at 2.8 billion gold roubles. Payment and interest are secured 90 per cent by a lien on the customs duties, and by excise taxes on salt, wine and tobacco. Hence these main sources of state incomes are under foreign control and management.

Unequal treaties. Extra-territoriality for foreigners

The domination of the foreign imperialists is clearly expressed in the several unequal treaties that China has been compelled to sign since the first "opium war" of 1842. The essence of these unequal agreements is the establishment of privileges for foreign citizens and enterprises, and the placing of limitations on China's right to determine the customs duties on foreign goods.

By virtue of these treaties, subjects of imperialist powers have the right to move freely about the country, to import goods through Chinese ports, to navigate their trading ships along the inland waterways, to reside and to acquire property. These privileges have enormously facilitated foreign penetration into the land. Such privileges as extra-territoriality and special foreign settlements in the cities arouse the hatred of the Chinese population. Extra-territoriality of foreigners means that they are not subject to Chinese law, nor to Chinese administrative and judicial authorities; only to those of their own countries. The consular courts solve property disputes among foreigners, and those between foreigners and Chinese are settled by a joint Consular-Chinese court. The consular court of the appropriate country arrests and passes judgment upon foreigners accused of criminal acts.

This existence of "government 'within a government" shows its glaringly in the foreign settlements. By virtue of the unequal treaties, whole blocks are reserved to foreign states in the biggest Chinese cities. Within the borders of these concessions and settlements foreign governments have complete power—administrative, legislative, and financial. They maintain their own armed forces and their own police. Chinese who inhabit those quarters are considered as foreigners, having no political rights.

There are 33 such quarters in China[1]. The most extensive is in

[1] Among them seven English (Canton, Tientsin, Amoy, Kinkiang, Chinkiang, Newchwang, Hankow); six Japanese (Tientsin, Hankow, Chungking, Soochow,

Shanghai. Though an international settlement, in fact it is in England's hands. Second is the French concession. They occupy a huge territory having a considerable population.

The former—8-5 sq. miles has 1,000,000 inhabitants (971,000 Chinese), and the second—4 sq. miles, has a population of 434,000 (422,000 Chinese). The concessions and settlements playa very important economic and political role; they serve as points of support for foreign imperialists in China, enabling them to establish trade and industrial enterprises, build harbours and erect their own military and naval bases.

Besides concessions and settlements, imperialist states in 1898 got parts of Chinese territory "on long term lease" (mostly 99 years). These "leased" territories have become colonial possessions, and in fact are not subjected to the sovereign power of China. The towns of Weihaiwei and Kowloon are of this kind, "leased" by England, and the bay of Kwangchowan bv France.

The customs service

The customs service of China is another manifestation of the unequal treaties. In contradistinction to other countries that are able to exercise their sovereign right of assessing customs duties on goods imported (customs autonomy), China is tied by the unequal agreements. Rates are set beyond which no increase is allowed without permission of the appropriate country. The customs duties of the majority of countries run from 20-25 per cent of the price of the goods imported, increasing or decreasing according to kinds and home production of a particular country. But in China a uniformly low customs tax is established for all goods—5 per cent. If any country is able to negotiate or force privileges (e. g., reduction or complete abolition of customs on certain goods), then those privileges must also be extended to all countries with which China has the unequal treaties. It is the so-called "most favoured nation principle".

This situation has led to the control of Chinese markets by foreign capital, has hindered industrial development, has injured the handicraft industry of China. The latter has been unable to meet

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Hangchew, Amoy) four French (Shanghai, Canton, Hankow, Tientsin); one Italian (Tientsin); one Belgian (Tientsin); 14 international (Shanghai, Woosung, Amoy, Toochow, Ningpo-Changsha, Hukow, Nanking, Tsinan Chowtsun, Weihsien, Newchwang, Hankow, Soochow).

foreign competition, lacking protective duties.

Besides this the lack of customs autonomy unfavourably affected the state finances. The customs income in other countries is estimated at from 25-30 per cent of their total state budgets, whereas in China it is only 3.5 per cent.

In 1928 the Nanking government, after its recognition as the All-Chinese government, declared for the abrogation of the unequal agreements and for the re-establishment of Chinese customs autonomy. But, it is still only a declaration. Although treaties concluded this year with the United States, England and France affirm this autonomy, but an "amendment" to the Anglo-Chinese agreement brazenly negates this affirmation. The "maximum rates on British goods" are agreed to be 10 per cent on luxuries and 7.5 on other goods. Due to the most favoured nation clause in most other countries' agreements with China, these rates become maximum on their goods also.

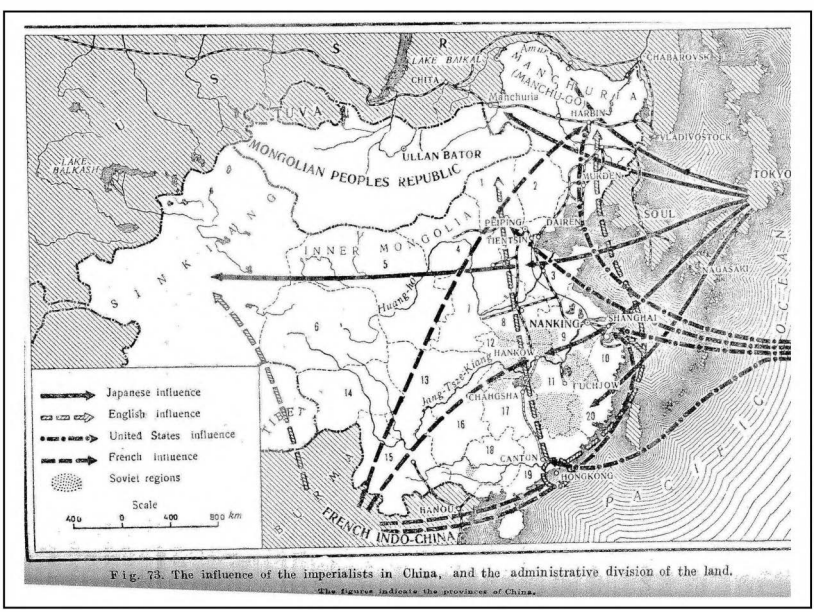


Fig. 73. The influence of the imperialists in China, and the administrative division of the land.
The figures indicate the provinces of China.

Fig. 73 The influence of the imperialists in China, the administrative division of the land.
The figures indicate the provinces of China

The principle of the "open door"

As we have learned from the historical-economic outline, the division of China into "spheres of influence" began in the latter half of last century. The United States was not prepared at that time to participate in a division of China, and finally in 1899 spoke in favour of the "principle of the open door in China," i.e., "equality for the trade and industry of all nations in China." The same principle of the "open door" underlay the resolutions of the Washington conference of 1922 called by the United States for the purpose of resisting Japanese expansion in the Far East.

The principle of the "open door" in the field of international politics as well as the principle of "most favoured nation", in international trade is only a reflection of the clashing interests of the imperialist countries. Each of them attempts to subject China to its own interests, but meets the resistance of the other powers. On the one hand, there is increasing domination of foreign capital by the formation of a united imperialist front against Chinese attempts to overthrow this domination. On the other hand, there is resistance offered to each capitalist state trying to make China its own colony. The seizure of Manchuria and of part of Inner Mongolia by Japan in 1932-1933 violated the principle of the "open door".

Map 73 indicates the regions of the respective imperialists' interests.

Population

The population of China is estimated at about 488,000,000, 24 per cent that of the whole world (China does not have a properly organized Bureau of Vital Statistics).

The density of population of various sections greatly varies. The maritime regions are much overpopulated, whereas the central and still more the western regions are very sparsely populated—1.2 persons per sq. km. The great majority of the population are Chinese.

The agrarian character of China's economy. Its low level of development

88 per cent of the huge Chinese population is rural; urban population amounts to 12 per cent. The cities are chiefly located in the

eastern section. There are nine cities that have over 1,000,000 population.

Agriculture is the basic economic branch in China, but it is at a very low level of development. Chinese industry is but slightly developed. Its proportion to the country's general output and to the world's industrial output; is negligible. Though 24 per cent of the population of the globe inhabits China, their extraction of coal is estimated to be only 2 per cent of the world's total, their cast iron smelting only 0.35 per cent, their use of cotton the textile industry but 7.5 per cent. Yet China has huge resources in coal, iron ore and cotton. Manufacturing production in China represented primarily by the textile branch grew considerably during the war. In general, small handicraft industry predominates in China. But the competition of foreign capital is undermining its position, at the same time retarding development of large-scale industry. China does not have its own machine building industry and imports machines from abroad.

Examination of China's foreign trade shows the low economic development and the agrarian type of Chinese economy. 80 per cent export consists of food products and raw materials such as tea, soy, silk, cotton and coal. Half of the import is of industrial goods such as textiles, sugar and metals..

Domination of feudal elements

The small and middle peasantry makes up the bulk of the population of China, some 300,000,000. The industrial proletariat is estimated at about 3,000,000. Some 17,000,000 are engaged in portage and haulage (including rickshaws). The petty bourgeois class—craftsmen and small merchants—is very considerable.

Landlords, trading and usurious bourgeoisie, the big industrial bourgeoisie, and militarist-bureaucratic elements—these are the dominant classes. Chinese landownership differs from European. In China it is not tied up with the nobility or with descendants of the former feudal aristocracy. Landlords in China are mostly representatives of usurious trading capital that invested its resources in land. But despite the fact that these landowners have no feudal inheritance their practice is purely feudal in respect to peasant-tenants, who make up. a large part of the Chinese peasantry. Payment in kind, personal service, and corvée duties, hired armed detachments of the landlords ("mintuani"), assure them complete control of the peasants' person and property and serve as weapons for suppressing peasant

discontent. Stalin characterized the situation in the following words:

"If 70% of the peasants' income in a great many provinces goes; to' the landlords and gentry and if the landlords armed and unarmed have both the economic and the judicial power, and if there is mediaeval buying and selling of women and children in many provinces, it indicates that feudal survivals are the main form of oppression in many Chinese provinces". (*Stalin*, The Revolution in China and the Tasks of the Comintern.)

This feudal exploiting landownership is closely connected with usurious trading capital on the one side and with militarist-bureaucratic elements on the other. "Trade capital of the primary accumulation type is combined with feudal domination in the Chinese country-side. The militarism, the governors and the whole plundering civil and military bureaucracy of today is a superstructure over this particular peculiarity of China" (*Stalin*, "On the Opposition", page 562, 1928).

These factors of feudal oppression stimulate the agrarian revolution. An actual threat of such a revolution appeared in the middle of the XIXth century during the uprising of the taypings and on the eve of the XXth century during the Boxer uprising. This was responsible for the fact that all elements connected with feudal survivals became allies of any foreign capital that would help them to thwart the developing revolution. This alliance is operative today. "The feudal militarist cliques holding political power over a considerable part of the country are at the same time imperialist agents". (Resolution of the VIth Plenum of the E.C.C.I. of the 16th of December, 1926.)

The Chinese bourgeoisie

The activities of the different militarist groups are carried on in accord with foreign imperialists, financed by them, and represent a disguised intervention in China. The economically strong strata of the bourgeoisie—the financial and comprador bourgeoisie, are also allies of foreign capital. They are so closely tied up with foreign capitalism both commercially and financially that they have never participated in the struggle against the imperialists.

The rest of the big-scale capitalist bourgeoisie (and particularly the industrial bourgeoisie) and the bourgeois intelligentsia, gave most of the impetus to the national-revolutionary movement in China in the first stage of its development, while it was of a bourgeois-democratic

character. This stratum of the bourgeoisie was interested in the elimination of feudal resistances to the industrial capitalist development of the country, and in bringing an end to the domination of foreign capital over Chinese economy. At that stage, the national bourgeoisie was looking for support among the proletariat and the small bourgeoisie. But when the proletariat came forward as an important political factor and in alliance with the peasantry set in motion a mighty wave of agrarian revolution, the big-scale bourgeoisie left the revolutionary movement and formed the camp of "the liberal counter-revolution". This camp would subject foreign capital, but tends to join the forces of feudal reaction.

The role of the proletariat in revolution. The Soviet regions

The basic revolutionary force now directed against the foreign yoke and against domestic feudal oppression, is "the block of the proletariat, the peasantry and the city small bourgeoisie, a greater part of the big-scale capitalist bourgeoisie being eliminated. The proletariat assumed the hegemony of the movement." (Resolution of the VIIth Plenum of the E.C.C.I.). The success of the revolutionary movement is clearly shown by the establishment of Soviet power over an area having a population of 80,000,000 people, a power which has existed six years.

The main Soviet regions are located (see map 71): a) in Southern China, in the eastern province of Kiangsi, b) in Middle China, region of the Yangtze River, where the borders of the three provinces Hupeh Hunan, and Szechwan meet and c) in Middle China the province of Honan. Besides this there are smaller Soviet regions in other provinces. In the Soviet regions of China, primarily in the agricultural regions, the landlords and usurers are driven out, the land is distributed among; the poor and middle peasants, indebtedness to the usurers and heavy taxation are abolished, protection of labour is introduced.

Essence and tasks of the Soviet movement in China

The Soviet movement in China uniting the proletariat and peasantry under proletarian leadership, differs from a socialist

revolution. As Comrade Stalin has indicated, proletarian leadership in a socialist revolution means that: "a) the bourgeoisie is already overthrown, b) the proletariat holds the power, c) the proletariat does not divide power with other classes, d) the proletariat builds socialism, leading the basic peasant masses." (*Stalin*, Questions of Leninism, page 299, third edition).

The Soviet power in China is not a dictatorship of the proletariat, but *a dictatorship of the proletariat and peasantry*. Its direct task of the present day is neither socialist construction, nor abolition of capitalism, nor transformation of individual peasant farming into collective farming, but the *elimination of feudal oppression and the ending of the dominance of foreign capital.* Thus not being a socialist revolution, the Soviet movement in China, due to proletarian leadership, is a form of growing-over of a bourgeois-democratic revolution, into a socialist revolution.

§ 4. Agriculture

Agrarian relations

In contradistinction to the dependent: countries of Latin America, where big scale plantation farms are predominant, small peasant farms are most typical in China, on land rented either from the landlord or kulak, or on their own tiny plots. Besides this, the most characteristic features of eastern and tropical agriculture, as seen by an European or American tourist, is the lack of machinery, the comparative lack of working animals and the great dependence upon human hands.

There are but few working cattle (buffaloes) in the country, and then only on the larger farms. On most farms, as in Japan, cultivation is carried on by manual labour and neither steel plough nor wooden plough are used—only a mattock. Ridge growing is widely prevalent in China; it requires minute care and an enormous amount of spade-work. Due to this great care and to the wide application of fertilizer, and artificial irrigation by means of dams and canals, the Chinese peasant receives a good crop from his piece of land.

Ridge culture is connected with the social conditions of China, i.e. with the great agrarian over-population, increased by the slight industrial development of the country, which is unable to absorb the surplus rural population. On the other hand the feudal-traders',

exploitation of the peasantry deprives the peasant of the possibility of using machines; working cattle and fertilizers. Therefore holdings above 2 hectares are kulak or landlord for China. The small peasant farms usually have les than 1/15 of a hectare (1 mu).

According to 1932 data the social structure of Chinese landownership is as follows:

Social economic groups	Percentage of total number of landowners	Percentage of their land holdings to the country's total sowing area
Small peasant farms	48	6
Middle	24	12
Kulak farms	23	36
Big scale landlord farms	5	46

Thus the small and middle peasants possess only 18% of the entire area under cultivation and the landlords and kulaks —82%.

The table does not give the full picture of agrarian relations in China. It considers only the landowners, whereas there is a large number of landless peasant-tenants in China. Only 50% of the farmers farm on their own land; 25% farm on rented land and 25% partly on their own and partly on rented land. Thus, the poor, landless or almost landless peasant is the central figure in the Chinese village. Such a peasant rents land from the landlord or kulak and pays his rent in kind, more often by a part of the crop, from 40 per cent to 70 per cent or by work on landlord's farms (corvee). Other obligations of a feudal character are connected with this, e.g., the making of gifts to the landowner, who in practice dominates over the person and property of the peasant-tenants. In case of non-payment of rent the landowner has the right to put the tenant into jail (there are special jails for defaulting tenants) and take his cattle (if there are any) and even his children. Dependence of the local government agents upon the local landlords deprives peasants of all political rights.

The small peasant, farming his own land, is hardly in a better position than that of the peasant-tenant. The trader who buys his produce exploits him, the usurer exacts high interest on loans; the tax assessor mercilessly squeezes out taxes sometimes amounting to 40 per cent of the income and often 10 years in advance; the militarists warring among themselves all levy tribute on the peasants; while foreign imperialists drain the Chinese national economy. Due to all this,

the peasant-owners are in a worse position than the hired labourers.

Trading in agricultural produce is in the hands of landlords and brokers. They sell the peasants' products on the city markets or to the export firms.

The world crisis

Chinese agriculture depends upon the world market and acutely suffers from the world agrarian crisis. The world overproduction and the sharpening of international competition as a result of it causes a considerable reduction of Chinese export. The internal agricultural market is also narrowed by the impoverishment of the consumer. And countries with a high machine technique, e, g., the United States, export to China food and cotton and sell them at such low crisis prices, that even the Chinese producers are unable to compete with them. This brings ruin to the Chinese rural population, reduces sowing areas, decreases the possibility of using, working cattle, and reduces the crop. In the process of the wars between the generals in China, the old irrigation system (dams and canals) were destroyed and this worsened the situation. Taxes squeezed from peasants are used for the enrichment of the militarist-bureaucratic cliques, not for repairing irrigation systems. As a result, droughts, poor crops, and great floods are of frequent occurrence.

The flood of 1931 was catastrophic. It destroyed the crops on tens of millions of hectares and caused famine among millions of peasants.

In China, as is common in colonial and semi-colonial countries, says Comrade Stalin, "the crisis of overproduction is combined with the ruin of peasant economy wrought by feudal exploitation and heavy taxes." (*Stalin*, Report to the XVth Party Congress). Facts concerning the starvation of Chinese peasants as a result of this destruction are illustrated by the following:

Years	Millions of persons	Years	Millions of persons
1927	9	1930	19
1928	37	1931	70
1929	54		

Naturally, such a situation in China creates a huge base for the colonial revolutionary movement.

The main crops and their distribution

Plants cultivation is the main branch of agriculture. Cattle breeding, primarily buffalo raising, is extremely weak. The soil and climatic conditions in the eastern section of China are favourable to plant growth. The loess soils in Northern China, the red ones in the Middle and Southern, the soft monsoon climate, are all favourable factors. The full flowing rivers afford possibility for the artificial control of irrigation and effective struggle with drought. By careful ridge cultivation it is possible to have 2-3 crops a year, despite the low agro-technical level. In the mountainous areas, and in the western section of the count (Inner Mongolia, Sinkiang, Tibet and in parts of the provinces of China proper, adjoining them) plant crops meet unfavourable soil conditions, severe climate and insufficient moisture. This is a region of nomadic cattle raising and semi-deserts.

Rice, tea, cotton, and mulberry are China's main agricultural crops. Poppy, wheat, millet, soy and beans are of less importance.

Rice has the widest distribution. China is a main world producer of rice (on a level with Indochina and India) producing 30-40% the world's total. Rice is the staple food of China's four hundred millions.

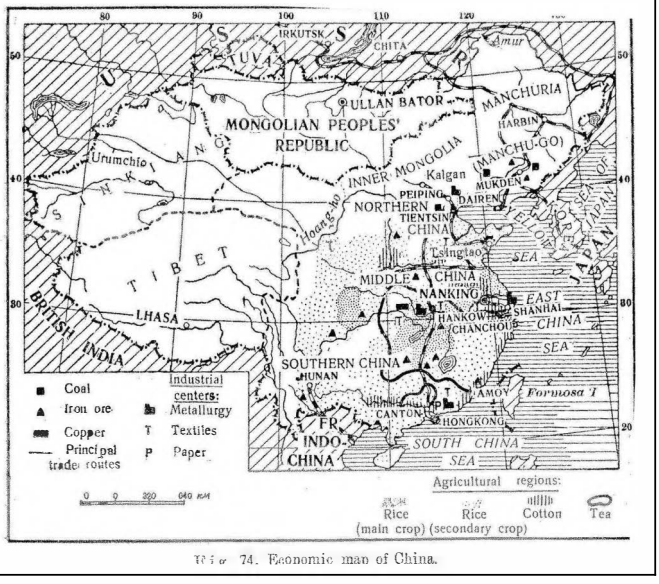


Fig. 74. Economic map of China.

Fig. 74. Economic map of China.

Rice crops are raised all over China proper, but its main regions are in Middle China in the valley of the Yangtze River (see map 71).

Tea has long been the most important agricultural crop and in the XIXth century China was the main supplier on the world market. But the development of tea plantations in Ceylon, India and Java (in Indonesia), and improvements obtained by the use of machines in kiln drying and curing of the tea, have tended to displace Chinese tea from foreign markets and led to decline of the tea economy in China. The economic conditions we have been considering stimulated this decay. Tea is grown in the eastern sections of Middle and Southern China—along the Yangtze River and south of it, and to a lesser extent along the lower current of the Si-tzian River (see map 72). Black tea is predominant in Middle China and green tea in Southern China. Hankow and Canton are main centres of the tea trade. Mulberry connected with sericulture is much developed in China. China holds first place in production of raw silk, even ahead of Japan, to which she exports her raw silk for manufacture. But due to the low level of sericulture, imperfect methods of fattening the silk worms, inadequate struggle with diseases etc. the quality of Chinese silk is low. The main sericulture and mulberry region is the basin of the Yangtze River (in Southern China).

Cotton is cultivated along the sea coast of Middle China, to a lesser extent in Southern China, also in the lower valley of the Yangtze up to the city of Hankow. Chinese cotton is not of high quality, but due to its low price was exported to Japan and in part to Europe, before the crisis.

Poppy for opium production used to be widely grown all over the country, but under the law prohibiting opium the poppy areas decreased considerably, yielding place to mulberry, cotton and wheat. Poppy areas almost fully remain in Manchuria, along the Sungari River. Wheat is grown in Northern China and Manchuria; millet, beans and peas in Northern China; soy in Manchuria.

As was pointed out in the Preface and when considering the countries of Latin America, the imperialist world crisis stunts the development of colonies and semi-colonies, giving them a one-sided specialization, often in a single crop. China's huge territory with its variety of physical-geographical conditions has such specialization in the different provinces— Manchuria specializes in soy and wheat, Kiangsu in cotton and silk, Shandung in peanuts, Hunan in tea, Southern Kwangtung in silk. But in distinction from capitalist countries,

the Chinese provinces specializing in monocultures sell their products on the world market, but not to each other. In case of a poor crop or disastrous flood, in, say, Middle China, wheat is imported from America at a time when heat producers in Manchuria are exporting it abroad, and at a crisis price. The same happens in the case of rice, which is imported from Indochina to some regions of China.

§ 5. Industry

As has already been noted (§ 3) Chinese industry is at a very low level, and as a whole is of a domestic craft character. The ancient crafts are now however in process of decay, affected by the competition of
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foreign manufactured products. Factory-mill type enterprises have been established in China only since the nineties of the XIXth century. But large-scale industry has not been able to develop because it did not have tariff protection from foreign competition.

At present most of the great industrial enterprises of China are in the hands of foreign capital.

The metal industry

Heavy industry is but slightly developed. Seventeen blast furnaces with an annual production possibility of 1,000,000 tons of cast iron represent its metallurgy.

Of the seventeen blast furnaces seven are in Southern Manchuria and owned by the Japanese (Anshian and Bentzichu plants). Seven built by Chinese capital in Middle China, in the Hupeh province (Hanyang, near Hankow), have been acquired by Japanese capital. There are two blast furnaces in Shanghai and one in Peiping that belong to the Chinese. Steel casting is almost undeveloped. There are only some open-hearth furnaces in Hanyang, Shanghai and in the arsenals. Under the influence of the crisis and civil war, Chinese metallurgy, except in the South-Manchurian plants working for Japan, has stopped.

Machine building is still less developed. In spite of the fact that the

bourgeois press has printed much of late about the reconstruction plans of the Kuomintang in industry, present day Chinese machine building is carried on by eight medium sized enterprises employing 2,300 persons. Of the eight the most important are the ship building plants in Shanghai.

Generation of electric power

Electric power in China is produced by 724 electric stations with an aggregate capacity of 825,000 kilo-watts. These plants are small, excepting the Shanghai one, 160,000 kilo-watts, belonging to American capital. The entire electric power production (in 1931) was only two billion kilo-watt, which in comparison with the population gives a very low rate per capital consumption —4.5 kilowatt-hours a year.

The mining industry

The mining industry is the most important branch of Chinese heavy industry, but it is comparatively slightly developed. Extraction of coal, the chief mining operation, is estimated at about 25,000,000 tons annually, or 2% a f the world's total, whereas China's resources are estimated at approximately 15% of the resources. The Hankow district in Middle China (the Hanyeping coal-metallurgical combine) is a main coal mining region. So also is the district around Mukden in Southern Manchuria (the Fushun mines).

The Manchurian coal mining industry is wholly in Japanese hands, the Middle Chinese in the hands of Anglo-Chinese-Japanese capital.

Coal extracted in Manchuria (40% of the total) is partly consumed by the Japanese railroads and metallurgical enterprises of Manchuria and partly exported to Japan. Yet at the same time China imports coal from abroad.

Iron ore is also mined in Middle China and Manchuria; its beds are exploited by foreign; mostly Japanese, capital. Rare metals such as antimony and wolfram, China's output of which is estimated to be half of the world output, are found in Middle and South-western China. There is known to be considerable and varied mineral wealth in many parts of China that is practically not being exploited at all.

The textile industry

The textile industry—cotton and silk—plays a more important role in China than heavy industry.

Both the domestic craft enterprises and capitalist manufacture are widely developed in the Chinese textile industry.

The cotton industry grew tremendously in China during the World War and the first post-war years, due to reduction of export from England. The number of looms grew to 3,700,000 in 1930, from 300,000 in 1913, i.e., twelve times. But the Chinese home production does not meet all of the country's need. Great quantities of Japanese and English textiles are imported in China, competing with the home product. The main cotton centres are Shanghai, in Southern China, where 65 per cent of all China's cotton looms are located, and Tientsin (in North-China). 42 per cent of the Chinese cotton industry, and in the Shanghai region 80 per cent, is in foreign hands, primarily Japanese. The silk industry is also of great importance. 250,000 workers were employed before the crisis. The Chinese silk industry, like the cotton, possesses a strong raw material base, but it uses only 40 per cent of the raw silk produced. The rest is exported abroad, primarily to manufacturers in Japan. Chinese capital is predominant in the silk industry. The main silk regions are in Middle China around Nanking and in Southern China around Canton.

Conditions of the working class

The Chinese industrial proletariat like the Japanese, is severely exploited. Low wages, an extremely long the working day, infrequent rest days, wide use of woman and child labour—such are some of the conditions. Almost all Shanghai factories and plants work night and day, in two shifts. Each shift works 12 hours. There are only 2-3 free days per month. Days missed because of illness or accident are generally not paid for. 12,000 children, from ten to sixteen years of age work in Shanghai enterprises. Their. working day is usually the same as that of the adults, but the wages only one half. The wage of an adult worker is from one rouble twenty kopecks to two roubles a day. The great rural overpopulation of China, on one hand, and the poor industrial development, on the other, generate tremendous unemployment.

§ 6. Transportation

Railroads

China is the most backward country in transportation. Railroad length is 17,500 km. which in comparison with its territory gives but 2 km. of line per sq. km. Chinese railroads, in general, were built by foreign capital or under its control, the object of pumping raw material out of China (mostly agricultural) and with strategical aims, not for the country's industrial development. Therefore they do not link together the different regions of China. Instead they each connect with sea ports. The whole railroad system is in the eastern section of the country. 11,000 km. of line are in China proper, making the thickness there 2.1 km. per 1000 sq. km. of territory. In Manchuria there are 6,500 km., 5.2 km. of thickness per 1000 sq. km. of territory. Inner Mongolia, Sinkiang and Tibet, do not have any railroads. Some of the railroads in Manchuria and South China are Japanese and French concessions. The rest were built by the Chinese government with the aid of foreign loans, and are under the control of international capital. The main railways are the following: the Peiping-Hankow (French-Japanese-English capital), the Peiping-Tientsin (Anglo-German capital), the Canton-Hankow (Anglo-French-German capital), the Shanghai-Nanking (Anglo-Chinese capital), the South-Manchurian railway from Dairen to Changchun in the Harbin direction (Japanese concession now, and a Russian concession before the Russo-Japanese war of 1904-1905). The Chinese Eastern railroad runs from the Manchuria station via Harbin to Pogranichnaia and makes the shortest connection between Vladivostok and Chita. It was built by the tsarist government, now belongs to the USSR, and is under joint management of the USSR and Manchugo.

Inland water transportation

The river highways have great significance in China where roads are bad and railroads few. Most important among them is the Yangtze River navigable for 2,700 km., including its tributaries. The great industrial port of Hankow is on the Yangtze reached by seagoing ships. 60% of the Chinese foreign trade turnover goes via the Yangtze River. The Rivers Hwang Ho and the Sinkiang are also navigable, the former for 2,000 km., and the second. for 1,700 km. Canals dug in ancient

times had a great transportation significance up to the end of the XIXth century, but now they are in a neglected condition. The Grand Canal is the longest, 1,700 km., extending from the city of Tientsin in North-China to the River Yangtze.

Sea transportation

Sea transportation plays an important part, both overseas and coastwise, along the Chinese coast line and up the Yangtze River. But the Chinese fleet numbers only half of one per cent of the world's tonnage. Most of China's freight is handled by Japanese and English ships. China's most important harbours are Shanghai, Canton, Hongkong, the latter seized by the English long ago, and Dairen seized by the Japanese.

Camel transport is developed on the dry steppes and deserts of Inner Mongolia and Sinkiang. There are many caravan routes. Over the unpaved highways of Northern China, transportation is accomplished by means of pack mules or mules harnessed to tumbrels. In southern and middle China human beings are extensively used for the transportation of goods and passengers—"coolies" and rickshamen as they are called China has about 17,000,000 rickshas. The rickshaman runs between the shafts of his vehicle, pulling his passenger. This land of "cab" is widely used in Chinese cities, and is also used in Japan.

§ 7. The main economic regions

In accordance with the social-economic and physical conditions, China may be divided into the following economic regions: 1) Middle China, 2) Southern China, 3) Northern China, 4) Manchuria, 5) Inner Mongolia, 6) Sinkiang and 7) Tibet.

Middle China

1. Middle China, in the Yangtze River basin, is economically the most developed section of the country. The climate and soil conditions here are favourable to agriculture. The famous "Red basin" is located here in the Szechwan province, which is considered as the most fertile

zone on the globe. Two crops a year are usually harvested in the Yangtze basin. The system of irrigation canals is important here. It is controlled by the landlords who get increased rent for its use. Various agricultural crops are cultivated in Middle China. Rice is the most important, grown everywhere; then tea (mostly black, some green). Cotton is cultivated in the eastern half of Middle China. The mulberry tree as a basis for sericulture is found especially in the Szechwan and Kiangsi provinces. Sugar cane, poppy (for opium production), tobacco and ramie are also grown here.

The mineral resources of Middle China are considerable, but barely explored and slightly exploited. Great coal reserves are found in the Szechwan province, in the "Red basin" and in the Hunan and Kiangsi provinces. Exploitation on any big scale is only accomplished in the Kiangsi coal fields, near Pingsiang, where the .Japanese-Chinese Industrial Association "Han-yen-ping" mines over 1,000,000 tons of coal annually. Iron- ore is found in many parts of Middle China, but the largest deposits are in the province of Hubei, south-east of the city of Hankow. The above mentioned company mines high quality ore, partly consumed by home metallurgy and partly exported to Japan. Even here in the Hankow district there are great copper veins but slightly exploited. Antimony deposits are worked in the Hunan province. Gold and precious stones are found in many parts of Middle China.

Manufacturing industry is more developed in Middle China than in other regions. 65 per cent of the country's cotton industry is located here, in the Shanghai region, and the greater part of the silk industry in the Shanghai and Nanking regions. China's metallurgy is mostly located in Middle China; there are nine blast furnaces with a total annual productivity of 562,000 tons (included in the 17 blast furnaces of 1,100,000 tons capacity previously referred to). The tri-city Hankow—Hanyang—Wuchang—is the metallurgical centre of Middle China. (These cities expanded and then united.) The iron and cast iron smelting works of the Chinese-Japanese Association "Han-yen-ping" are located here; they have seven blast furnaces. Small metallurgical and also ship building enterprises are located in Shanghai. The ceramic industry, paper manufacture, china, ink, and vegetable oil, are also developed in this region.

Middle China has an important natural highway, the Yangtze River. Navigation up to Hankow goes on the year round. In summer, at the time of the monsoon rains, ocean going ships can make their way up. It is the region of foreign, especially English capital's greatest

penetration. The United States has large investments in electric. plants and telephone systems, Japan in the textile industry. Most of the foreign settlements and concessions are in Middle China. The greatest are in Shanghai. One is called "The International Settlement", but in fact it is under England's control. Another is the French Concession. Units of foreign military forces and of their fleets are at Shanghai.

Middle China has the most numerous national trade-industrial bourgeoisie and the most numerous industrial proletariat. It is the region of the highly developed national liberation and revolutionary movements. The latter was suppressed in Shanghai in 1928 as a result of the treacherous agreement of the liberal Kuomintang bourgeoisie with foreign, capital and with the Peiping reactionary government. The revolutionary movement has come to be of a Soviet character in the interior provinces of Middle China (Hunan, Hupeh, Szechwan).

The main cities of Middle China are: *Shanghai* with a population of 3,200,000, China's most important seaport, one of the great ports of the world, main centre of the cotton, silk, paper and porcelain industries, and of trade. *Nanking* (630,000), since 1928 China's capital, 4 port on the Yangtze, centre of trade and of the textile industry. The tri-city *Hankow* (800,000)—*Wuchang*—*Hanyang*—the main metallurgical centre and the greatest harbour on the Yangtze River, a centre of trade. *Hangchow* (500,000), south of Shanghai, a centre of trade and of the silk industry.

South China

2. The basin of the Sikiang River is the principal part of Southern China. Like Middle China, it is a region of trade and agriculture, but less developed industrially. Rice is the main crop here, giving two and even three harvests a year. Peanuts, mulberry trees, sugar cane, tobacco, indigo, ramie and southern fruits are raised here. The poppy crop used to play an important role in this region, before the struggle against opium began. Tea growing has also declined, affected by Japanese and Indian competition. Sericulture is of importance here. Mining is but slightly developed. The numerous beds of coal, iron, copper, lead, zinc, and silver are very little exploited. The tin beds located in the Yunnan province, bordering on French Indochina are highly developed, but in a very primitive manner. Mercury is extracted in the Kweichow province and antimony in Kwangsi.

The manufacturing industry is weak, except in the Kwangtung province and primarily in the Canton, region, where the manufacture of silk and cotton textiles and of tobacco goods is developed.

Southern China has natural means of communication—the Sikiang River. It also has several railroad lines and trade caravan highways.

France and England have interests in Southern China. England possesses the Island of *Hongkong*, a great trade centre for Southern China, just as Shanghai is for Middle China. England also has the port. of *Kowloon* (near Canton) "leased" from China; France has the port of *Kwangchowwan*; and Portugal, the city of *Macau*. Both in Southern and Middle China the revolutionary movement is highly developed. Here in the inner provinces of Southern China, remote from the sea, the Soviet power has been established and strengthened.

The main cities of this region are: *Canton*, 1,000,000 inhabitants, a great port and trade centre, a centre of the textile industry. It is also a centre of revolutionary activity; ports, *Foochow* and *Amoy*.

Northern China

3. Northern China occupies the Hwang Ho basin. It is the grain growing region. Wheat, maize, millet, beans and peas are grown here on the fertile loess soils. Remnants of feudalism, elements of natural economy and military-autocratic domination are stronger here than in Middle and Southern China.

The mineral resources are quite considerable here, but as everywhere in China slightly developed. Huge coal reserves, iron and petroleum, are found here in the Shansi and Kansu provinces, which could serve as a basis for establishing a great industrial region. Great coal beds are also found in the Hopeh province. Coal, the richest iron ore, copper, gold and other minerals are found in the Shandung province.

The coal deposit in provinces Hopeh (the Kaiping mines 128 km., north-east of the city of Tientsin, produced 4,000,000 tons a year), Shantung, Shansi.

The manufacturing industry of Northern China is slightly developed and is primarily of a domestic character. The textile industry—woollen, cotton and silk are predominant here.

Sea transportation in Northern China is not so significant as in Middle China. The Hwang Ho is shallow and rapid, which deprives it of value for navigation. A series of railways connect Northern China with

Manchuria and Middle China, and trade highways lead from Manchuria to Mongolia.

Foreign capital, primarily English and Japanese, controls the trade, railways and mining industry of Northern China. The settlements of Peiping and Tientsin are the main fulcrums of the foreign imperialists.

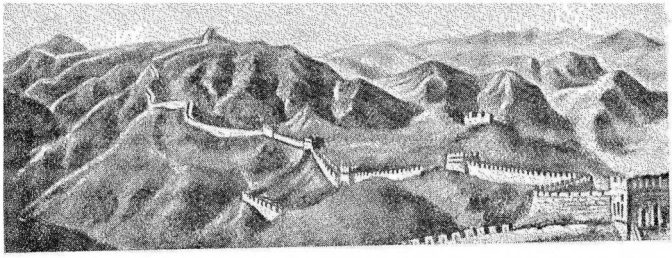


Fig. 75. Part of the Great Chinese Wall at the city of Peiping. The Great Chinese Wall was built as a protection against the attack of the Mongolian tribes.

Fig. 75. Part of the Great Chinese Wall at the city of Peiping. The Great Chinese Wall was built as a protection against the attack of the Mongolian tribes.

Northern China is the main region of the feudal-bureaucratic camp of the Chinese counter-revolution. It is the main field of struggle of the different militarist cliques. The situation of the peasantry is extremely hard. The strong feudal survivals and the sparse industrial proletariat in comparison with Middle and Southern China account for a poorer organization of the revolutionary movement. It is more of a partisan type, of associations such as the "Red Pikes," "Tightened Stomachs," etc., without any clear definite program.

The main cities are *Peiping* (formerly *Peking*) with a population of 1,300,000, formerly China's capital, an important commercial centre, centre of the porcelain and silk industries; *Tientsin* (850,000), the nearest port to Peiping, old textile centre.

Manchuria

4. Manchuria is a region of agriculture and of great mineral resources, which towards the end of the XIXth century became a semi-colony of Russian and Japanese imperialism, and is at present occupied by Japan and turned into the nominally "independent" state

of Manchukuo.

Wheat, soy, millet and rice, in the southern part, are its main agricultural crops. The soy bean is used in a variety of ways as a foodstuff. and also for technical purposes (machine lubricant, illuminating oil and lacquer production). The poppy plant is grown here, and sugar cane. The medicinal plant, djen-shen, is found here.

Forestry is carried on in the northern, mountainous section of Manchuria, hunting (fur), cattle-breeding and goat raising are also developed there.

Manchuria is rich in mineral resources, which are exploited by Japanese capital to a higher degree than in other regions. The coal reserves, estimated at 1. 7 billion tons, are of the great significance here. Two thirds of these reserves are located in Southern Manchuria. The Fushun mines (about one billion tons) and the Yantai are found here, near Mukden. The Fushun mines, producing high quality coking coal, are of particular interest to Japan. Their output was continuously growing before the crisis and in 1929-1930 reached 7,000,000 tons.

Iron ore beds are also extensive, extending from the Korean coast through Manchuria to the Liaotung Peninsula. Ores found are magnetic and red, and mostly of low quality with small iron content (30-35%). The total reserves are estimated at one billion tons.

Besides this, fuel slates are found in Southern Manchuria in the Fushun coal mine region, which could be transformed into liquid fuel. Their reserves are estimated at 5.3 billion tons.

Metallurgy is the main manufacturing branch of Manchuria. Metallurgical plants belonging to Japanese capital are located near Mukden (four blast furnaces with a total annual capacity of 115,000 tons and 200,000 tons output). A Japanese slate distillation plant is also located there. The oil industry (soy oil) is developed in Dairen city in the south of the Liaotung Peninsula.

Wool and carpet production, manufacturing wool imported from Mongolia, is developed in the Mukden region.

Manchuria does not have good river highways. The railroads are thus of the greatest importance. Their construction was begun in the nineties of the XIXth century by the Russian tsarist government. The railways building was continued afterwards by Japan. Railways cover Southern Manchuria with a network of lines. Besides this a great caravan highway leads from Manchuria to Mongolia.

Manchuria is an object of strong colonial exploitation on the part of Japan. 94% of the foreign investments in Manchuria, 1.5 billion gold roubles, belong Japan. The South Manchurian Combine is the

greatest among her enterprises. It has grown around the South Manchurian railway and belongs to the Japanese government. Besides railways this Combine has ships, ports, coal mines, oil-conduit plant, railway shops, metallurgical enterprises, a fertilizer plant utilizing wastes of the metallurgical process, electric stations, gas factories, hotels, and other municipal enterprises. Japan's investments, who secure her domination in Manchuria and enlarge the raw material base of Japanese industry, net her considerable profits.

Manchuria's population is 30,000,000. 92% are Manchurians and Chinese and 8% foreigners—Korean and Japanese colonists.

Manchuria is less populated than China proper and attracts waves of Chinese emigrants from the south. To strengthen its domination and to take care of Japan's own population, Japan assists Japanese and Korean immigration to Manchuria.

Manchuria is even more than Northern China full of feudal survivals. The feudal elements are allies and vassals of Japanese imperialism. Japan uses Manchuria as a base for further conquests in China and for an attack on the USSR.

The main cities are *Chanchun*, the capital of Manchukuo; *Mukden* (200,000), the railroad and trade centre, also a centre of the woollen industry; *Harbin* (220,000), administrative centre of the Chinese Eastern Railroad, a trade centre, *Kirin* (120,000), a trade centre.

Inner Mongolia

5. Inner Mongolia is located between Manchuria, Mongolian People's Republic (Outer Mongolia), and Northern China. It is primarily a region of nomadic cattle-breeding (horse raising, camels and sheep). In the eastern section, chiefly the river basins, there is settled agriculture. Industry is not developed there. The population of Inner Mongolia consists of Mongols, Kalmicks, Manchurians and Chinese. The Chinese population continuously grows due to colonization and at present exceeds the Mongolian two and a half times. Feudal princes dominate this region, and uprisings of the peasants (cattle-breeders) occasionally break out against them. After the October Revolution in Russia the neighbouring Outer Mongolia became a People's Republic. The successful struggle of her feudal cattle-breeders against feudal elements, affected Inner Mongolia. This elements to join hands with the North China militarists and Japanese imperialists. In 1919, the better to secure Inner Mongolia, the Chinese government effected a reorganization of the provinces of Jehol,

Chahar and Suiyuan. A part was added to the North Chinese and Manchuria provinces. In 1932-1933 the eastern part of Inner Mongolia (including Jehol and Chahar) was occupied by the Japanese, with the idea of establishing either a dependent Mongolian State, or a united Manchurian-Mongolian government.

There are but few towns in Inner Mongolia. The largest is *Kalgan*, from which starts a most important caravan highway leading to the Mongolian People's Republic. Before the construction of the Great Siberian road and the Chinese Eastern Railroad it was the main highway of trade between Russia and China.

Sinkiang

6. Sinkiang (or Western China) is isolated from China itself by the Gobi Desert, and consequently from its economic life. It is a region of backward agriculture and cattle-breeding, retaining in some places natural economy and barter trade. National composition of the population (about 3,000,000) consists of Cossacks, Uzbeks, Khirghiz, Tadjiks, and others. The density of population is low, only two persons per sq. km.

Sinkiang is divided into two sub-regions: the north-eastern, designated Djungaria, and the south-western, designated Kashgaria or Eastern Turkestan. Djungaria for the most part is a semi-desert. Agriculture is only developed in the valley of the River Ili, and cattle-breeding on the northern slopes of the Tien-Shan. The towns Urumchi and Kuldja (on the Ili River) carry on trade in leather and furs. The greater part of the sowing area is in Kashgaria. Cattle-breeding is also developed there. The main cities are Kashgar and Jarkend.

Small farms predominate in Djungaria (less than a hectare), and medium-sized in Kashgaria (6-18 hectares).

Wheat, maize and barley are the main grain crops. Cotton, tobacco and poppy are among the technical crops. Horticulture and sericulture are developed in Kashgaria. There is animal breeding on natural pastures, sheep, mules and horses. Fur trading plays an important role.

Sintzian possesses considerable mineral resources. There are great coal reserves (in Urumchi and Kuldja), petroleum in Urumchi and Kashgar, gold in the Ili District and other metals. But these resources are not exploited. Manufacturing industry, cotton ginning, spinning and weaving, silk, carpet and leather manufacture, are of a domestic character.

Sinkiang trades with the Soviet Union, with China Proper and with India. Wool, cotton and leather are exported primarily to the USSR; raw silk, carpets, furs and opium to China and India. About 80% of the total export is directed to the USSR. Development of its trade relations is hindered by poor transportation. The lack of railways, of good roads, the great distances, the mountainous topography, cause the journey to occupy from 6-8 months. Navigation is developed only on the Ili and the Black Irtish Rivers.

In 1919 Sinkiang declared itself an autonomous region; in fact it was independent of the Central Chinese government. Lately it has become an object of annexation activity of foreign imperialism. On the one hand, England, having subjugated Tibet, is preparing to add Sinkiang to it; and on the other hand, Japan wants to include Sinkiang in her scheme for a Mongolian state.

Tibet

7. Tibet occupies the south-western section of China. Here on the highest plateau on the globe, surrounded and traversed by the highest mountains, nomadic cattle-breeding (yaks, sheep, goats, horses) is developed. Only in the south and south-east, along the valleys of the river running into India and Indochina (the Brahmaputra, the Mekong, the Salween) is settled agriculture carried on. Industry is represented only by domestic crafts. Density of the population is similar to that of Sinkiang, i.e., 2 persons per sq. km. The population consists of Tibetans. *Lhasa* is the main town of Tibet. Like Sinkiang, Tibet has only caravan highways.

Feudal landowners, especially the clergy (Lamas) constitute 20% of the population. In them is centralized the administrative and economic leadership of the country. There are a great number of monasteries (Buddhist). Capitalist influence is felt in Tibet, and class stratification is marked. In times gone by, Tibet was quite autonomous. In the XVIIIth century the government and church power came into the hands of the Tibet clergy—Dalai-lama, appointed by the Chinese emperor. After the middle of the XIXth century English imperialism began to penetrate Tibet from the side of India; but towards the end of the XIXth century collided with the interests of Russian imperialism. After the Chinese revolution of 1911, Tibet, with England's support, declared itself independent of China, though this was never ratified by China. In 1919 a secret agreement was concluded between England, Japan and France, giving to England freedom of action in Tibet as her

sphere of interest. At present the Dalai-lama elected by the clergy, rules the country, doing the will of English imperialists.

§ 8. Relations with the Soviet Union

The USSR is the only country recognizing China as an equal state and not attempting any usurpations. The USSR cancelled the treaties pressed on China by tsarist Russia, and renounced the contribution, which China was paying to Russia since 1900 (for the Boxer Rebellion). However, in 1929 the Chinese government, instigated by the imperialists, tried to destroy the Soviet Embassy and Consulates and made also an attempt to seize by armed force, the Chinese Eastern Railroad (which is under joint Chinese-Russian management). This attack was frustrated by the Red Army of the Soviet Union, showing the rest of the world imperialists, the Soviet Union's readiness to defend itself. China suspended diplomatic relations with USSR, resuming them only at the end of 1932.

3. THE MONGOLIAN AND TUVINIAN PEOPLE'S REPUBLICS

§ 1. Physical-geographical outline

The Mongolian and Tuvinian People's Republics are geographically part of Mongolia. Mongolia is a vast country of Central Asia between the Sayan and Transbaikal Mountains, south of Siberia, and the middle, art of the river Hwang Ho in China.

Southern Mongolia is a part of China, known as Inner Mongolia (the Northern Chinese provinces—Jehol, Chahar and Suiynan separate from China), and the northern part is called Outer Mongolia. The Tuvinian Republic covers a territory of 170,000 sq. km., and the Mongolian—1,200,000 sq. km.

In topography Tuva is a plain surrounded by high mountains (reaching 2.4 km. in height). These are the Sayan in the north, Tannu-Ola the south, the East-Altai in the west and Khordin-Sardik in the east.

The Mongolian Republic is the vast Mongolian plateau, elevated and mountainous in the north-western half (the mountain ranges of Tuva extend here), lower and flatter in the south-eastern.

The climate is dry and extremely continental. Rain is plentiful in summer. Winter snows are light.

Only the northern slopes of Tuva and the north-western part of Mongolia are rich in woody vegetation. In regard to climate and vegetation, Tuva is similar to that of the neighbouring Siberian regions. But other parts of both countries are covered with the poor vegetation of the steppes, and the south and south-east of Mongolia is a part of the Gobi Desert.

Rivers are: the Upper Yenisei in Tuva, Selenga and Orkhon in Mongolia.

§ 2. A brief historical outline

In the XIIIth century Mongolian tribes overran the whole of China, Tibet, Persia, Iraq, Transcaucasus, Ukraine and Russia (the Tartar invasion), and partly over Poland, Czechoslovakia and Hungary. The Mongolian republic of today was then a centre of a huge Mongolian Empire. But it was unable to hold all the territory it conquered, and only Mongolia, China, Tibet, Korea and Manchuria remained long within her borders.

After a long struggle, in the XVIIth century domination passed to the Manchus, who headed the Chinese Empire, and who themselves were influenced by Chinese culture. Mongolia and Tuva became Chinese possessions. In the XIXth century they attracted the attention of tsarist Russia and became an object of exploitation of Russian trade capital. The Russo-Japanese war of 1904-1905 further stimulated Russian imperialism's interest in Mongolia. There was heavy colonisation from Russia, directed towards Tuva. After the Chinese revolution of 1911 a wave of national liberation swept over Mongolia and Tuva. Outer Mongolia declared its independence under the head of the Great Khan. In 1914 tsarist Russia declared a protectorate over Tuva (the Uranchaisk region at that time).

After the October Revolution the RSFSR (Russian Soviet Federation) government cancelled the treaties of the tsarist government and recognized Tuva and Outer Mongolia as independent countries. China, however, under the pretext of struggle with the Bolshevik danger, occupied Outer Mongolia and annexed it again. Shortly afterwards, the Chine forces of occupation were ousted from

Mongolia by the Russian white-guard detachments of Ungern retreating from Eastern Siberia under pressure of the Soviet advance. Domination of the white-guards resulted in a partisan movement, which in turn led to the formation of the People's Revolutionary Party, and of a provisional revolutionary government. Responding to its requests, military units of the RSFSR were sent to the aid of the Mongolian partisans and in 1921 Outer Mongolia was freed from the usurpers. The Great Khan's power was limited and in 1924 after his death, Outer Mongolia was declared a People's Republic and the supreme power given to the Great Hural (People's Assembly) and to the bodies appointed by it. A friendly agreement was concluded with the RSFSR. By the Soviet-Chinese treaty of 1924 the USSR recognized China's sovereignty over the Mongolian People's Republic and withdrew its troops. The Great Hural was also established in Tuva, which in 1925 declared Tuva a national state and in 1926 after a stubborn struggle with the feudals—a People's Republic.

§ 3. Economy and population

The Mongolian and Tuvinian republics are backward countries, having been under the colonial subjection of Russian imperialism, and have preserved the pre-capitalist economic order.

As a result of a persistent revolutionary struggle and of the support of the country of the victorious proletariat the Mongolian and Tuvinian republics gained national independence. The radical breaking up of the old pre-capitalist relations (feudal and theocratic) is the task of these states. This new order is to be based upon centralized leadership of the economic and political life, upon great activity of the poor and middle masses, upon organisation of state farms, and upon state industrial development. In other words, these countries, are to surmount their economic and social backwardness, with the help of the USSR..

Nomadic cattle-breeding is the main economic branch both in Mongolia and Tuva. Animal husbandry, particularly sheep and goats, is predominant. The raising of horses and camels is of lesser significance. Cattle-breeding is at a very primitive level. The steppes and semi-deserts are the main pastures, where cattle feed all the year round out in the open. Shortage of fodder in winter and in dry summers, winter frosts and epizooty cause mass cattle plague.

Agriculture does not play an important role. It is carried on in the

river valleys. Wheat, oats, and millet are grown. Remains of the old irrigation canals are still used in Tuva for artificial irrigation. Irrigated lands produce good crops. Hunting for squirrels, sables, etc. is also developed.

Population and social structure

The population of the Mongolian Republic numbers 850,000. 94 per cent are natives. The rest are Chinese, Buryats and Russian. The Tuvinian population is 72,000, (84 per cent natives) and the rest Russian immigrants. The density of population in Mongolia is 0.5, of Tuva—0.3 per sq. km. A great majority of the population is engaged in agriculture. Social composition of the population in 1928 was as follows:

	Per cent of population	Per cent of cattle
Arats (peasants) poor and middle	88	45
Arats-kulaks	2	55
Rich landlords (princes and gentry)	2	55
Lamas (clergy)	13	55

Struggle against the feudal and kulak elements

According to the constitution of both republics, all land is declared national property and the exploiting classes deprived of all political rights. But struggle against feudal and kulak landownership only widely developed after 1929. Partial expropriation of the rich farms then took place. New regulations concerning land leased by monasteries, lamas and peasant-kulaks were promulgated, the taxation of the kulak and feudal elements was increased. This was followed by the organization of state farms. It is opening the way to the eradication of feudal remnants and to the limitation of capitalist relations. The reconstruction of the agriculture of both republics is accompanied by improved cattle-breeding, extension of sowing areas, and on from nomadic to settled agriculture.

Industry

The industry of both republics is in embryo state, in the form of a few handicraft enterprises. At present both Mongolia and Tuva have begun to establish state and cooperative industrial enterprises, such as leather, vegetable and other food industries. The mining industry is not very important. Some coal is extracted in Mongolia and some gold in Tuva. The main centres are *Ulan-Bator* in Mongolia and *Kem-Belder* (*Kzy*) in Tuva.

Five-Year Plan

The reconstruction of agriculture and establishment of local industry that we have noted is realized in accord with the Five-Year Plan worked out by the governments of both republics and affirmed by Congresses of the People's Revolutionary Parties of Mongolia and Tuva.

In accordance with these plans, co-operation is growing, pushing out private trade; cultural growth is eliminating the extreme cultural backwardness (95% illiterate); ways of communication are being improved.

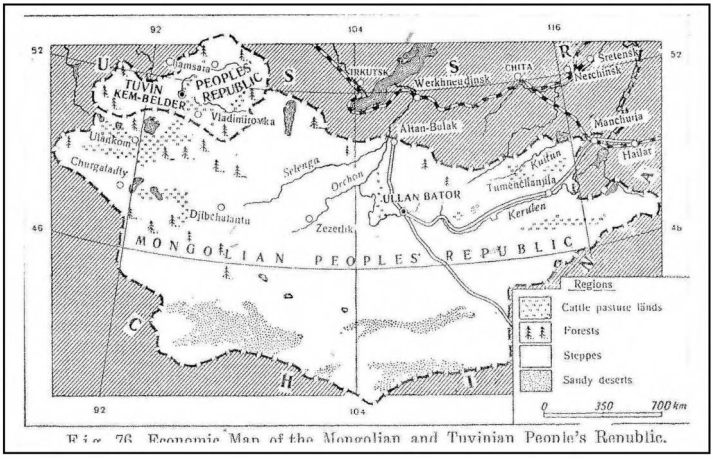


Fig. 76. Economic Map of the Mongolian and Tuvinian People's Republic.

Fig. 76. Economic map of the Mongolian and Tuvinian People's Republic

Transportation

The Mongolian and Tuvinian republics do not have railroads at the present time. Main highways of Mongolia lead from Ulan-Bator to a) the Soviet border post Kiakhta and from there to the Siberian railroad at Verkhneudinsk; b) to the station Manchuria on the Chinese Eastern railroad, on Manchukuo territory; c) to the town of Kalgan in Inner Mongolia, from which the paved road continues to Peiping, and d) in Singkiang, Automobile communication is established to Kiakhta, Verkhneudinsk and Kalgan. Tuva has a highway from Kem-Belder to Ust-Usa on USSR territory.

Foreign trade

Mongolian and Tuvinian foreign trade before the revolution was in the hands of foreign trade-brokerage capital, but now gets free from its domination. The share of foreign firms in the Mongolian foreign trade turnover is about 50%. The rest is handled by the Mongolian People's cooperatives and by trading organizations of the USSR.

Relations with the Soviet Union

Both of these countries have very friendly relations with the Soviet Union, which supports them in their struggle against all exploiters and aids them in their cultural and economic development.

4. INDIA

§ 1. Physical-geographical outline

Geographical location

India occupies the largest peninsula of Asia, Hindustan, and the territory to the north of it till the Himalayan mountain. The western part of Indochina—Burma, also seized by England, is united territorially with India. On the south, India, is bounded by parts of the Indian

Ocean—Arabian sea in the west and Bengal Bay in the east. In the north very high mountains isolate her from Afghanistan and Tibet and in the north-west from Persia. On the north-east; India, through Burma, borders on the kingdom of Siam.

India's total territory is 4,900,000 sq. km.

Surface and rivers

A large part of India is not a very high plateau (up to 250 m.) called the *Deccan plateau*. It slopes to the east and forms the Ghats mountains, along the eastern and western coasts. The continental part of India touching the peninsula is the *North Indian Lowland.* It is crossed by the rivers: *Indus* in the western direction, the *Ganges* and *Brahmaputra* in the eastern direction. The lowland is bordered on the north by the Himalayas, which stretch in several ranges over a distance of 2,000 km. Some of the Himalayan peaks exceed eight km. (Mount *Everest*—8,800 m.) Many glaciers come down the Himalayas. The North-Indian Lowland is also surrounded by mountains on the Persian, Afghanistan and Indochina sides; these are the *Pamirs*, the *Hindu-Kush* and the *Sulaiman* mountains.

Marx compared India with Italy: "Hindustan represents Italy of Asiatic dimensions with the Himalayans instead of the Alps, with the Bengal Plain instead of Lombardy, with Deccan instead of the Apennines, and with Ceylon instead of Sicily. The variety of products here is the same...."

Climate, soils and vegetation

India's climate is determined, on the one hand, by latitude, its southern section being in the tropical belt, its northern in the subtropical. On the other hand, it is located in the monsoon area, winds blowing in winter from the continent to the ocean and in summer vice versa. The average temperature of the coldest month, January, is 25° C above and of the hottest (April in the south, May in the middle and north-eastern section, and June in the north-west) is 30 ° above. Due to the monsoons, rains are abundant in summer, but due to the elevation of the Deccan plateau at the edges, the moisture laden winds do not fully penetrate into the centre. The heaviest rainfall is on the north-eastern coast of Bengal Bay, reaching as much as 1,200 cm. and also on the western coastline of the peninsula. On the Deccan plateau the annual rainfall decreases to 250 cm., and eastward of the

Indus River, in the *Thar Desert*, it is only 10 cm.

India's soils generally (excepting the sandy desert Taha) are pretty fertile. Black soils are found in the river valleys of Deccan, red soils in the mountain regions and loess in the North-Indian Lowland.

Good climatic and soil conditions create favourable growing conditions for wheat, rice, cotton, jute, rubber plants, sugar cane, tea, coffee, etc.

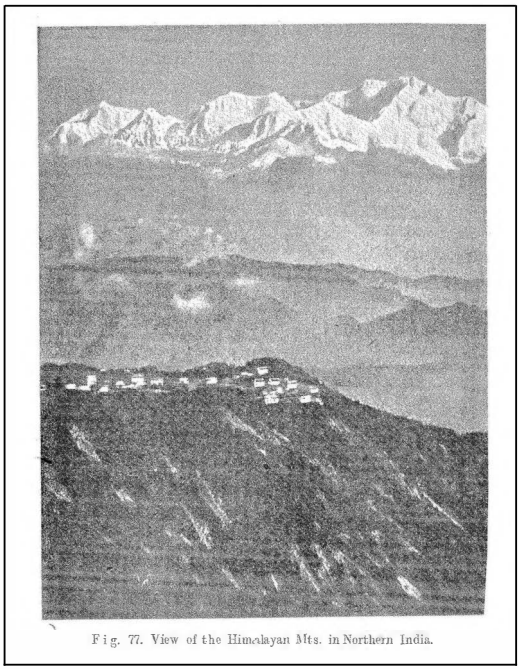


Fig. 77. View of the Himalayan Mts. in Northern India.

Minerals

India is rich in minerals. Due however to her backward colonial economic level they are inadequately worked and even insufficiently surveyed. The main coal deposits are in the north-eastern and central sections of Hindustan; iron is in the centre and along the eastern coast line; gold in the southern part of the peninsula; manganese in the central and southern section, salt on the western and eastern coasts and in Burma, petroleum in Burma, and diamonds in south-eastern

Hindustan.

§ 2. A brief historical-economic outline

India is a country of ancient culture, having had a developed handicraft industry from before the time when the European states began to make the transition from feudalism to capitalism. As Marx noted, the social structure of India "from ancient times up to the first decade of the XIXth century was unchanged. The hand weaving loom and spindle, which continuously gave earnings to millions of weavers and spinners was the foundation of its social structure. From time immemorial Europe has received fine articles front Indian weavers in return for her precious metals, material for the Indian jeweller." In the XVth—XVIth centuries when European trade capital in search of profits began to seize and to despoil the oriental and southern countries, India was especially attractive to Spanish, Portuguese and Italian merchants. The voyages of Columbus, Magellan and Vasco-de-Gama had as their object the discovery of a then unknown sea highway to India, more convenient, cheaper and safer than the land highway across Asia Minor, Arabia and Persia. After discovery of a sea highway to India by Vasco-de-Gama (1498), European merchants penetrated there and established colonies. These were, first, the Dutch, having already pushed the Spanish out of first place in European trade, The competing French followed them, and afterwards the English. The latter gradually pushed out the others and took the whole trade with India into their hands. The East-Indian Company having been formed for carrying on this trade came actually to monopolize it and to hold political power in the country. Supported by the British government and army it constructed fortifications for guarding its warehouses, incited wars among the Indian princes; intervened and concluded treaties with these princes; as a result of the East-Indian Company's activity and of a series of wars the whole of India had been subjected to England by 1849.

"Just the British newcomer," noted Marx, "has eliminated the Indian hand weaving loom and broken the spindle to pieces."

Together with this the old social order became disintegrated. Family communities were one of its most important elements. "Such family communities were based upon handicraft industry, upon the essential unity of hand spinning, hand weaving and hand agriculture, which made them self-sufficient. The English interference which has

thrown out both the Indian spinner and the Indian weaver, decomposed these small semi-barbaric, semi-civilized communities, undermined their economic basis, and thus achieved the greatest and in truth the only *social* revolution Asia has ever experienced" (*Marx*).

England's management of India is marked by the complete spoliation of this rich country, crushing taxes, artificial raising of prices for speculative reasons, the maintenance of great staffs of English officials, the burdening of the country with the costs of wars carried on by English imperialism, the destruction of the old handicraft Indian industry.

§ 3. Economy and population

India is the most important British colony; the greatest colonial country of the world with huge raw material resources and a large cultured population, but with a backward agrarian type of economy. slightly developed large-scale industry and a handicraft industry stunted by English competition.

In its national economy, India is an agrarian country. 90 per cent of the total population live in rural localities and 73 per cent are employed in
agriculture. Agriculture's share of the national output is 90%. The nature of India's foreign trade also testifies to this. India exports primarily cotton, jute, tea and grain, and imports textiles, metals, machines and oil-products. India's industrial development is hindered by England's trying to maintain her as an agrarian raw material appendage to her home industry. England's domination is felt in the entire economic life of India.

In the historical-economic outline we discussed the effect of this domination upon the social-economic structure of India in the XIXth century. Let us look upon its reflection in the epoch of imperialism. Marx in his article "The future results of English domination in India" written in 1853 forecast this reflection. "England", according to him, "had to fulfil a double mission in India, destructive and constructive. On the one hand, she had to destroy the old Asiatic social order, and on the other, to create in Asia the social basis for a western social order... The history of their (English) domination in India does not disclose other traces than those of destruction. All that the English

bourgeoisie will be compelled to do will neither liberate the masses nor essentially improve their social situation, which depends upon development of the productive forces, and then upon the appropriation of them by the people... The Indians will not reap the fruits of the new society the elements of which are sown among them by the British bourgeoisie until the ruling classes of (Great Britain are driven out by the industrial proletariat or until the Indians get strong enough to overthrow the British yoke."

Reality has fully confirmed Marx's prognosis.

The development of means of communication by the English has drawn all India's economy into the world trade turnover, promoted development of capitalist relations and capitalist industry, and the formation of an Indian national bourgeoisie and an Indian proletariat. However all this has increased the exploitation of the Indian toilers. Feudal exploitation has given way to that of capitalism and foreign imperialism.

One should not think (as the bourgeois economists and social Fascists do) that development of industrial capitalist forms in India means India's industrialization and decolonization. i.e., passing out of a colonial type of economy. Only the light industries (textile, food) and mining are being developed. Heavy manufacturing and especially machine building, is thwarted by English barriers.

Population

India's population is estimated at about 353,000,000. 260,000,000 are Hindus (white race), 71,0000 Dravidts (black race), the rest are Mongols and Malayan (yellow race). Europeans there are about 400,000. These are mostly the English officials, soldiers, merchants and employees. India's population is greatly divided. Side by side with national differences, different dialects and religions play a tremendous role. There are Brahmans, Buddhists and Moslems. There are fixed social groups or castes (priests, warriors, merchants, peasants and craftsmen). Such social division is fostered by the dominant classes and by the English imperialists to distract the toiling masses from the class struggle and to keep them from uniting. The growth of capitalist relations, however, breaks down caste and other fences.

The administrative territorial division also aids in the people's dissociation. India is a British colony headed by a governor-general, the Viceroy. It is divided into fifteen provinces (Madras, Bengal,

Bombay, United provinces, Punjab, Burma, Orissa, etc.), administered by English governors. These provinces cover only two-thirds of the country's entire territory. The rest is occupied by native states, numbering 700 and spread through the provinces. These states are headed by Indian princes—rajahs and maharajahs, but under control of English residents appointed by the Viceroy and in fact ruling the states.

The population is unevenly distributed over the country. About two-thirds, are in the North-Indian Lowland, especially in the Ganges Valley.

The main cities are: *Bombay* on the western coast of Hindustan (population 1,200,000); *Calcutta* on the eastern (1,500,000); *Delhi*, the administrative centre of India; *Madras*; *Hyderabad*.

Social structure of agriculture

Characteristic of India's agriculture is the preservation up to the present time of considerable feudal elements, and the predominance of small and very small peasant economy. The native princes, rajahs and maharajahs, owning allegiance to England, are big scale landowners. They possess 40 per cent of the land. The rest belongs to the landlords (*Zamindari*). Princes and landlords rent their land in small sections to the peasants, receiving high rent, either in kind or in money, and in addition they make extortions (e. g., in case of a first born son in the landlord's family, his marriage, the death of the landlord, etc.). The landlord is also a judge for his peasant-tenants. But the native prince is even more than a judge. He issues laws, has his own police, imposes taxes.

In provinces ruled by English governors, landlord ownership with feudal survivals and peasant tenancy prevail in the north-east long the Himalaya Range up to Burma. Peasant land tenure directly from the state (*raiya'wari*) is developed in other provinces. But even here peasant possessions occupy only 30 per cent of the agricultural area. Even here peasants possess small and minute sections, often insufficient to their families, whereas capitalist, peasants kulaks, landlords and brokers have 70 per cent —usually the best land. Even in these regions peasant is under bondage to the rich peasants and landlords whose land he rents additionally to brokers and merchants who advance him money and purchase his goods for a trifle. Taxes take a half of the peasant's income. Such a situation causes constant hunger and a high death rate (child mortality 70 per cent). The

agricultural level, and consequently the productivity of labour and crop yield, are very low. On the other hand, the poverty stricken state of the peasants decreases his purchasing power for industrial goods. This exploitation of the peasantry tends to their revolutionization.

Crops and their distribution

The distribution of the agricultural crops is as follows: a) Grain crops.—Rice is grown in the region of the heaviest rainfall—on the north-eastern and western coasts of Hindustan, especially along the Ganges River Valley and in Burma.

Wheat is grown in North India (continental), southwards of Himalaya (Punjab).

Millet is mostly grown in the western and north-western sections of the Deccan Plateau.

b) Technical crops. —Sugar cane is cultivated in Northern India, along the foothills of the Himalaya and along the Ganges River.

Cotton is grown in the extreme south, in the north-west section of the peninsula and partly in the northern (continental) section of India.

Jute (a fibre plant, raw material for rope and cord) grows in the north-east, in the delta of the Ganges.

Tea is grown in the north-east, in Burma, and also on the western coastline; tobacco in the middle section of the eastern coast line and in the north-east, and opium in the northern section of the Deccan Plateau.

Industry

India's industry is but slightly developed. The small, domestic handicraft industry predominant before the war has been greatly undermined by the competition of English factory goods. It had been producing either for the farmers' market (blacksmithing, carpentry, needle trades), or for foreign markets (carpets, silk textiles, art metal articles).

Indian factory industry was primarily represented by the jute industry, in the hands of English capital. Mining industries, like coal, petroleum, etc. were developed to a certain degree.

During war-time, due to the fact that England's industry was engaged in war supply and the Indian market became free of English

goods, the Indian cotton spinning and weaving industry considerably developed and exceeded the Japanese in number of looms (8,700,000). England promoted construction in India in war-time of metallurgical and car-building works for military-strategic purposes. After the war, without government orders, they were in a very hard position.

The main centres of the cotton industry are Bombay and Madras, and of the jute industry Calcutta.

Djamshedpur is a metallurgical centre (in the central section of India); Bombay and Calcutta are centres of the metal manufacturing industry.

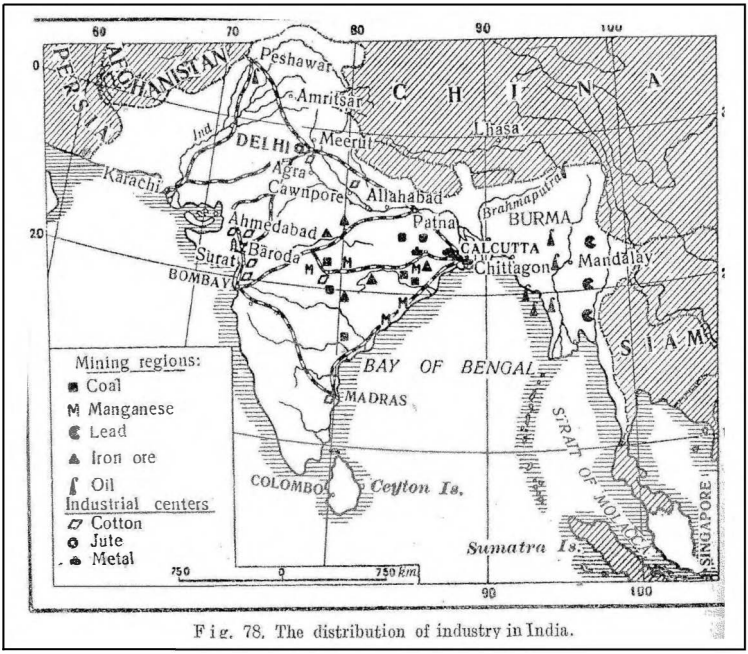


Fig. 78. The distribution of industry in India.

Fig. 78. The distribution of industry in India

Class contradictions and the revolutionary movement

India is a British colony, run by a governor-general appointed by the British government, styled the Viceroy of India. Governors ruling the provinces and rulers of the native principalities are subject to him. It is understood that the Viceroy and all officials under him run the country in the interests of English capital. These interests directed at the exploitation of the country and of the Indian toilers coincide with those of the native feudal princes and landlords. The latter therefore become allies of the English imperialists. The Indian bourgeoisie, on the other hand, considers English capital as its competitor which has usurped great profits which the Indian bourgeoisie should receive, and which is hindering India's industrial growth. Thus it is against English capital. The interests of the Indian toiling peasantry and proletariat are against both foreign domination and against Indian feudal chiefs, landlords and bourgeoisie.

Class contradictions became sharper in India after the World War. English industry began to push the Indian out of positions it had seized in the home market during war-time. The world crisis that began in 1929 considerably lowered prices on England's export goods, and sharpened her struggle to sell them. This has further worsened the conditions of the Indian toilers.

The sharpening of class contradictions after the war caused the development of a national liberation movement directed against English capital. Headed by the Indian bourgeoisie this movement demanded the rights of a self-governing colony for India (Dominion status) and the right to impose high customs on English goods.

Gandhi, the outstanding representative of this movement, organized widespread passive resistance—boycott of English goods, protests, resolutions.

The revolutionary movement of the peasantry and proletariat, directed both against English and Indian exploiters, joined the national movement. This led to a series of strikes in industries and roads, and also to armed revolts. Gandhi and the bourgeoisie, frightened by the mass revolutionary movement of the toilers, hastened to effect a reconciliation with English imperialism.

Now the revolutionary struggle in India is carried on by the proletariat and exploited peasantry.

5. INDOCHINA AND INDONESIAN COUNTRIES

Burma, Siam, French Indochina, the Malayan states, British Strait's Settlement, Dutch East-Indies and the Philippines

§ 1. Territories of Indochina and Indonesia and their political divisions

These countries belong to South-Eastern Asia and are on the highway from the Indian Ocean to the Pacific. They occupy the following territory: 1) *The Indochina Peninsula*, bounded on the west by the Bay of Bengal, an arm of the Indian Ocean, on the east by the South China Sea, the *Peninsula of Malacca* and a number of small islands. The total territory of Indochina and Malacca is 2,000,000 sq. km. 2) *Indonesia* of the *Malayan archipelago*, numerous groups of island between the Indian and Pacific Oceans, and eastward in the Pacific Indonesia's territory is 2,300,000 sq. km. There are four groups of islands in Indonesia: a) the *Great Sunda Island*, namely *Sumatra*, separated from the Malacca Peninsula by the Malacca Strait, *Java, Borneo* and *Celebes Islands*, b) the *Small Sunda Islands*, islands to the east of Java, c) *Moluccas* to the east of Celebes, and d) the *Philippines* to the north of Borneo and Celebes.

The political division of these territories is as follows: The western part of Indochina, Burma, is an English colony subject to the governor-general (Viceroy) of India. The eastern section of Indochina is a colony, or rather five French colonies, designated by the name of French Indochina. This refers to one colony run directly by the French governor—Cochinchina and Tonking and four protectorates headed by native kings and subject to France: Annam, Cambodia, Tonking and Laos. The central part of Indochina is occupied by the kingdom of Siam, which is in semi-colonial dependence upon France and England.

The Malayan states, English colonies, are located to the south Siam on the Malacca Peninsula. There are nine small regions head by native princes under England's protectorate.

A part of the Malaccan southern coast line with the neighbouring

small islands, the most important of which is *Singapore* (a port of world significance and a British naval base), and with the northern section of the island of Borneo, is an English colony named the *Strait's Settlements*, and run by a special governor.

The greater part of Indonesia except the Philippines, the northern part of Borneo and a half the Island of Timor (the small Sunda group), belongs to the Netherlands, and is called the Dutch East-Indies. The Philippines is a colony of the United States. The northern part of Borneo is British, the eastern half of the Timor island, a Portuguese colony. It should be noted that English capital dominates the Dutch and Portuguese colonies.

§ 2. Physical-geographical outline

In the north and south Indochina is cut by mountain chains diverging like a fan from the Tibet Plateau. The deep low river valleys with fertile soils are between these ranges. Indonesia's islands are also mountainous. Many volcanoes are found there.

The climate of Indochina and Indonesia is determined by two factors, by the tropical location and by the monsoons. The climate in the south on the Sunda islands and in Malacca is typically tropical; the difference between the winter and summer temperature is unnoticeable, rains are all year round and in great quantity, above 200 cm. and in some parts of Java, 480 cm. To the north in Indochina and the Philippines there is a monsoon climate; the winter season is dry, the summer is moist (the rainfall is 100-200 cm., in the east 500 cm.). Though the winter temperature is high, in comparison with summer it sharply declines (from 29º to 17º).

Both Indochina and Indonesia have beautiful vegetation. They are covered with tropical forests, tall trees in some places, including many valuable arboreous species (the red tree, the ebony tree and others), low in other places, with less valuable species, rubber plants, camphor, bamboo etc. These primeval tropical woods are combined with man-made landscapes—artificial rubber plantations, cocoa palm, cinchona trees, rice, sugar cane, etc.

§ 3. The population

The population of Indochina is about 42,000,000, that of

Indonesia is about 65,000,000. The average density is 22 persons per sq. km. The elevations and the mountains are thinly populated; the density of the valleys is much higher, reaching 300 per sq. kill. on the Island of Java.

The national composition is motley, though as a whole it principally consists of the Mongolian race. The Burmans are in the western section of Indochina, which is under India's cultural influence; the Annamites are in French Indochina, they have adopted the culture of their Chinese neighbours, the Siamese are located in the centre of the peninsula and are under Indian and Chinese influence, and the Malayans are in the south in Malacca. Indonesia is also populated by the Malayans. Various nationalities are among them, of different cultural development. The population of Java, occupied in agriculture, is best developed and has the most ancient culture. The backward tribes are engaged in hunting and fishing. They build their houses on piles. The most backward tribes are located in the central parts of Borneo and Sumatra, and are at a primitive stage of culture.

§ 4. Economy

Indochina and Indonesia are the tropical colonies of world imperialism. They have specialized in the production of highly valuable tropical and subtropical agricultural crops and on the extraction of minerals.

Agriculture. Its social structure

Three basic types are observed in Indochina's and Indonesia's agriculture: 1) the semi-natural native peasant economy on small and very small plots (mostly rented from landlords); 2) the great landownings—500-2500 hectares, of the feudal-landlords, who rent them out in small plots, and who run their farms by aid of hired labour; 3) large plantation farms of foreign capitalists, 1000-10,000 hectares, producing for the foreign market and using the forced labour of the local population and Chinese coolies.

The basic mass, the native peasantry, either short of land or landless, is greatly indebted to the money lenders and landlords, and carries many feudal serfdom duties in the interests of their creditors.

The rent is paid in kind, half of the crop and even more. Besides this, the peasants pay large taxes, absorbing 30% of their meagre incomes, and have imposed upon them many state duties (road construction, lumbering, the drainage of marshes, etc.).

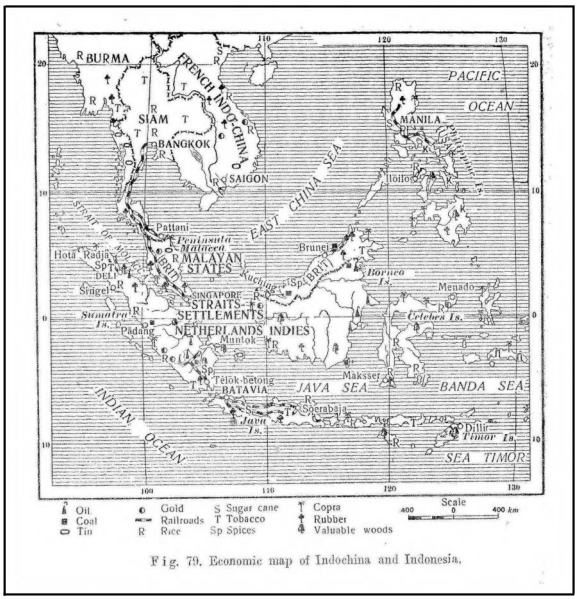


Fig. 79. Economic map of Indochina and Indonesia.

The large scale feudal landlord estates and especially the foreign plantations use the compulsory labour of the needy peasants and Chinese workers, who cannot leave work before the end of a fixed term. They receive a very low wage (30-40 cents a day), and the working is 17-18 hours. Corporal punishment is applied even now on the plantations.

The native farms are characterized by a low technical level explained by the use of old methods. Artificial irrigation and expensive modern machines are used on the plantations run by foreign capital.

Main crops

The main agricultural crops are rubber, of which Indochina and Indonesia have a near monopoly on the world market, producing 80 per cent of the world's total. Rubber plants are grown in all the

countries of Indochina and Indonesia. The Malayan states hold the first place. Rubber is the main item of Malayan states export.

Rice is the main food crop of Indochina and Indonesia, occupying in Indochina 90 per cent of the sown area. Rice is exported, despite the peasant's undernourishment.

Java is one of the world producers of sugar cane (12 per cent of the world's total). So are the Philippines, though of less significance.

The cocoa palm, whose nut, copra, is utilized for extraction of the valuable cocoa-nut oil, exported to Europe, grows chiefly in Siam and the Malayan States. Coffee, cocoa, tea, cotton, tobacco, and mulberry widely grown in Indochina and Indonesia.

These crops make Indochina and Indonesia of great economic significance as world suppliers of rubber, copra, spices, sugar, tobacco and tea. The foreign capitalist planters, clue to almost monopolistic position on the world market and due to the low cost of the semi-serf labour, reap tremendous super-profits.

Industry

industry is but slightly developed in these countries. The mining industry is the most important branch, but only those minerals are exploited which have interest for the industry of imperialist countries.

The main beds exploited are the following: tin, 60 per cent of the world's total being produced by the group of countries under consideration.

The Malacca countries are the main centre of tin deposits and exploitation. They produce 37% of the world's total, and the Dutch East Indies 17% of the world's total. Siam holds third place.

Petroleum is found in Borneo, Sumatra and the Philippines, and also in Burma.

Coal is found in French Indochina and in the Dutch East Indies, zinc in French Indochina and Burma, wolfram in Malacca and Siam, manganese in Malacca, and gold and precious stones in Siam, Malacca and Indonesia.

Of manufacturing industries, sugar, coffee, tea and tobacco are developed. Unlike China and India, the textile industry is but slightly developed in these countries.

Almost the whole of the mining and manufacturing industry is in the hands of foreign capital. The number of the native bourgeoisie is very small.

Situation of the proletariat and peasantry

Workers in the mines and in manufacturing establishments (where woman and child labour is widely used) are in much the same position as those on plantations. Their working day is 12-14 hours and their wages very low (60-70 cents a day; 20-30 cents for a woman). The hard conditions of the native peasantry, the ferocious exploitation of workers, the plundering domination of foreign capital —all resulted in growth of the revolutionary movement after the war. This was manifested in a series of revolts in French Indochina, Burma, Dutch East Indies and the Philippines.

The world crisis

The world crisis heavily affected those countries with a narrow specialization, working mostly for export. The fall of world prices on rubber, sugar, tin, etc., caused restriction of production, increased unemployment and cut wages in all these countries. Strikes on plantations and mines, and attacks upon plantations by the unemployed became quite frequent. In answer to these outbreaks the death penalty was applied to the natives.

6. AFGHANISTAN

§ 1. Physical-geographical outline

Afghanistan (600,000 sq. km.) is located in Central Asia, between the USSR, India and Persia. This geographical location made Afghanistan up to 1917 a buffer state between English imperialism advancing towards Afghanistan from the south, from India, and tsarist Russian imperialism penetrating there from the north, from former Turkestan. Afghanistan was a point of great rivalry between Russia England. The situation changed with the October Revolution. Russia became a centre of world revolution, proclaiming emancipation to oppressed colonial and semi-colonial nations. India continues to remain England's colony, but the revolutionary movement is growing there, though restrained by the foreign rulers. The policy of English imperialism in respect to Afghanistan is directed not only to

maintaining its colonial position and strengthening English domination there, but to the making of Afghanistan a platform for intervention against the Middle Asiatic Soviet Republics.

In respect to topography Afghanistan is a mountainous country 1.2 km. above sea level, and crossed by the mountain range, Hindu Kush, from north-east to south and south-west. In Southern Afghanistan the mountains the mountains are lower, going down to plateaus and steppes. The mountain massifs prevent communication and economic relations between the different regions. The rivers down the mountain slopes are not navigable, and most of them do not reach the sea, but they are of great importance for agriculture, as sources of irrigation. Only the Amu-Daria, bordering with the USSR is navigable.

The climate is extremely continental; cold on the mountain heights, temperate on the slopes and plateaux, hot and rather unhealthy in the lowlands. There is insufficient rainfall, and no rain at all in summer. The soil is poor in humus and much exhausted. Lack of moisture affects the vegetation, which is found only in the river valleys. The southern section of the country is a district of dry steppes and deserts.

Iron ore, gold, cooper, coal, petroleum and precious stones are found among her minerals. But they are insufficiently prospected and slightly exploited.

§ 2. Economy and population

Afghanistan is a semi-colonial backward country dependent upon English imperialism, with predominance of feudal-tribal relations, with an agrarian character of economy, principally nomadic cattle-breeding and grain growing.

Afghanistan is a backward semi-colonial agrarian country, taking a small part in world trade. Feudal elements and British imperialism trying to keep Afghanistan in a semi-colonial position hinder its development.

Population

The population of Afghanistan is 8 millions, 56 per cent Afghans, 15 per cent Uzbeks, 15 per cent Tadjiks, the rest other nationalities.

The basic mass is engaged in agriculture, 33 per cent live a nomadic life (primarily in the southern section). The main cities are *Kabul* (the capital) in the east, *Gerat* in the west; each with 100,000 inhabitants.

Agriculture

Only about 2 per cent of the available land is cultivated. Over a half of the area under cultivation does not require artificial irrigation. These lands are in the north and in the river valleys. About half of the areas cultivated are irrigated. Extension of agricultural area is only possible by the aid of irrigation. And irrigation is not being extended by either landowners or government.

Afghanistan is a country of small peasant farmers, who holds 85 per cent of the agricultural territory. Only 10 per cent belong to landlords and 5 per cent to the government. The big-scale land ownerships are found in the north and in the rice areas of the south. A sharp stratification is developing in the Afghanistan village with the extension of commodities-money relations and usury. A beggared, landless stratum is developing. Feudal patriarchal relations prevail. Leadership belongs to the oldest of the family, to the heads of the tribes, and to the clergy.

Wheat, barley, rice, cotton and poppy are the main crops. Fruit is grown the valleys. Agricultural technique and crop yields are at a low level. The crop hardly meets the country's needs.

Animal husbandry, especially sheep raising, plays a very important role. The flocks number some 20,000,000 head. Astrakhan sheep (2,000,000 head) are important in the south. Sheep wool and astrakhan hides are exported. Horse breeding and camel raising are also developed.

The pastures are not private property, but are used in common. Nomadic cattle raising is much developed. Over 2,500,000 people live a nomadic life with their herds.

Northern Afghanistan is a region of husbandry, and especially of settled cattle-breeding. Non-irrigated crops predominate there. There are irrigated lands along the Amu-Daria Valley. 60% of all cattle are raised here. The mountain slopes are covered with forests.

Southern Afghanistan is a region of dry steppes and semi-desert of nomadic cattle-breeding and of oasis of irrigation husbandry.

Embryo state of industry

Industry is in an embryo state and is of a petty domestic character. Carpet weaving and the manufacture of textiles predominate.

There are government plants in Kabul, the armoury and gunpowder, works and the lately constructed cement, glass and soap works, match and weaving mills. A hydroelectric station supplying them with power has been built near Kabul.

The mining industry is of a handicraft character, despite the presence of considerable mineral wealth. Extraction of lapis-lazuli stone has great export value. Petroleum concessions were given to American capital in 1931.

Transportation

Afghanistan's transportation is at a very low level. No railroads, only 7,000 km. of vehicular roads, of which only 2,500 km. are usable by automobiles. There are no navigable rivers. Caravans are the main form of transportation. Telegraph and telephone communication have been developed by aid of the Soviet Union.

Foreign trade

Foreign trade is not large (turnover 40,000,000 gold roubles). Imports exceed exports. 75% of the trade is with India or through her, and 25% with the USSR. The main goods exported through India are astrakhan hides, wools, cattle, hides, carpets, lapis-lazuli and fruits. To the USSR primarily cotton is export Afghanistan imports textiles, sugar, hardware, petroleum, glass and chinaware.

Relations with the Soviet Union

Revolting against English dominance in 1919 Afghanistan declared its independence. It was the country in 1919 to establish diplomatic relations the Soviet Republic. In 1921 between Afghanistan and the RSFSR there was concluded a treaty of friendship. Attempts of the Afghanistan Padishah Amanulla to completely eliminate domination of foreign imperialists, to change social-economic relations to establish favourable conditions for the country's economic

development, have met with assistance from the Soviet Union. Friendly relations have developed between the two countries. The overthrow of Amanulla in 1929 and the reestablishment of English domination in Afghanistan have been reflected in the relations of the new Padishah to the USSR. Officially they remain the same, but in reality do not carry the former character.

7. PERSIA

§ 1. Physical-geographical outline

Persia (Iran in Persian) is located between India and Afghanistan in the east, and between Turkey and Irak in the west. On the south it is bounded by the Persian Gulf, an arm of the Indian Ocean. On the north its land border with the USSR is broken by the Caspian Sea. Formerly Persia had a tremendous transit significance for the overland trade of Europe with India and China, but with the discovery of the sea route around Africa and with the development of ocean navigation, it lost this significance. Persia's territory is 1,600,000 sq. km.

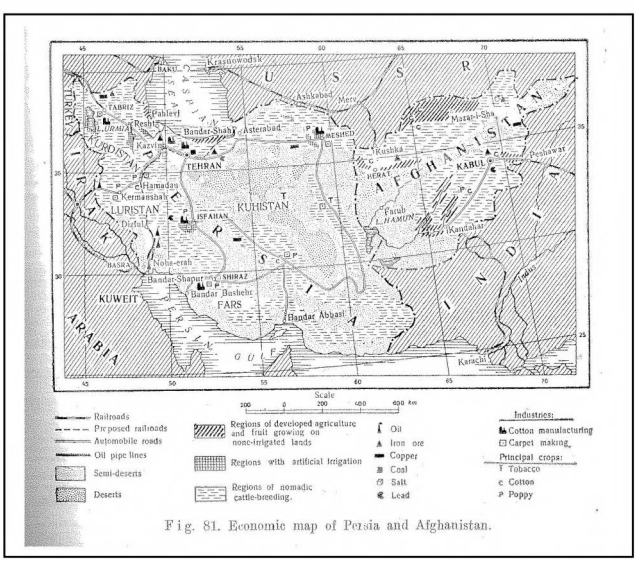


Fig. 81. Economic map of Persia and Afghanistan.

Fig. 81 Economic map of Persia and Afghanistan

In surface Persia is a very large plateau, the *Iran plateau*, traversed by mountain ranges, the most important of which is the *Elbruz Range* (5.5 km.) in the north, parallel to the Caspian Sea. Small valleys are situated on the extreme east and south-west along the Karun River.

Persia has a continental, subtropical climate. This continentality, i.e., great variations from summer heat to winter cold, is especially marked in the central section of the country. The rainfall is abundant, from 25 to 50 cm. a year, in the extreme northern zone (reaching 145 cm. along the Caspian Coast) and in the west along the Persian Gulf coast and the Iraq border. Agriculture is impossible without artificial irrigation in other parts of Persia —its central, southern and eastern zones, due to insufficient rains. And the central and eastern sections from Teheran and Isfahan up to the Indian border are arid dry deserts occupying one fifth of the country's entire territory.

The rivers of Persia and Afghanistan are not navigable. They are chiefly of irrigation value. The only navigable river is the Karun, running into the Persian Gulf.

Persia is rich in mineral resources, not yet sufficiently surveyed and but slightly exploited. Petroleum is the most important. It is found in the south (exploited by an English company) and in the north. Coal is also is found in the north, in the Elburz mountains and copper ore, turquoise and other minerals in many other places.

§ 2. Economy and population

Persia is a dependent country, controlled by English imperialism. It has an agrarian type of economy, with full domination of feudal-land-lord landownership, with nomadic cattle-breeding, a developed oil-mining industry which is in the hands of English capital, and with a handicraft manufacturing industry.

Its economic backwardness and the role of imperialism

Despite rich fuel and raw material bases, Persia is at a low level of development. It is a backward country with feudal landownership

predominant. English and Russian imperialism, which divided Persia into two spheres of influence—Russian in the north and English in the south, were responsible for Persia's economic backwardness. Foreign imperialism hindered its development by flooding it with the goods and undermining any attempt at industrial development. It extorted concessions for mineral exploitation, prohibited railway construction and supported the decadent reactionary class of feudal landowners. Since the October Revolution in Russia, England alone has continued to dominate Persia.

Population

Persia's population is about 10,000,000. 55% are Persian, 25% Turks, 10% Lurds and 8% Kurds. The average density is extremely low—6 persons per sq. km. But the density is very uneven. In the well irrigated regions of the north and west it reaches 20 persons per sq. km., but is very low in the semi-deserts.

About 2,500,000 (25%) carry on a nomadic life.

The city population is only 20%.

The main cities of Persia are: *Teheran* (population 300,000), the capital; *Tabriz* (240,000) in the north; *Isfahan* (121.000), the ancient capital, in the south; *Pahlevi*, a harbour on the Caspian Sea; *Meshed*.

Agriculture. Its social-structure

Agriculture and the mining (oil) industry play the greatest role in the country's economic life. The agriculture of Persia, more than that of any other country, has retained the feudal remnants. The feudal-landlord ownership covers 80% of the entire land, 15-17% are state and church holdings and only 3-5% of the land is held by small peasant farmers. Such land distribution causes widespread land tenantry on very small plots (1-3 hectares), on a bondage basis. Peasants have to pay 40-60 per cent of their crop as land rent, and where they receive implements and seeds from the landlord the rent reaches 95 per cent of the crop. The hard economic situation of the Persian peasant is accompanied by his complete political lawlessness, darkness and oppression. Such conditions for a major part of the agricultural population are reflected in agriculture, which is at a very low level. Technique is primitive, artificial irrigation is insufficiently developed. The irrigation systems there belong to the feudal

landlords.

Branches of agriculture

76 per cent of the territory under cultivation is sown to grain (wheat and barley), but the yields are low, hardly meeting the country's needs.

Cotton, rice, poppy, fruits and tobacco play a very important role in the country's economy and are of export value. Silk worm breeding, whose cocoons are exported abroad in great quantity, is much developed.

Cattle-breeding is primarily of a nomadic character. Sheep raising is predominant. Out of 20,000,000 head 15,000,000 are sheep. Donkeys hold second place—3,000,000 head. Fishing is developed in the Caspian Region.

Agricultural regions

The northern region is the main agricultural region and the heaviest in rainfall. Wheat, barley, cotton, tobacco and poppy are grown here. There are great areas of irrigated lands in the north-west and extreme north-east. Here along the Caspian shores industrial horticulture and sericulture are developed. 8 per cent of the rice fields, the forestry and fisheries are here. Side by side with the grain crops, viticulture and nomadic cattle-breeding are much developed in the Northern region, south of Elburz—around Teheran. Cattle-breeding of a nomadic character is developed in other parts of this region.

The western region is the second agricultural region, where wheat, poppy, cotton and tobacco crops are developed on the irrigated lands. Nomadic cattle-breeding is also very important here.

Dry steppes and semi-deserts are predominant in other parts of Persia, central, eastern and western, and particularly along the Persian Gulf and Arabian Sea. On one side are the great deserts of Central Persia and regions of nomadic cattle-breeding. On the other side are agricultural oases, on irrigated lands and horticulture (dates in the south).

Industry

Persian big scale capitalist industry is mostly oil, in the

south-western section.

Oil fields of world significance are exploited by English capital, which obtained concessions in 1902 for a term of sixty years. Persia holds the fourth place in the world (after the United States, the USSR and Venezuela) in oil extraction (about 7,000,000 tons.).

The manufacturing industry is very limited. Before the world crisis, textile, sugar and glass enterprises of a manufacturing type were established, but since 1929 most of them have closed. Manufacturing is rather of a domestic handicraft character. Most of the enterprises are shops without power plants, employing from ten to a hundred workers. Carpet making is the most important" it is backed by American capital and most of the output is exported (estimated to constitute one-third of the total Persian, export). Cotton ginning and spinning, munitions and pottery are only of local significance.

Persian industry has failed to develop because of the competition of English manufactured goods that have flooded the market. This has ruined the Persian craftsmen and obliged the Persian bourgeoisie to fight England by establishing customs duties on English goods. The fall in world prices as a result of the crisis further undermined the competitive ability of Persian industrial handicraft articles.

The situation of the proletariat engaged in domestic crafts and in the oil industry is similar to that in the other semi-colonial countries and featured by an unrestricted working clay, meagre wages, and denial of political rights.

As a result of the hard situation of both peasantry and proletariat, a revolution broke out in 1907, but it was suppressed by the aid of tsarist Russia. In 1919, under the influence of the October Revolution, a vigorous revolutionary movement developed in Northern Persia which led to the formation of a Soviet Government, but it was early suppressed by English troops.

Transportation

Persia generally has only caravan trails and paved highways. During the last ten years the automobile has become the main form of transportation. Formerly it was the caravan. There is only one railroad, in the north from the Russian border (Julfa) to the town of Tabriz, 215 km. Construction of a Trans-Persian railroad was started in 1928, from the port of Bandar-Shah on the Caspian Sea via Teheran to the Persian Gulf, 1500 km. in length. But so far only two sections, one in the south (240 km.) and another in the north (125 km.), have been

built.

Foreign trade

Persia's foreign trade turnover is very small (about 400,000,000 gold roubles annually). It has an adverse balance. Oil, cotton, carpets, opium and dried fruits are its main exports. Sugar, textiles and other industrial goods are its main imports. England occupies the first place in its foreign trade—70% of the import and 30% of the export. The USSR holds the second place.

Relations with the USSR

The attitude of the Soviet Union to Persia differs in principle from that of tsarist Russia and of other imperialist countries. The toiling masses of the USSR strive to help Persia to overcome backwardness and to throw off the yoke of foreign capital. Immediately after the October Revolution the Soviet Government renounced the claims of the former Russian government against Persia and voluntarily gave up all special privileges, railroad and other, in northern Persia. In 1927 there was concluded a Soviet-Persian trade agreement, which was extended in 1931. It provided for the establishment of mixed Persian-Soviet trading organizations—"Pers-cotton", "Pers-silk" and others, and established transit rights through the USSR for Persian goods.

English imperialists, still having in mind further interventionist adventures in the USSR, and considering Persia to be one of their for attack on Soviet Trans-Caucasia, continues to intrigue against USSR, trying to influence adversely Persian-Soviet relations.

8. TURKEY

§ 1. Physical-geographical outline

Geographical location

The Turkish Republic occupies the *Asia Minor* (Anatolia) Peninsula bounded by the Black, Marmora, Aegean and

Mediterranean Seas, and also by a small part of the neighbouring Balkan Peninsula north of the Marmora Sea. The Soviet Union is Turkey's neighbour on the north-east, Persia in the east. On the south are the Arabian countries Iraq (Mesopotamia) and Syria. Iraq is subordinated to England, Syria to France. On the north-west, in Europe, Turkey borders with Greece and Bulgaria.

The total territory of Turkey is 762,000 sq. km., of which only 24,000 (3 per cent) are in Europe.

Before the world war Turkey had twice the area—1,800,000 sq. km. Syria, Palestine, Iraq, and Arabian countries of today—Hejaz, Yemen, Kuwait and others, were within Turkish borders.

Surface

Asia Minor (or Anatolia) is the basic part of present day Turkey. It is a plateau one km. high, sloping to the Aegean Sea on the west, rising on the east and joining mountainous *Armenia* on the north-east. The *Asia Minor plateau* is traversed by parallel mountain ranges, the *Pontine range* in the north, *Taurus* and *Antitaurus* in the south (2.3-3.5 km. high).

The European part of Turkey is a lowland (part of the Mariza River Valley) among low mountains.

Rivers

The rivers of Asia Minor are rapid and not navigable, because of the mountainous topography.

The most important among them are the *Kizil-Irmak* and the *Upper Aras, Tigris* and *Euphrates*.

§ 2. A brief historic outline

Turkey's era of prosperity and power was in the XVIth century, after she had subjugated the whole of the Balkan Peninsula (present day Greece, Bulgaria, Albania and Yugoslavia), the Danube countries (Hungary and Romania), the southern section of the Ukraine, the Crimea, North Caucasus, Transcaucasia, Mesopotamia, Syria,

Palestine and the whole of the Arabian Peninsula in Asia, Egypt and the whole northern coast line in Africa.

The vast Turkish or Ottoman Empire had tremendous military and economic might. Her military triumphs brought a continuous influx of booty in the form of contributions and assessments, imposed upon subject nations, and in the form of captives who could be sold into slavery.

Additionally, Turkey's economic power was increased by profits derived from trade between Southern Europe (Italian states and Spain) and the Orient (Syria, Egypt and India), as she exacted huge custom duties and fees for transit rights on goods shipped or trans-shipped over her borders and ports.

The discovery of new lands in the XVIth century (America) and sea route to India led to removal of the trade routes from the Mediterranean. This deprived Turkey of an important source of income and resulted in her economic backwardness relative to the European countries that changed over from feudalism to trade capitalism. Her economic backwardness resulted in military-technical backwardness, in such matters as army organization, armaments, road building. Thus began the economic and military decay of the powerful Turkish Empire. Since the end of the XVIIth century, Turkey has suffered military defeats, great loss of territory and had unequal trade treaties forced upon her. In 1699 Hungary freed herself from Turkish domination. In the XVIIIth century following the Russian-Turkish wars, Russia took the southern Ukraine, the Crimea and the North Caucasus away, leaving however the Caucasian-Black Sea coast line. During the XIXth century Russia, England, France and Austro-Hungary helped Greece, Rumania, Serbia and Bulgaria to secede from Turkey. Russia seized the Black Sea coast line of the North Caucasus and Transcaucasia, Austria seized the whole northern and western parts of Yugoslavia, France the north African Coast, England assumed a protectorate over Egypt, over part of the Arabian Coast—Aden, Assir and Oman and seized the Island of Cyprus. In 1911 Italy conquered Turkey's last possession in North Africa—Tripolitania, and in 1912-1913 in a war with the Balkan Countries Turkey was deprived of the greater part of her European territory.

Considering Turkey as "the sick man of Europe," the imperialists of all countries schemed for a division of the estate. They planned on a complete liquidation of Turkey as a political entity. Not because of its significance as a market, as a source of raw material, or opportunities

for placing investments, but because of its very important trade and because of its strategic location. The Bosporus and the Dardanelles the "key" to the Black Sea, were coveted by Russia, and England. It was on Egyptian soil that the Suez Canal was built, which is of vital interest to British imperialism. The Syrian and Palestine approach to the Suez Canal were equally important to England, and so were the to England's competitors, France and Germany. Finally, Turkey main territory, Asia Minor and Iraq, is the shortest overland route to the Persian Gulf and to India, and the Iraq coast line is a strategic approach to India.

These were objects of sharp struggle between German and British imperialism.

With the continuous decrease of Turkish territory the position foreign capital in the country became more and more dominant. the unequal treaties (the so-called "capitulations") Turkey was for to grant extraterritorial rights to foreign subjects. They were not be subject to Turkish laws or courts, did not pay taxes, and their go, were lightly taxed. The influx of foreign goods retarded Turkish industrial development and undermined her handicraft industry. Foreign capital—French, German, and English, came to be widely invested in Turkish national economy, but only in the form of loans, investments in railroads, shipping and trade enterprises. Thus, Turkey did not have her own developed industry and due to marked feudal survivals remained a backward agrarian country with a subordinated peasantry. This situation, and the continuous wars, led to there being a great indebtedness of the Turkish government to foreign capital, which thus gained further control over Turkey's economic life.

Up to the middle of the XIXth century her internal situation was characterized by feudal survivals. The Sultan had absolute power, not limited by parliament.

Towards the end of the XIXth and the beginning of the XXth century, discontent grew among the commercial bourgeoisie, handicraft workers, and peasants; also in the army, in the rank and file and among some of the officers. The Young Turk Party was established (mostly from the intelligentsia, clerical workers and officers), which with the support of the toiling masses seized power in 1908, promulgated a constitution and elected a parliament. The Young Turk policy towards toilers and non-Turkish nationalities deprived it of the support of the masses, and twice adherents of the old regime overthrew the Young Turk Party, in 1909 and in 1912. But in 1913 the Young Turks again seized power.

In 1914 Turkey joined the World War in alliance with Germany, was defeated, and under the Sevres Peace Treaty of 1920 was obliged to yield Palestine and Iraq to England, Syria to France, a part of Asia Minor adjoining Smyrna, to Greece, to give up her possessions in Arabia, and to put the Bosporus and the Dardanelles under English and French control. In the Turkish capital, Istanbul (Constantinople) were stationed military and naval representatives of England and France. They practically held the Sultan's government in their hands, and seemed to have mastery of the country. Then a national liberation movement arose in the depth of Asia Minor. It was headed by General Kemal Pasha and represented the commercial bourgeoisie and the peasantry. A new revolutionary government was formed in Ankara. It resumed the struggle against one of her conquerors, Greece, which was holding "purely Turkish" lands—the Smyrna Region. The struggle ended in 1920, in the victory of revolutionary Turkey and in the repudiation of he Sevres Treaty. By the Lausanne Peace Treaty, Smyrna was restored Turkey and the Entente troops were removed from Istanbul. Foreign privileges (the "capitulations") were abolished. A series of internal reforms began. In 1923 a new governmental structure was established in Turkey, a bourgeois republic with a president (Kemal Pasha) and a parliament, the National Assembly or the Medjilis.

The separation of church, and state was immediately affected. There was a partial liquidation of the feudal elements (e.g., of the tax on land known as "ashar"); civil and criminal codes of European type were drawn up, polygamy was forbidden, and the emancipation of women was declared. European clothing was introduced. European hats displaced the Turkish fez, and the Latin alphabet was introduced.

The whole governmental apparatus of Turkey of today is in the hands of the People's Party headed by Kemal Pasha. It represents the interests of the bourgeoisie of the interior provinces of Asia Minor, and of the capitalist peasants. Revolutionary movements of the proletariat and peasantry, and communist organizations, are persecuted. The dictatorship of Kemal Pasha does not permit the existence of other bourgeois parties. He struggles energetically with the clergy and with feudal elements.

§ 3. Economy and population

Turkey was formerly a semi-colonial country, that liberated itself from foreign imperialist domination following the national

liberation revolution of 1920. At present it is a country at a medium capitalist level, with an agrarian type of economy. Its agriculture and its handicraft industries are still backward. Its governmental structure is that at a bourgeois republic.

General characteristics

As we have already seen from the historic outline, Turkey remained behind in its economic development.

Up to 1920 it was a semi-colonial country, due to both retention of feudalism, and to a series of disastrous wars that ruined its national economy and permitted wide infiltration of foreign capital.

The victorious national liberation movement, the overthrow of the former domination of foreign imperialism, was followed by great upheavals in Turkish economic life—the growth of national industry, and the abolition of feudal elements in agriculture. However, modern Turkey is still characterized by great economic backwardness and holds one of the last places among the countries with a medium capitalist development (like Bulgaria, Greece, Portugal).

Turkish national economy in structure is close to that of semi-colonial countries. Agriculture is the main economic branch. Industry is insignificant. Only 6% of the self-supporting population are engaged in industries, and they are basically of a domestic handcraft type. Only light industries are developed, and mining. Foreign capital continues to playa predominant role in the country's finances, trade, shipping and mining. The Turkish government is attempting to establish a large-scale national industry on a capitalist basis, but freed from foreign economic dependence, and has achieved some success with sugar and textiles (to a certain extent by the aid of the USSR). A Turkish national bank (the former Ottoman Bank, that belongs to foreign capital, which realised the functions of the state bank) has also been established. But these are only small steps on the road to complete emancipation from foreign economic dependence.

Population

The population of Turkey is 14,000,000, of which 1,100,000 are in European Turkey (86% are Turks). 11% are Kurds, in the east; 2.5% are Greeks, in Istanbul (before the war a large Greek population

inhabited Smyrna, on the Aegean Coast, but under the terms of the Lausanne Peace Treaty they were obliged to return to Greece, and Turks in Greece to return to Turkey).

Density of population averages 19 persons per sq. km. It is down to 1.5 in the centre of Asia Minor and up to a hundred and more in the west.

The urban population is 26% The main cities are *Ankara*, the capital since 1920 (population 80,000); *Istanbul* (Constantinople European Turkey, on the Bosporus coast, the former capital (700,000 *Smyrna (Izmir)* (160,000) and *Bursa* (60,000).

Agriculture

Agriculture is the main branch in Turkey's economics. It is at a very low level. It engages 81% the population. The basic peasant mass has small holdings, up to five hectares. Constituting 80% of the farmers, they hold only 7% of the total area under cultivation, and are in bondage to landlords, kulaks and money lenders. 93 per cent of the whole agricultural area is held by landlords and capitalist peasants. The landless hired labourers number half a million.

Three basic types of agriculture are found in various parts of Turkey. 1) In the eastern section of the country bordering with Persia and Soviet Transcaucasia, where the semi-nomadic Kurd tribes are predominant, who have preserved patriarchal life and large-scale feudal landownership, there is an almost natural economy. 2) In the greater part of Asia Minor, the centre and the north, there is individual peasant landownership with marked and increasing class stratification. The small and middle sized farms are predominant. They are obliged to rent additional land from landlords and capitalist peasants. The landlords do not cultivate their own farms, but primarily rent out the land on bondage conditions, supplying the peasants with seeds and implements; taking rent in kind, 50 to 80 per cent of the crop. Landlords and capitalist peasants play the roles of money lenders and commission men, selling the peasants' produce to the export trade firms. 3) In the southern and western parts of Asia Minor, touching the Mediterranean, where, due to climatic and soil conditions, valuable crops of cotton, sesame, tobacco, poppy, olives and grapes are grown, there is large scale capitalist land ownership, based upon hired labour and using modern machinery and tractors.

The Turkish government declared in 1920 that the "peasant is the master of Turkey." In practice it supports only the capitalist and

middle-man elements in taxation policy, with credits and with assistance in securing agricultural machines.

The geographical distribution of agricultural branches is as follows: farming being the predominant branch, is carried on mostly on the edges of the Asia Minor Peninsula. The central regions have a dry climate which permits of farming only under conditions of artificial irrigation. In these regions of dry steppes and semi-deserts cattle-breeding is developed. Only 10-12% of the country's entire territory is under cultivation. The majority of the area cultivated, 90%, is occupied by grain crops, wheat and barley. Grain growing is at a very low level, has low yields, making necessary the importation of grain from abroad. 6-7% of the sowing area is occupied by technical crops, cotton, tobacco, sesame and opium poppy. Turkish cotton (of low quality) is grown in the south-western section of the country along the Mediterranean Coast. Tobacco is cultivated all over the country but mostly in the maritime regions. Of late years sugar beets and hemp have been grown. About 4% of the area cultivated is occupied by fruit crops—olives, figs, plums, nuts, mulberry, grapes, etc. Animal husbandry is carried on in the centre and east, consisting mostly of sheep raising, and goat raising (the famous Ankarian fine-woollen goats). Donkeys are the working animals in Turkey.

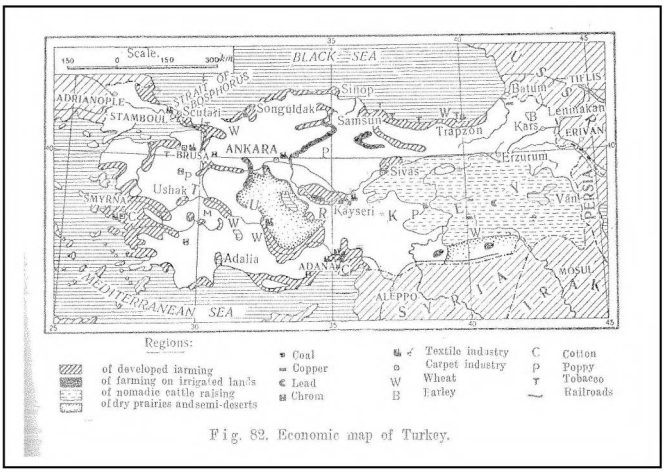


Fig. 82. Economic map of Turkey.

Fig. 82. Economic map of Turkey

Industry

Turkey's industry is on a small-scale, and of a handicraft character. There are only about 150 enterprises of a medium size, employing over 100 workers, a quarter of one per cent of the establishments. Only 4% of the enterprises have machine power. After the victory of the national liberation movement, the Kemal government adopted the policy of stimulating Turkey's industrial development. It limited the import of many manufactured goods from abroad, abolished duties on imported machinery, offered credits and privileges to new enterprises, and even organized state industrial enterprises. But the lack of capital, the unfinished struggle with foreign capital, and since 1929 the world crisis, have hindered industrial development.

Of the heavy branches of industry, only coal mining is developed in Turkey, mostly in the Zonguldak coal basin, in the western part of the Black Sea coast line. Despite the fact that Turkey is rich in coal, it produces only 1,000,000-1,500,000 tons annually. The *Zonguldak Basin*, in the western part of the Black Sea, is the main coal region. The mining of copper, lead and chromium is inadequately developed. The extraction of coal and lead is in the hands of French capital. Copper mining is in German hands and chromium in the hands of English capital.

The manufacturing industry is represented by light branches. The only great enterprise of metal industry is the assemblage plant of agricultural machines and automobiles opened in Istanbul in 1929 belonging to American capital (Ford).

The food and textile industries are the predominant branches. 43% of all workers are employed in the former and 18% in the latter. Tobacco, leather and cement are less important. Butter and cheese dairies, canning factories and sugar mills (two were built by the state just before the crisis in the central section of Asia Minor) are features of the food industry. The food industry is distributed over the country.

The textile industry is represented by the following branches: woollen, located in the Ankara and Istanbul regions; cotton weaving on the western and southern and coast line, in the Smyrna and Adana regions; silk on the western coast in Bursa; carpet making in the Smyrna region and in the central section of Asia Minor. A great textile combinat is being built in Kayseri with the aid of the USSR.

Foreign trade

Turkish foreign trade is not large. Metal and textile goods, and coal are imported. Agricultural products, tobacco, wool, cotton, silk, and fruits are exported. So also are carpets. England, Italy, France and Germany are the main countries with which Turkey is carrying on trade.

Foreign capital

Foreign capital, which before the World War had made of Turkey a semi-colonial country, has lost its vantage points since the revolution of 1920, but even now it influences Turkish economic life. The most important among them are: the great indebtedness of old Turkey to French and English capital and lack of own capital, what obliges Turkey to use foreign credits. Many foreign banks in Turkey influence her finances.

Relations with the Soviet Union

Turkey is in very friendly relations with the Soviet Union. She appreciates that the USSR does not aim at despoiling her, but on the contrary desires to aid her to liberate herself from foreign capital.

The Soviet Government has established credits for her and sent Soviet specialists to Turkey.

9. SYRIA, PALESTINE, IRAQ AND THE ARABIAN COUNTRIES

§ 1. Physical-geographical outline

Syria, Palestine. Transjordania and Iraq are located to the south Turkey (see map 83). The countries of Arabian Peninsula—Hejas, Nedjd, Assir, Yemen, Aden, Oman, Kuwait, Hadramaut and others are more to the south. The total territory of these countries is about 3,500,000 sq. km. (seven times larger than France).

Geographically, most of them are close to the Suez Canal and to

England's important sea route from the Mediterranean to the Indian Ocean through the *Suez Canal*, the *Red Sea* and the Strait of Babel-Mandeb. The rest of them are close to the Persian Gulf approach to India. It makes these countries important military-strategic bases for imperialism.

Surface

These countries have many common physical-geographical features. They all stand on a vast sandy plateau (the *Arabian*) from 400 to 1000 m. above sea level. In the east—in Iraq and along the Persian Gulf coast, it lowers and becomes the *Mesopotamian Lowland*. In the west and north, in the Red Sea and Mediterranean direction, it is elevated and becomes mountainous. The narrow lowland valley of the River Jordan crosses this plateau in Palestine.

The vast territory of these countries is generally poor in inland waters. The *Otront* River is in Syria, the River *Jordan*, the salt lake known *Dead Sea*, lying below ocean level, and the fresh *Sea of Galilee* are in Palestine. The rivers *Tigrus* and *Euphrates*, uniting in one channel, named the *Shat-el-Arab*, are in Iraq. Besides these rivers and lakes these countries have also the so-called "wadi"—creeks or broad hollows that fill with water during the rainy season. The wadi are sometimes very long (1,000 km. and more).

Climate and vegetation

The climate of these countries is hot and dry. Syria and Palestine are in the best climatic situation. In the coastal zone the climate is similar to that of the Mediterranean, with a warm and rainy winter, a hot and dry summer. The average temperature of the coldest month, January, is +14°; of August, the hottest month, +2 9°. The average rainfall varies from 42 cm. in southern Palestine to 90 cm. in northern Syria. The rains come in three periods: a) the early (fall) rains beginning in the middle of November and lasting for 3-4 weeks; b) the winter rains lasting two months—January and February, and bringing over half of the annual rainfall, and c) the late (spring) rains from the middle of March to the end of April. No rains at all fall between April and November.

The Jordan Valley has a subtropical climate. The Mesopotamian Lowland (in Iraq) has a hot and dry summer. The average August

temperature in Bagdad is +33°(of January +10°). Th e average annual rainfall varies from 20 cm. in the south to 40 cm. in the north.

The inland part of the Arabian plateau has an extremely continental climate. Summer heat reaches +45°, wint er frosts -1O°. In summer there is a great difference between the hot day and the cold night. Rains are very rare here.

The Arabian coast line, especially on the Red Sea, has a hot and moist climate, very unhealthy for those not acclimated. The southern section of the coast line is influenced by the monsoons bringing rain clouds from the Indian Ocean.

The dry climate and lack of inland waters are unfavourable for these countries' vegetation and agriculture. The only exceptions are the coasts of Syria and Palestine (not including the extreme south), the shores of the Tigrus and of that part of the Euphrates that flows through Iraq and the Arabian Coast line. And they also need artificial irrigation. Other parts of these countries are dry steppes—semi-deserts, and the north-eastern and southern sections of the Arabian Peninsula are vas sandy deserts (the desert Nefud or the Red Sandy, and the Hob-el-Khali). In some places there are oases, irrigated from subsoil springs.

Minerals

Of mineral wealth insufficiently explored, there is petroleum in Iraq (at Kirkuk, Mosul region), phosphorite beds in Transjordania and Palestine, great beds of salt, potassium-salts, asphalt, hot slates, gypsum and marble in Palestine, zinc and iron ores in Nedjd. All these reserves are but slightly developed, excepting only Mosul oil.

§ 2. Economy and population

Syria, Palestine. Iraq, Transjordania and the Arabian countries are colonies and semi-colonies of the imperialist countries (England and France) with an agrarian character of economy, nomadic cattle breeding in most of them, and dominance of feudal tribal rulers.

General characteristics

The countries under consideration, before the World War, were parts of the Turkish Empire and are mostly populated by Arabs (belonging like the Jews to the semitic branch of the white race). The population is about 12,000,000 persons, of which the non-Arabs (Jews, Turks, European nationalities) number less than 1,000,000. The population is made up of Arabs—Bedouins (nomads), fellahs (peasants) and the urban population. Patriarchal tribal relations and feudalism are still strong among the Arabs, but the gradual establishment of capitalist relations is shaking them. Foreign imperialism penetrated these countries before the war, while they were Turkish provinces. After Turkey's defeat they were taken away from her. *Syria* was put under the mandate management of France, which divided them into three republics—Syria proper, Liban and Northern Syria, each with its own ruling body, and two "states"—Latakie and Djebel-Drus, run by the French government. All of the five "states" are subject to a High Commissioner. *Palestine* was given to England for mandate management in order to establish there "a national homeland for the Jewish people." Governmental power rests in the hands of the British High Commissioner. Bourgeois Jewish organizations (the Zionist Executive and Jewish Agency) play an advisory role under him. *Transjordania* formerly was within Palestine's borders but has lately been established as a principality (Emirate) subjected to England. *Iraq* was put under England's mandate, subordinated to a High Commissioner. In 1931 she declared that the "successful establishment of an Iraq government" permitted abrogation of the mandate. It was replaced by a "joint treaty," which together with the military posts created in Iraq, guaranteed to England continuance of her control over the economic and political life of Iraq. Arab states of feudal type were established on the Arabian Peninsula, *Hejas, Nedjd, Assir, Yemen, Hadramaut, Oman* and *Kuwait*. The majority of them are England's protectorates. Only Nedjd, that united in 1926 with Hejas in the Kingdom of Saudie, and Yemen, are resisting British domination. Hejas-Nedjd is however to a certain extent under England's influence, and Yemen under Italy's. Points strategically important have been made into English bases; *Aden*, that blocks the outlet from the Red Sea to the Indian Ocean, and the *Pirate Coast* of the Persian Gulf, that closes the outlet to the Indian Ocean.

Agriculture, its social structure

Palestine and Syria are the best developed of these countries, the countries of the Arabian peninsula the least. Nomadic cattle breeding carried on by the Bedouins is predominant in the latter, though settled fellah farms exist also. Pasturage has vital importance for the Bedouins, and the various tribes continually struggle among themselves for control. The sheiks (chiefs of tribes) of the conquered tribes enrich themselves by victories, taking a fifth of all cattle and property captured. They put under tribute the conquered tribes, and levy tribute from caravans passing over their territory, in return for safe conduct. Besides this many of the sheiks are in the pay of the imperialist governments. The development of shipping between Arabia and Europe, the construction of railroads and improved roads in some of these countries have been factors in rising the prices obtained for the products of animal husbandry and farming and have created new possibilities for exploitation of the Bedouin masses by the sheiks. The privileged position of the sheiks affords possibilities for engaging in trade and commission operations thus robbing the nomadic masses, and for passing on to their shoulders the burden of taxation introduced in the new Arabian states. The sheiks also buy or rent for a trifle great areas of land, in order to transfer them at high rent to the landless fellahs. All this indicates that the tribal organization of the Bedouins has lost its primitive character. New feudal forms, more profitable for exploitation of the nomadic masses, have been found by the tribal heads.

The feudal-landlords (effendi) and the trades-people and usurers (the compradors in the port towns) are the dominant classes in the regions of settled agriculture. The landlords possess huge latifundias, 50,000-60,000 dunams, whereas the basic fellahin masses have either very small sections or are altogether landless. As in other colonies or semi-colonies, the poor fellahin proprietors succumb under heavy taxation and the exploitation of the usurers and middle men. The fellahin tenants also suffer from heavy rent, being obliged to pay a half of the crop, and more, to repay to the landlord half of the land tax he pays to the government and a half of his expenses for maintaining his employees, guards, and tax-collectors. Many of the fellahs are working on landlord estates as hired labourers for a trifling wage.

The situation of the fellahin is even worse where foreign capital has penetrated. For instance, in Palestine where Jewish (Zionist) colonisation is proceeding under English protectorate, the lands of

Arabian effendi are systematically purchased by the Jewish colonisational organizations. The fellahin are driven from the lands they rented. A similar situation prevails, though to a lesser degree, in Syria in connection with the Armenian colonisation protected by the French. In addition, the imperialists openly seize Arabian lands, e.g., the English establish orange and banana plantations in Palestine, and cotton plantations and oil exploitation in Iraq.

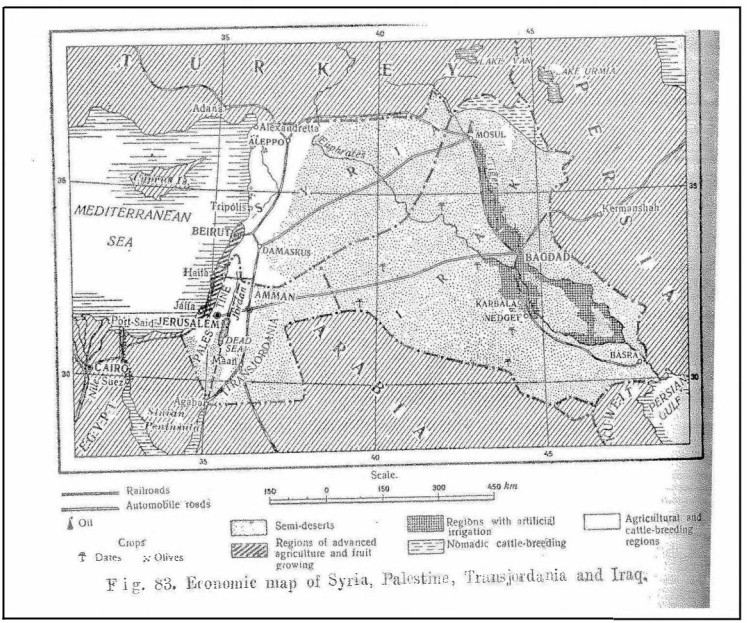


Fig. 83. Economic map of Syria, Palestine, Transjordania and Iraq.

Fig. 83. Economic map of Syria, Palestine, Transjordania and Iraq.

Agricultural branches

Cattle breeding in these countries is mostly represented by small animal husbandry (sheep and goats), camels, asses and mules. These are raised all over the counttry. Horse raising is also developed in Iraq and Nedjd. Camels horses are exported.

Wheat, barley and maize are grown in Syria and Palestine; oranges, lemons, apricots, figs, grapes, olives and tobacco along the coast line. Cotton and sericulture also are of some importance in Syria. Rice and cotton, by the aid of artificial irrigation, are grown along the

banks Tigrus and Euphrates. Grain is grown in the north and date palms in various sections of the country. Coffee is the main crop in Yemen (especially "mocca," reputed to be the best in the world, named after the name of the Yemen town, Mecca). There are also grains and some technical crops (sesame, indigo, cotton), fruits and vegetables. In other Arabian countries agriculture specializes in grains and fruits. Especially is the date palm developed along the "wadi," along part of the coast line, and in numerous cases. Agricultural produce, especially in Syria, Palestine and Yemen, is for the market, and a considerable part is exported.

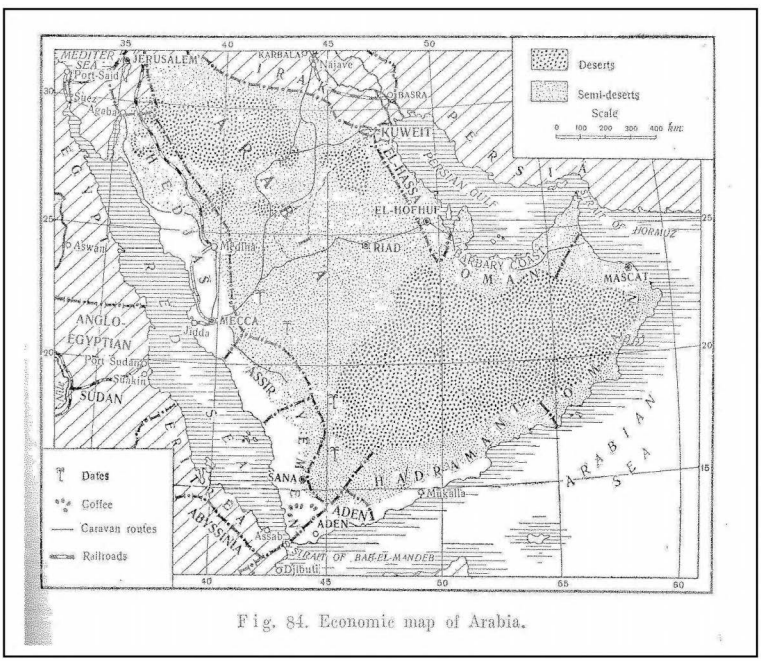


Fig. 84. Economic map of Arabia.

Fig. 84. Economic map of Arabia.

The world crisis sharply affected the world agricultural market and heavily affected these countries.

Industry

Due to the backwardness of these countries industry does not

play any significant role and has more of domestic handicraft character. The mining industry is represented by petroleum extraction in Iraq (near Mosul), salt extraction in Palestine (at Haifa) and Yemen, and marble quarrying in Palestine. Exploration of the Palestine mineral resources of the Dead Sea is carried on by an English syndicate holding a concession.

The manufacturing industry is primarily developed in Palestine, consisting of some 500 small manufacturing enterprises, mostly in the light branches, such as food, textile, printing, and woodworking. The textile, food, leather and tobacco industries are also developed in Syria. In other countries only domestic handicraft enterprises are developed.

There is a considerable stratum of industrial proletariat in Syria and Palestine, 120,000 in Syria and 80,000 in Palestine. Neither labour legislation nor labour protection, nor social insurance exist. The world crisis was reflected here by unemployment and economic degradation of the workers.

Cities

The most important cities are *Beirut* in Syria (90,000), the administrative centre, and the most important port; *Damascus* (170,000) an ancient trade, industrial and cultural centre; *Aleppo* (140,000), the economic centre of Northern Syria.

Jerusalem, in Palestine (75,000), administrative centre; *Jaffa* (with the suburb Tel Aviv) and *Haifa*, ports, trade, industrial and cultural centres;

Bagdad in Iraq (150,000), the capital, *Basra*, a port, English military-air base; and *Mosul*, the petroleum centre;

Amman in Transjordania, the capital; *Aqaba*—port and English naval base;

Mecca in Hejas (130,000), capital, and a holy city for religious Mussulmen; *Medina* and Djida, ports;

Riad in Nedjd (28,000), capital;

Sanaa in Yemen (25,000), capital; *Hodeida*, a harbour;

Aden, port and English naval base.

Ways of communication

There are a number of railroads in these countries. A railroad line

crosses Syria, Transjordania and Hejas, running from Adana (in Turkey) through Aleppo Damascus and Amman to Medina. This road was built during the time of Turkish domination to transport pilgrims from Turkey to Mecca.

A line constructed during the war from Egypt to Haifa passes Palestine through Jaffa. The old branch Jaffa—Jerusalem goes off it, and also a line connecting it with the road Aleppo—Medina.

There is a railway from Basra to Mosul through Bagdad, and to the Turkish border, with a branch line from Bagdad to the Persian border.

England is finishing the construction of the railroad Maan—Aqaba and is planning two new strategic lines—Haifa-Bagdad and Aqaba-Basra.

There are many caravan highways in these countries, and automobile traffic is much developed, Mosul and Bagdad to Syria and Palestine.

In addition there are regular aviation lines Alexandria (Egypt)—Jerusalem-Bagdad with two branch lines, Bagdad-Teheran and Bagdad-Basra-Karachi (India).

Sea transport, handled by foreign ships, is of importance for the foreign trade of the Near East countries.

§ 3. Imperialist domination and the revolutionary movement

The geographical location of the countries of the Near East, their proximity to the world route through the Mediterranean and Indian Ocean and to India, develops special interest in some imperialist powers for domination of the Near East. Even during the time of the Turkish Empire England either openly declared “protectorate” or in actual fact otherwise subjugated the Southern Arabian countries—Aden, Hadramaut, Oman, the Pirates Coast, Kuwait and others. England’s imperialist rival, Germany, having brought Turkey under her influence towards the end of the XVIIIth or early in the XIXth century, began the construction of the famous railroad, “the three B’s”—Berlin-Bosphorus-Bagdad. It would have established a base in Iraq for an attack by Germany on India. A struggle among France, England, Germany and Russia was carried on in Syria and Palestine, which are approaches to the Suez Canal.

After the powers' division of the Near East in 1918 the struggle of English, French and Italian imperialism continued. In the first place, English imperialism has as one of its aims there, the protection of one of the so-called imperial routes, the route to India. Palestine secures her approach to the Suez Canal from the east; Transjordania (Aqaba port) and Aden— her domination on the Red Sea; the southern and eastern (Persian Gulf) Arabian and Iraq coast line guards the approach to India from the west. In addition, Palestine, Transjordania and Iraq are as a bridge from Europe to India. The airway, Egypt-India, goes over it. Now the construction of railways from Haifa to Bagdad and from Aqaba to Basra, is projected. Possession of Iraq has strategic significance for England as a base in case of military operations against Turkey or Persia and in case of her attack on the USSR. Besides strategic interests, English imperialism has certain economic interests, exploitation of Mosul oil in Iraq, exploitation of the richest of Palestine's mineral resources and monopolisation of the foreign trade of those countries by English capital.

France's positions in the Near East are less commanding than those of England. She has only Syria, which does not have very Teat economic interest. Syria, for her, is a stepping stone in the Mediterranean, a vantage point in any fight with England. Anglo-French rivalry shows itself in the support by France of the anti-English movement in Transjordania, Palestine and Iraq, and by the support of the anti-French uprising In Syria on the part of England. There are many other points of economic rivalry. France and the United States prevented England's having monopolistic exploitation of Mosul oil. England was compelled to divide the output with France and the United States in the proportion 50 : 25 : 25. The English project for pipe lines from Kirkuk to Haifa (in Palestine) was countered by the French with a project for a line from Kirkuk to Tripoli (in Syria). It resulted in decisions to build them both. Over the exploitation of the mineral resources of the Dead Sea area there was a struggle between French and English capital, France protesting energetically against construction of a harbour in Haifa.

Italy's positions in the Near East are weaker than those of England and France. Italy has colonists in Syria. She is increasing her trade activity in all the near-eastern countries. Italy directly aided Yemen with ammunition and armaments in its struggle with England.

To strengthen its domination, foreign imperialism follows a policy of exciting hatred among the different Arabian countries, and fosters national, religious, and intertribal hatred within these countries.

A struggle for the independence of the Arabian countries was begun even when they were under Turkish domination. After the World War the nationalist movements revived with new strength. Uprisings in Syria in 1920 and 1926 were its sharpest manifestation, but they were suppressed ruthlessly by the French. There were repeated uprisings: against Great Britain in Iraq, Palestine and Transjordania. They also were suppressed by armed force, sometimes by bombarding their villages from the air, as in Iraq. Nedjd and Yemen succeeded in their struggle with England, and remain formally independent. This widespread Arabian nationalist movement was directed against foreign imperialism, and was headed by a part of the tribal feudal aristocracy and the urban bourgeoisie. In the course of its development, as a result of drawing in several strata of the exploited peasants, this movement became a struggle against feudal and usurers' exploitation. This movement mostly manifested itself in those countries with a considerable stratum of industrial proletariat, i.e., Syria and Palestine. The movement is coming to be of an agrarian revolutionary character, and the leadership tends to be transferred to the proletariat and the Communist Party.

V. COUNTRIES OF AFRICA

1. GENERAL REVIEW

§ 1. Physical-geographical outline

Geographical location

The African continent is separated from Europe in the north by the Mediterranean and in the north-west by the narrow Straits of Gibraltar (14 km. wide). On the east it is joined to Asia by the Isthmus of Suez, now intersected by the Suez Canal. The Atlantic Ocean bounds Africa on the west, the great Gulf of Guinea. On the east are the Indian Ocean and the Red Sea. The coast line is but little indented. The huge Island of Madagascar is located off the south eastern shores of Africa, separated from the continent by the broad Mozambique Channel, and there are many small islands. There are also small islands off the western coast.

Surface

The surface of Africa is uniform. It represents it plateau, mostly elevated in the south and along the' eastern coast. It lowers, as by steps, towards the north. Lowlands are found only along the coast line—the western section of the Mediterranean and the northern part of the Atlantic Coast. The eastern, the highest part of the plateau, is separated by deep depressions running from south to north. The great lakes— Nyasa, Tanganyika, Victoria and others are located there. The edges of the African plateau are marked by mountains, the highest of which are in the east. There are the perpetually snow-covered summits of the extinct volcanoes *Kilimanjaro* (6 km.), *Kenya* (5.6 km.), etc. On the extreme south-east are the *Dracon Mountains* (over 3 km. high). The *Abyssinian Highland* is in the north-east and the *Atlas Mountains* in the extreme north-west.

Climate

Africa runs north and south for 8,000 km. and is crossed by the equator in the middle. 6,000 km. of this length is in the tropics, and only the extreme northern and southern parts, about 1,000 km. each, are in the subtropical zones.

Tropical Africa is characterized: 1) by its high temperatures (30ºC average, maximum 50ºC) without variation between winter and summer; 2) by abundance of rainfall—200 cm. or more, annually, even 10.50 cm. a year at the Guinean Coasts; 3) by the torrential force of the tropical rains at certain periods, when the sun is directly overhead. April and September are such periods of tropical rains close to the equator; June in the northern tropical region, December in the southern tropic.

The subtropical parts of Africa, the extreme north and the extreme south, have a Mediterranean climate with a soft rainy winter and a hot dry summer.

The greater part of Northern Africa has a low rainfall, less than 25 cm., by reason of the north-east winds that blow from dry Arabia. There is the huge sandy desert of Sahara.

A part of South Africa is deprived of rains because the Dracon Mountains obstruct the moist winds blowing from the Indian Ocean. Here is the *Kalahari* Desert.

Rivers

Many full flowing rivers originate in Tropical Africa due to the abundant rainfall. The most important are: The *Congo*, second in the world after the Amazon in volume; the *Nile*, second after the Amazon in length; the *Niger* and the *Zambezi*. The Nile runs to the Mediterranean, the Congo and Niger to the Guinea Gulf, the Zambezi to the Mozambique Strait. Due to the step-like topography, rivers form many waterfalls and rapids. There are the *Nile Cataracts*, the *Victoria Falls* on the Zambezi River, and the *Stanley Falls* on the Congo.

Vegetation

The vegetation of Africa corresponds to its climatic conditions. The richest tropical forests are in the western section of the equatorial region near the Guinea Gulf. To the north, east and south of the

tropical forests stretches a great zone of savannah. These are huge areas covered with high grass and small clumps of trees—baobab, mimosa, acacia and palms. North and south the savannahs change into steppes and then into the deserts Sahara and Kalahari. In the extreme north-west, and partly in the south, there is evergreen vegetation, similar to that of the south European: cork, oak, laurel, olives, oranges, lemons and date palms.

§ 2. Population

The total population of Africa is estimated at about 145,000,000. The average density is five persons per sq. km. This density is less in South Africa (that it is less in the deserts goes without saying) and is greater in the western section of the Mediterranean, reaching 10 persons per sq. km., and 25 in the tropical region along the lower stream of the Niger, and reaches as much as 360 in the valley of the Nile.

The national composition of Africa is varied. European nationals are found in the subtropical region of the extreme north (Italians and French) and in the extreme south (English and the Boers, descendants, of the Dutch colonists).

The native population of Africa belongs to the black race, and as is indicated on map 86, is mostly located south of the Sahara Desert whither it was pushed in ancient times by invaders from the Mediterranean and Red Sea regions.

The Sudan Negroes, purest type of their race, usually tall, are between southern Sahara and the Congo Basin and between the Guinea Gulf in the west and the Auysainian Mountains in the cast. Southwards of the Congo 'Basin, nearly to the extreme south, there are various tribes of South African Negroes (they are commonly called the Bantus). The South African Negroes are not so tall as the Sudan. The tribes of Caffres and the Bechuans are tallest among them. Among the South African Negroes are tribes of pygmies, called Negrilles, inhabiting, the tropical woods of the equatorial zone.

The Bushmen and Hottentots are found in the extreme south-west of Africa. They also are related to the black race and are supposed to be descendants of the oldest inhabitants of the African Continent.

Northern Africa from the Mediterranean coast line in the north, and from the Red Sea in the east up to the southern border of the

Sahara. Is populated by white peoples of the Hamitic branch. Ii is supposed that they invaded Africa 3,000 years before our era. This Semitic branch immigrated there a thousand years our era, and partly in the VIIth century of our era. The settled Berbers are predominant in the western part of Northern Africa, and the nomadic Tuaregs in Sahara. Both are of the Hamitic group. Semitic peoples are distributed among them. These are the Moors along the Mediterranean coast line, descendents of the Arabs who conquered North Africa in the VIIth century, and different nomadic Arabian tribes are found in the depth of the country.

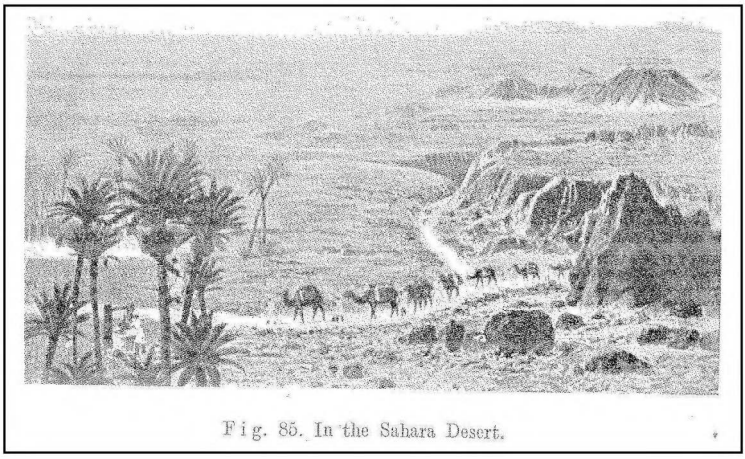


Fig. 85. In the Sahara Desert.

Fig. 85. In the Sahara Desert.

The eastern part of North Africa is populated by the Fellahin in rural localities and by Copts in the towns. Both are descendants of the ancient Egyptians (Hamites) mixed with the Semites, who have adopted the Arabian language.

The Ethiopians (or Abyssinians) are found in the Red Se region. They also are related to the Hamites, but they have partly mixed with the Negroes.

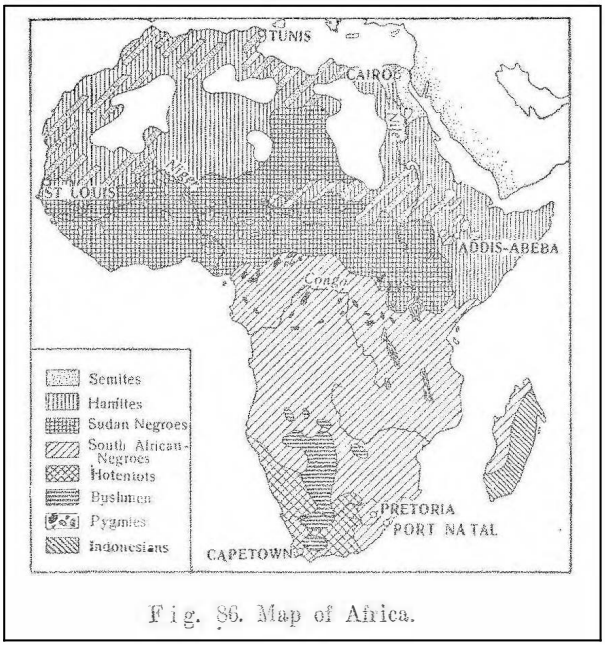


Fig. 86. Map of Africa.

Fig. 86. Map of Africa

§ 3. Partition of Africa by the imperialists

Up to the beginning of the capitalist epoch, the European powers did not have possessions in Africa. Northern Africa, conquered in the VIIth century by the Arabs, was taken over by the Turkish Empire between the XVth and XVIth centuries.

The natives held the rest of the continent.

Towards the end of the XVth century, European merchants and navigators seeking to discover a sea route to India, investigated the African Coasts (Dias, Vasco-de-Gama). But the discovery of America and the establishment of the sea route to India most attracted the attention of trade capital. Thus America, India and Indonesia became objects for invasion, land-grabbing, and despoliation. Africa was subjected to raids on the part of Europeans (mostly in the Guinea Gulf), followed by seizure of Negroes, the turning of them into slaves, and

the plundering of the coast zone. Later these coastal regions became Portuguese and Spanish colonies. In the middle of the XVIIth century the Dutch began to colonize the extreme south, and established several independent republics (the Transvaal, the Orange Free State) whose descendants were called Boers. In 1795 the English seized the southern extremity of Africa—the *Cape of Good Hope.* In 1830 the French subjected the northern coast— *Algiers*. It was only in the final quarter of the XIXth century, with the beginning of the imperialist epoch, that the intensive partition and enslavement of Africa began. The numerous expeditions inland were followed by the capture of the explored lands. As a result of many expeditions during the first triennial of XIXth century, certain explorers became famous and rendered great service to world imperialism. There was the famous English missionary Livingston, who lived in Africa thirty two years (from 1841 to the date of his death 1873) and studied the Congo and Zambezi Basins and the Tanganyika Lake Region. Livingston's investigations were continued by the Englishman Stanley. The German explorer Nachtigal studied (in 1864) the inner Sahara, and the German investigator Yunker together with Schnizer studied for twenty years (1868-1887) Central Africa. Schnizer, who became famous under the name of Emin Pasha, was governor of a province in the Egyptian Sudan. Among Russian explorers Artamonov is famed for his investigation of Abyssinia.

In the footsteps of investigators and explorers European imperialism began to penetrate the African continent, in about the eighties of the XIXth century. As Lenin noted in his volume on Imperialism, by 1876 11% of Africa had been turned into colonies by European capitalist countries. By 1900 the figure was 91% (see map 2).

The small but highly capitalist Belgium seized the Congo Basin with its tropical forests and established a great colony, the Belgian Congo.

In the seventies English imperialists seized *Egypt*, which came to be extremely significant after completion of the Suez Canal. In the eighties England took Egyptian Sudan to the south and named it *Anglo-Egyptian Sudan.* She also took the East African countries of *Uganda* and *Kenya* and *Rhodesia* in South Africa. In 1899 England went to war with the South African Boer republics (Transvaal and the Orange Free State), overcame their strong resistance and in 1902 added them to her colonial possessions. In 1910 they were included in a Dominion named the Union of South Africa.

As early as 1830 France seized *Algiers* on the Mediterranean, and in the epoch of imperialism expanded her domination in Northern Africa by subordinating *Tunis* and *Morocco*. She declared the Sahara to be her colonial zone and seized the districts south of it, Senegambia and the *Ivory Coast* of West Africa, the regions of the upper and middle stream of the River Niger—the *French Sudan* and a part of the Congo Basin, the French Congo, and also the Island of *Madagascar* and the French Somali on the Red Sea coast.

Germany, entering the road of industrial development late, did not have any colonies, until in 1884-1885 she impetuously seized the remaining "free" African lands and took as her colonies *Togo* and *Cameroons* in West Africa, German South-west Africa and *Tanganyika* (or German East Africa).

Portugal possessed lands on the west African Coast—*Portuguese Guinea*, in the south-west—*Angola, Mozambique* (or Portuguese East Africa) in the south-east.

Spain had small possessions in the north-west (*Spanish Morocco* and *Rio-de-Oro*) and on the western coast.

Italy got only the narrow zones in the east along the Red Sea coast—*Eritrea* and *Italian Somali* on the Indian Ocean. In 1911 after her war with Turkey, Italy seized *Tripolitania* (or *Libya*) in the middle section of North Africa, former possession of Turkey.

And last, the United States though emphasizing its indifference to events beyond the American continent, has formed the independent republic of *Liberia* on the western coast, under its protectorate.

Formally, Abyssinia in East Africa, is also independent, but in practice it is in semi-colonial dependence upon England, Italy and France.

The division of Africa among the imperialists is shown on the pre-war political map. The World War made alterations. *Egypt*, formerly part of the Turkish Empire, was made into an independent kingdom, united with England in a treaty of alliance, but in fact England's colony. The German colonies were transferred to England and France under "mandate management." *Tanganyika* went to England; German South-west Africa, renamed *British South-west Africa*, to England's dominion—the South African Union; *Togo* and *Cameroons* were divided between England and France.

At present France possesses 40 per cent. of the African territory, England—35 per cent, Belgium—8 per cent, Portugal—7 per cent, Italy—5 per cent and Spain—1 per cent.

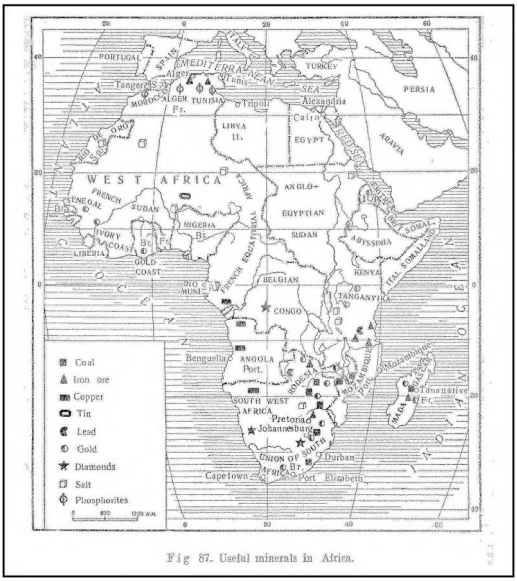


Fig 87. Useful minerals in Africa.

Fig. 87. Useful minerals in Africa.

§ 4. The colonial exploitation of the countries of Africa and their economic level

Africa represents a continent colony, whose countries' have been seized and enslaved by imperialists. But they are at different levels of development. In such colonized districts as the English dominion, the South African Union, and the French colony of Tunis, which were peopled by the European bourgeoisie, economic development has reached a high level. But the Central and Eastern African countries are very backward; the majority of the population live under primitive conditions. There is no native bourgeoisie, and the foreign imperialists play the role of expropriators, taking away the land.

The seizure of African colonies by the imperialist countries has its main object the securing of new raw material sources, together with

the exploitation thereof by utilizing the cheap semi-serfdom and serfdom labour of the natives, affording great opportunities for profitable investments.

As a market for industrial goods Africa is not very important, because of the low purchasing capacity of the population. Railroad construction, however, brought about by the imperialists, affords markets for European metallurgy.

Raw material resources

Africa's raw material resources are her minerals and her products of the soil.

Africa possesses the richest gold deposits in the world. First comes the South African Union, then Rhodesia, the Belgian Congo and Madagascar. The total annual output reaches 330,000 kilograms, i.e., 55 per cent of the world's total.

The South African Union and the Belgian Congo have the world's principal diamond mines—5,300,000 carats annually or 95 per cent of the world's total output.

There is considerable copper ore and tin in the South African Union, British South-western Africa, the Belgian Congo and in Madagascar. There are iron ore, zinc and lead in Algeria and Tunisia.

There are deposits of manganese, silver, nickel, rare metals (molybdenum, vanadium, etc.) and also platinum, in South and East Africa.

Phosphorite (for fertilizers) is found in Algeria and Tunisia.

Africa is not very rich in fuels, though there are coal fields in the South African Union, in Algeria and in Tunisia. Petroleum is also found. But the lack of mineral fuel is partly compensated for by the enormous amount of water power, whose potentiality is estimated at 190,000,000 horse power or 43 per cent of the world's total.

The physical-geographical conditions of Africa are highly suited to the growing of such highly valuable tropical crops as cotton, rubber, cocoa, coffee, sugar cane, cocoa and date palms. These crops have been considerably extended since the war. The big plantations owned by Europeans are showing rapid growth. English cotton plantations in Egypt and in the Anglo-Egyptian Sudan are attaining great significance in England's struggle against the cotton monopoly of the United States. There are also the rubber plantations owned by United States capital in Liberia.

The grain crops (wheat and maize), horticulture (southern fruits),

viticulture and fruit growing, are developed in Tunisia, Algeria, Morocco and in the South African Union; sheep raising also is considerably developed in the South-African Union.

Exploitation of the native population

The exploitation of mineral resources and the expansion of the plantations, is based upon the slave, semi-slave, or serf-like labour of the natives in tropical and southern Africa. Seizing the greater part of the best lands, the European capitalists deprived the natives of means of existence. Those who do hold on to small sections are brought to destitution by the imposition of taxes by the administrators of the colonies. It is economic pressure to force the natives to go to work in the mines and on the plantations. Even more direct physical force is used where the natives are actually enslaved. The conditions of labour in the mines and on the plantations are similar to those of Indochina and Indonesia.

Foreign investments and railroad construction

Foreign capital invested in Africa is used for organizing the super-profitable plantations, for the mining of valuable minerals and in railroad construction. Railroad construction aids the imperialists in getting raw material out of the interior of the continent, and strengthens their domination over the colonies. In addition, railroads have great strategic importance in the struggle for a redivision of Africa. Railroad construction also gives orders to the metallurgy and machine building plants of the mother country, for rails, engines and cars.

The total length of the African railroads in 1890 was 9,400 km., in 1912—43,000, in 1926—59,000. 60% of the railroads are in English possession, primarily in South Africa. 22% are in French colonies. A long time ago, English imperialism worked out a project for a great railroad 11,000 km. in length, from Cape Town in the extreme South to Cairo in the north. This railroad is planned to be only part of a larger scheme known as the three C's—Cape Town—Cairo—Calcutta (in India), thus connecting huge British colonial areas. Most of the Cape to Cairo railroad is already completed but its northern and southern halves are not yet linked up (the road is interrupted in the Tanganyika region). France is planning a great Trans-Sahara railroad, 4,000 km.

in length, to connect the French North African colonies with those of Tropical Africa, through the Sahara Desert. A preparatory expedition was made in 1924 by caterpillar automobiles, which were successful in crossing Sahara. Both the Trans-Sahara and the British Cape Town to Cairo railroads have strategic as well as economic significance. They will make possible quick transport of troops from one colony to another in the event of an uprising, or of inter-imperialist struggle.

English investments in Africa exceed eight billion gold roubles and the French six billions.

Africa's home market is of small capacity, due to the impoverishment of the population. Her total import is estimated at about two billion gold roubles a year, 24% of which is from France, 22% from England. 7% from the USA, 4% from Germany and 3% from Japan. Since the war English exports to Africa have decreased by 35% in comparison with 1913, but those of the United States have grown. They were estimated at 4% in 1923. Japan's were 0.1%

Types of African Colonies

African colonies may be grouped into three types, according to their economics: 1. Colonies of the most backward type, where a majority of the population lives under conditions of tribal life, where remnants of the primitive forms are preserved, with no hired labour or national bourgeoisie, where foreign imperialism is a military usurper, taking the land and exploiting the natural resources and labour of the natives. The colonies South, East, and Central Africa—Rhodesia, Mozambique, Tanganyika, Kenya and the French Sudan belong to that type.

2. Colonies that have already taken the road of capitalist development, with a one-sided capitalist economy, supplying the industries of imperialist countries with raw materials and food products. These are Egypt, providing cotton; the Congo and Liberia; providing rubber, copper and gold; Abyssinia—a semi-colony, supplying coffee and cotton; Algeria and Morocco, supplying early vegetables.

3. Colonies peopled by immigrants, or the colonization districts. In distinction from Canada which is completely populated by Europeans, the numerous European population in Africa is mixed with a considerable number of natives. These colonies have already gone along the way of capitalist development; they have already formed strata of population, over which the bourgeois immigrants dominate. The British Dominion, the South-African Union, colonized by the

English and the Dutch; the French colonies in Tunisia, primarily populated by Italians, belong to that type.

2. EGYPT

§ 1. Physical—geographical outline

Egypt occupies the north-eastern extremity of Africa and the small Sinai Peninsula belonging to the Asiatic continent. The Sinai Peninsula was connected with Africa by the Suez Isthmus, through which the Suez Canal was completed in 1869. Egypt covers a territory of 964,000 sq. km. with a population of 14,000,000. Its greater part is a plateau. Only the Nile Valley 15-30 km. wide is lowland. The northern part of Egypt touches the Mediterranean. The Red Sea coast line is mountainous.

Egypt is located within the subtropical belt (even tropical in the south), and has an extremely dry climate. There are only two seasons in Egypt: the more fresh (from October to the middle of April) when the wind blows from the sea, and the hot season (from the middle of April to the beginning of October) when the southern winds blow from the hot regions.

Rains are rare and not heavy. Even along the Mediterranean Coast here are only 15-20 cm. of rain per year. The average rainfall in Cairo is only 3 cm. and in the south there is sometimes no rain at all the year round.

The *Nile River* has great importance for Egypt. It rises 6,000 km. to the south of its outlet, into Lake Tanganyika, south of the equator. A narrow valley covered with fertile alluvial soils stretches along the course of the Nile, within Egyptian borders. But in some places these alluvial soils give way to granite rocks, and form many rapids. North of Cairo, the Nile forms a great estuary. Every season from the middle July to the end of September the level of the Nile rises 6-8 m., and floods occur due to the tropical rains in Tanganyika, Uganda and Abyssinia (where are the Upper Nile and tributaries) at these times the part the Nile Valley is flooded. Then the fields are irrigated, reservoirs for artificial irrigation are filled up and the fields become covered with rich salt that acts as fertilizer.

Due to the abundance of water, the Nile Valley and estuary is a flourishing district with a dense population. It is like an oasis in the

desert.

There are small quantities of oil along the line of the Suez Canal, and phosphorites and salt along the Red Sea coast and in the Libyan Desert. Manganese is found in the western section of the Sinai Peninsula.

§ 2. Population

The population of Egypt is estimated at 14,300,000. 95% are native Egyptians. The majority (89%) came under the influence of the Arab conquerors in the VIIth century, adopted the Arabian language, the Moslem religion, and are called the Fellahin. The minority (6%) preserved its language, retained its Christianity and are known as the Copts. About 2% are Arabs (settled and Bedouin). Italian English and others constitute also about 2%. Some 99% are located in the valley and estuary of the Nile—the most densely populated region in the world—577 persons per sq. km.

About two-thirds of the population are engaged in rural economy. The rural population is 82%, the urban 18%.

The main cities are *Cairo* (1,000,000), the capital; *Alexandria* (500,000), a great commercial centre and port; *Port Said*, a port at the northern entrance to the Suez Canal.

§ 3. Economy

Formally Egypt is an independent kingdom, actually a British colony. It has an agrarian type of national economy, specialized in cotton growing. It has strong feudal elements, and there is a predominance of foreign capital.

Before the World War Egypt was nominally a part of the Turkish Empire, but actual control had been in the hands of Great Britain since 1876 when she practically took possession, and turned Egypt into a fortress for the Suez Canal and a cotton plantation for England's textile industry.

The social structure of its agriculture is characterized by the predominance of small and very small farms. 67 per cent of the farmers possess minute holdings, less than 0.4 hectares (one feddan), and 25 per cent have small sections ranging from 0.4 to 2 hectares.

Both of these categories comprise together 92 per cent of the total, but they have only 31 per cent of the land. The substantial land holdings belong to a small group of big landlords.

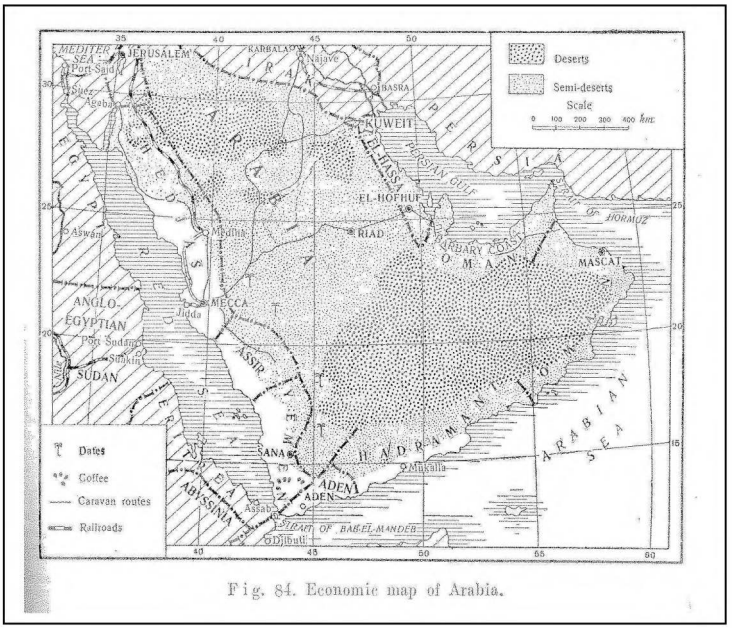


Fig. 84. Economic map of Arabia.

Fig. 88. Economic map of Egypt.

During recent decades many of the peasants have lost their lands, and there has been a corresponding growth of kulak and landlord ownership. There are a large number of peasants completely deprived of land, a much greater number than those who do have land. The latter number 2,100,000, whereas the landless are about 3,000,000. As in other colonial countries the feudal pre-capitalist system of paying rent in kind prevails.

The situation of the peasantry suffering land hunger, suffering feudal-landlord and usurers exploitation, and bowed under the imperialist yoke, is made still worse by the necessity of using the artificial irrigation systems which are in the hands of his landlords.

Cotton is the main crop, occupying 23 per cent of the total sown area, and yielding 40-50 per cent of the annual agricultural output, and 90 per cent of the country's export. Various varieties of cotton are

grown in Egypt, but particularly long staple cotton, and the so-called saccelaridis. Egypt holds third place as a cotton supplier, after the United States and India. Egyptian cotton, especially the finer qualities, are used not only in England but also in the United States. Cotton is the only crop in Egyptian export and this is what makes her dependent upon the world market. The decline of world prices heavily affected Egyptian economy. Cotton prices in 1933 were about one-third less than in 1928. Cotton remained in storage in Egypt, in an amount equal to the annual output. Many planters were ruined. A bill providing for a 30 per cent reduction in the cotton area was introduced in 1932.

Besides the cotton crop, there are also grown maize or com, wheat, rice, sugar cane, onions and beans. Onions, maize and some rice are also exported. All of these crops are grown in the valley and delta of the Nile. Dates, grown in the oases, is the main crop in other parts of the country.

Of the 3,500,000 hectares constituting the total cultivated area of Egypt, about 1,600,000 is artificially irrigated. There is a network of irrigation canals 25,000 km. long, and a series of dams and reservoirs. Some sections of the Nile valley and delta, yield three crops a year in some seasons. Cotton, rice and sugar cane are grown in summer; maize in the fall; wheat, clover and beans in winter.

The agricultural level of Egyptian agriculture is low.

Egypt's industry is but slightly developed. Cotton ginning is the best developed. Two thirds of it is carried on in the Nile estuary, by English capital. The second place is held by sugar manufacture, rice processing, oil refining and tobacco plants, utilizing imported raw materials. *Cairo* and *Alexandria* are the main industrial centres.

Foreign competition hinders Egypt's industrial development. This rivalry is facilitated by the low customs tariffs on imported goods (8%) and up to 1930 was facilitated by duties imposed on raw materials imported. The mining industry, located along the Red Sea coast line, is represented by oil extraction, meeting however only 35% of the country's need in liquid fuel, extraction of salt and phosphorites, and also by manganese on the Sinai Peninsula.

VI. COUNTRIES OF AUSTRALIA AND OCEANIA

1. THE COMMONWEALTH OF AUSTRALIA

§ 1. Physical-geographical outline

Geographical location

The Commonwealth of Australia (federation of six states—*Victoria, New South Wales, Queensland, South Australia, Western Australia* and *Tasmania*) covers the whole Australian continent, 7,600,000 sq. km., and also the Island of Tasmania. The geographical location of Australia between the Pacific and the Indian Oceans at a great distance from both Europe and America, caused her complete isolation from the world economic centres until the XIXth-XXth centuries, when it was liquidated. due to the great expansion of markets and improvement of sea transportation.

The Australian Coasts are but slightly indented. The *Carpentaria* Gulf indents the continent, and on the south the *Great Australian Bight*. Some convenient harbours are located on the south-east coast line. Along the north-east coast line stretches the *Great Barrier coral reef*; which prevents ships from coming in. shore. In the south the *Bass Strait* separates Australia from the Island of *Tasmania.*

Surface and inland waters

Australian surface is uniform. The larger part of the country is a plateau 350 m. high. It is lower in the centre and raised on the east and west, with stepped edges. Along the eastern coast stretch the mountain chains, the Australian *Cordilleras*, the highest of which are the *Australian Alps* (2.2 km.) on the south-east. The vast valley of the Murray River is also located here, west of the Australian Alps.

Australia is poor in inland waters. The Murray River with its tributaries, the Murrumbidgee and the Darling, are the principal rivers in the south-east. Other rivers, or "creeks" fill with water only during the rainy season and dry up in summer. There are many salt lakes in Central Australia. The largest is *Lake Eyre.*

Climate and vegetation

Australia's climate varies according to locality. The north is located in the tropical belt, and is a district of monsoons with high temperatures (26ºC average), small variations during the year and abundant rainfall—some 2,000 mm, yearly. Middle Australia is in the subtropical zone, but has a moist climate only in the east. Over the larger part it is very dry, its rainfall reaching only 250 mm. annually, very unevenly distributed. Droughts sometimes last one, two and even three years. Sometimes there are very heavy rains. The inland section of the continent has a continental climate; its temperature varies from 40-50 above in summer to 5º below in winter.

Australian vegetation consists of tropical forests in the north similar to those of Indochina, savannahs in the centre, bordering on to desert. Specifically Australian plant species, like eucalyptus, grassy trees, araucarias, stunted bushes—scrubs—are in the south-west; the evergreen vegetation of the subtropical belt is in the south-east.

Minerals

Australia is rich in useful minerals—coal, gold, silver, lead ores. There are also copper and iron deposits. The south-eastern part of the continent is the main region of mineral deposits. Gold is also found in Western Australia.

§ 2. A brief historical outline

Many voyages of exploration were made by Europeans during the XVIth century over the Indian and Pacific Oceans, but the existence of Australia for a long time remained unknown. The aborigines are of the black race, and are at a primitive cultural level.

The first settlement was established by the English in 1788. It was

a colony of 700 exiled convicts, together with 320 administrators, guards and their families. It was established in south-eastern Australia (now the Port of Sydney, New South Wales).

In the XIXth century English capitalists, searching out new regions for profitable investment, equipped a series of expeditions to explore and survey Australia. Conditions favourable for sheep raising interested England as a source of raw material for her wool industry and were contributory to the country's colonization. Vast lands were given to sheep raisers. This led to the economic destruction of the natives and the establishment of big-scale landownership.

In 1829 the West Australia colony was established by the English, in 1836—the South Australia, in 1851—Victoria, and in 1859—Queensland.

In 1851 gold was discovered in Australia. This stimulated huge immigration and led to the building up of great cities. The small population under the existing economic conditions led to high wages, which in turn attracted workers from Europe, China, Japan and India. Bills were introduced against wage cutting, for establishment of immigration quotas, especially of "coloured" workers. As a result, up to the beginning of the XXth century Australia was populated by British colonists almost exclusively. The local population was either hunted out or died out. Australia became an annex of capitalist England, a source of agrarian raw materials. Soon the Australian bourgeoisie began to demand self-government. In 1851 the English colonies in Australia struggled to gain autonomy for their parliament, modelled on that of the English. Into 1901 they all united into a federation, the Commonwealth of Australia, with a constitution ratified by the English parliament, giving it the status of a Dominion.

§ 3. Population

The total population of the Australian Commonwealth is 6,600.000. There is only 1% of natives, i.e., 60,000. The mass of the population is of British origin—English, Scotch and Irish.

Immigration is limited, in order to struggle against the "yellow Peril" (immigration of Chinese and Japanese). Before the crisis only 30,000 persons on the average immigrated to Australia annually. Australia has the lowest death rate in the world (one per hundred per annum).

Its population density is very low—0.8 persons per sq. km. It is

thicker in the eastern states: in Victoria—7.4, in New South Wales—2.9, on the Island of Tasmania—3 per sq. km., and still less in other parts of the country—0.5 in Queensland and South Australia, 0.1 in Western Australia.

The distribution of the self-supporting population according to the economic branches is as follows: 31 per cent are engaged in industries, 26 per cent in agriculture, 24 per cent in trade and in transportation. The proletariat numbers about 2,000,000 (almost one-third of the total).

Australia is characterized by a great urban population—63 per cent The two largest cities, *Sydney* and *Melbourne*, number 1,000,000 persons each. *Canberra* (near to Sydney) is the capital of the Commonwealth built in 1927-1929.

§ 4. National economy

The Australian Commonwealth is a Dominion of Great Britain, with a sparse population, near a high level of development, with extensive trading agriculture supplying the world market.

Despite the fact that a smaller percentage of the population is engaged in agriculture than in industry, agriculture is the main branch of the national economy. It produces 57 per cent of the country's entire output, industry only 36 per cent. The country's main exports consist of agricultural products.

From the very beginning of its colonization, Australia's development has gone the capitalist road. As in the United States, the feudal survivals that hinder European development are generally absent in Australia.

As Marx noted, "the shameless squandering of the untilled colonial lands granted by the English government to aristocrats and capitalists in connection with the stream of population attracted by gold fields, combining with the competition of English imports, affecting even the very small craftsmen, resulted in a comparatively large overpopulation of workers, especially in Australia." This stands in the way of Australia's economic development.

Agriculture and its social structure

Australia's agriculture is of a clear capitalist character, supplying

the market (especially the foreign). During the first colonization period of Australia, i.e., before the discovery of gold in 1851, the government generously granted vast land areas to the sheep and cattle proprietors. In the second colonization period after the "gold rush" (the second half of the XIXth century) the government began to sell lands to the big cattle breeders at high prices. They widely bought up the lands. Thus big-scale landownership by cattle breeders, the so-called "squatters", arose in Australia.

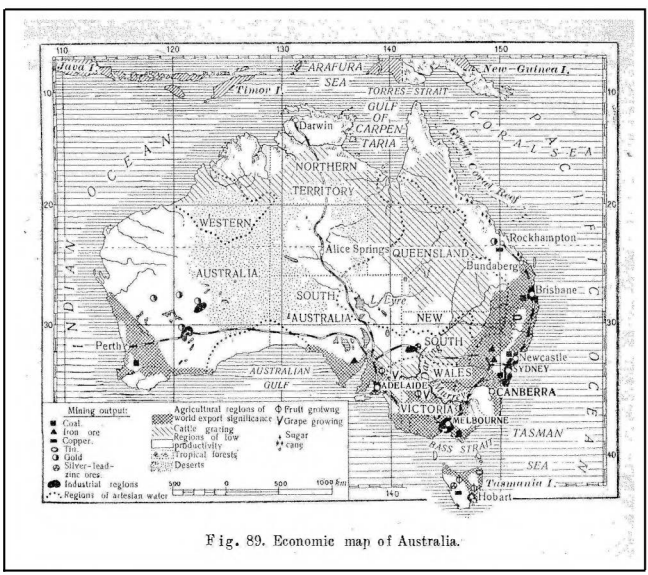


Fig. 89. Economic map of Australia.

Fig. 89. Economic map of Australia.

Side by side with the great farms of the squatters the basic agricultural class of Australia—the farmers—was developing, Theirs were middle and small farms of capitalist type, primarily based upon hired labour and producing for market. And finally the smallest peasant landownership also arose in Australia. In the second half of the XIXth century farmers carried on a struggle against the squatters and even obtained some limitations against big-scale landownership, though without attempts on their estates. Farmers succeeded in getting certain legislative measures against big-scale land ownership (e.g., progressive tax on land) but the Australian "democracy" did not succeed in conquering the squatters.

Even now the greater part of the land in Australia belongs to the

government. 65% in New South Wales, 95% in the other states, excepting Victoria where it is down to 40. The government land is partly rented by squatters and farmers and partly is free. The best lands are already sold out, but there are vast areas in the government land funds suitable for sheep raising. The free land funds are estimated at 10-20% of the total in the three eastern states, 40% in South Australia Tasmania, 65% in Western Australia and the Northern Territory. The state governments dispose of these lands, selling in sections, either for cash or credit, or renting them.

Main branches and crops

Grain farming and sheep raising are the main branches of the agriculture. Only 1% of the total territory is under cultivation, whereas 21% is suitable for agriculture. 61% of the area cultivated is in wheat, 23% in sown Grasses, 2.5 per cent in orchards and vineyards and 1.7 per cent in sugar cane.

Due to the capitalist character of the majority of the farms, Australian agriculture is at a comparatively high agro-technical level. It is conducted on a crop-rotation system, agricultural machines are widely used, artificial irrigation is much developed (there are huge reservoirs and a network of irrigation canals; and about 4,000 artesian wells).

Australia holds the eighth place in the world in wheat production (after the USSR, the United States, Canada, India, France, Italy and Argentina), but due to its small population and therefore low home consumption, it holds fourth place in the world's wheat export (8 per cent) after Argentina, Canada and the United States. The south—east and south-west are the main wheat regions of Australia.

Sugar cane is grown in the tropical and subtropical parts—along the north-eastern coast line. Before the crisis its development was hindered by lack of labour power and by the immigration restrictions for Chinese and Japanese workers. That is why sugar cane plantations do not occupy the total suitable areas.

Horticulture (fruit growing of both temperate belt and southern fruits) and viticulture are widely developed in the east, south-east and south, producing for export.

Sheep raising, primarily for wool, plays the principal role in animal husbandry.

The sheep herd of Australia is estimated at 110,000,000, i.e., 14 per cent of the world's total (the first place). But due to the high amount

of wool from each sheep, Australia produces 25 per cent of the world's wool output. The sheep raising farms are primarily of a big scale capitalist character. Squatter's sheep farms, called "sheep stations," sometimes occupy from 500 to 1300 sq. km., with herds of sheep reaching 400,000. Sheep raising is carried on all over the country but its main regions are the south-east and east—New South Wales, Victoria and Queensland. In dry years mass dying off of sheep takes place, estimated at millions of heads.

Animal husbandry of a dairy-meat product character, has developed only in the XXth century. The number of cattle is estimated at 12,000,000. This branch is located in the same regions as sheep raising. Wool, together with mutton and beef, both frozen and canned, are the main animal products and are mostly exported to Europe. Australia holds first place in the export of wool and mutton.

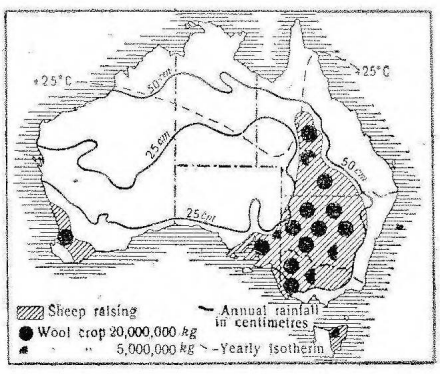


Fig. 90. Regions of sheep raising in Australia.

Fig. 90. Regions of sheep raising in Australia.

Industry

The main branches of industry are: food, metal and mining.

The food industry is represented by flour, meat, canning and sugar manufacture. In textiles there are wool and cotton weaving branches. Wood-working and leather industries are of minor importance. The metallurgical industry is but slightly developed,

producing only about 400,000 tons of cast iron and some agricultural machines for home consumption.

South-east—New South Wales and Victoria—is the main manufacturing region, producing 75% of the value of the total output.

The mining industry is represented by exploitation of coal resources, amounting to 13,000,000 tons annually, by gold extraction, in which Australia occupies the third place in the world, and by silver mining where she holds the fifth place. East and south-east are the main mining regions. The west also is a centre of the gold industry.

All of Australia's economy is much dependent upon English trade and bank capital for credits and for the marketing of her output.

Crisis

The world crisis reduced prices on wool 65% and on wheat 50% causing the ruin of many middle and small farmers.

Australian industry suffers very much from the competition of foreign goods, to combat which she imposes high import duties. Affected by the world crisis, Australian industry considerably contracted, resulting in unemployment in 1932 for 30% of the proletariat, and wage cuts for a great many others.

Transportation

Transportation is but slightly developed in Australia. The railroad network is insignificant, principally along the coast line. The south-east, the main economic region, is better supplied. Inland water transportation, because of the absence of rivers other than the Murray, is not developed.

Ocean navigation plays the main role, serving foreign trade. Melbourne, Sydney and Adelaide are the main ports.

Foreign trade

Before the crisis Australia's foreign trade turnover was quite considerable—three billion gold roubles. Imports somewhat exceeded exports. The main products exported are wool, wheat, meat, hides, dairy products and metals. Textiles and machinery are imported. Of Australia's foreign trade England's share is 51%, the United

States—21% and that of British possessions—13% Since the crisis England's exports to Australia have fallen off.

Relations with Great Britain

The Australian Commonwealth is a Dominion of Great Britain, and according to its constitution, independent of her. Only foreign representation (diplomatic and consular) is carried on through Great Britain, there being an exception however in respect to the United States. Since 1918 there has been independent representation of the Australian Union in the United States. Characteristic of the relations between the Commonwealth of Australia and the mother country are the following facts: during the World War a bill applying obligatory military service to Australia was rejected by popular plebiscite. After the World War the Australian government insisted at the Peace Conference on receiving a part of the German reparations and the Pacific Ocean colonies. England was compelled to agree. The new Australian industry, that developed during the war, demanded a struggle against English imports that undermined them. England's loss of world domination to the United States and advantages America offered made it possible for the Australian bourgeoisie (the Canadian as well) to adopt a confident tone in talking with the English government. In 1923 Australia threatened to adopt a new orientation (i.e., towards the USA) in case England refused to grant preferences to Australian goods imported into England. In 1924 Australia demanded the construction of a military base in Singapore. Emphatically objecting to the alliance of England and Japan, Australia threatened to secede from the Empire in case England supported Japan in a Japanese-American war.

In spite of all this, the Australian Commonwealth is actually closely tied up with Great Britain. Australian agricultural exports (wool, meat, wheat) go chiefly to England. 18 per cent of the capital invested in Australia belongs to England. Australia has very large governmental and private indebtedness to England. And Australia is largely dependent upon England for military defence.

But it still remains that English exports to Australia undermine the young Australian industries, and lead the Australian bourgeoisie to struggle against England. Hence the sometimes double politics of Australia.

Australia of course wants the English markets. At the Ottawa Conference in 1932 she came to an agreement with England for

reciprocal preferences in foreign trade. At the Ottawa Conference Australia supported Canada's demand for a rupture of the Anglo-Soviet trade agreement.

2. COUNTRIES OF OCEANIA

Under the general term Oceania are grouped numerous islands located in the Pacific. The main ones are *New Zealand,* a British Dominion, *New Caledonia*, a French colony, *New Guinea*, the western part of which belongs to Holland and the north-eastern to England; its south-eastern part belonged to Germany before the World War, after its being transferred to the Australian Commonwealth under mandate; the *Hawaiian* Islands, a colony of USA, the *Samoa Islands*, part of which is a colony of the United States, another part mandated to New Zealand.

Only New Zealand and the Hawaiian Islands are of any great economic significance. The rest are primarily of strategic importance, strengthening the positions of their respective home countries in the Pacific.

New Zealand

New Zealand consists of two islands, north and south, to the south-east of Australia. Its total territory is 270,000 sq. km.

Its surface is mountainous (the New Zealand Alps are 3.7 km. high). Its climate is damp and mild. There are some deposits of gold, silver and coal.

Its population is 1,500,000, of which only 63,000 are the aborigines—Maoris. The rest are of British origin. The urban population is 56 per cent. Main cities are *Wellington*, the capital, and *Auckland*, a port.

Animal husbandry, especially for production of dairy products, plays a predominant role. It produces goods of high export value, such as butter, canned milk, meat, hides and wool. New Zealand holds first place in the world in the export of butter and fourth in wool. Industry is but slightly developed.

Hawaiian islands

The territory of Hawaiian Islands is located in the Pacific, one third of the way from America to Asia. It consists of twenty islands with a total area of 17,500 sq. km. Its location at the "cross roads of the Pacific" makes it an important shipping centre and gives it great strategic significance. The United States annexed these islands in 1900, and made of them an important military and naval base.

The climate of Hawaii is tropical, but tempered by being in the trade wind belt. Soils are rich in humus. The population is 320,000 of which 13% are Hawaiians, 40% Japanese, 19% European, 15% Filipinos, and 8% Chinese. *Honolulu* on the Island of Oahu is the largest town and principal port..

The Hawaiian Islands are an important sugar cane region. With Cuba and Java it is one of the main world suppliers of cane sugar. The growing and canning of pine-apples is another important economic branch in Hawaii. Hawaii holds first place in the world in pine-apple exports. The greatest fruit cannery in the world is located in *Honolulu.*

The economic status and condition of the plantation workers are similar to those of the Indonesian countries.

VII. CONCLUSION

1. THE MAIN IMPERIALIST CONTRADICTIONS

A. ANGLO-AMERICAN RIVALRY

§ 1. England's loss of world domination to the United States

The rivalry between Great Britain and the United States is the main contradiction in the imperialist camp after the World War. By viewing its manifestations in different parts of the world we can get a general picture of this rivalry.

We have already seen that England was the first to take the road of industrial development, and to gain world hegemony in trade, finance and colonization, inaugurating the imperialist epoch. Now the tempo of development has slackened, and England's relative weight in world economy is declining, in favour of the young capitalist countries such as the United States and Germany. After the World War of 1914-1918 in which England defeated her rival, many of England's industries resumed their pre-war tendency to decline. In the main industrial branches they had hardly attained pre-war level on the eve of the world crisis.

The United States, on the other hand, strengthened during and after the World War. Its industrial capacity was 70 per cent above the level of 1913. It has conquered some British markets, gained in others, it holds over half of the world's gold reserve, and is intensively developing export of capital. The relative positions of England and USA in world trade are shown in the following table.

COMPARATIVE WEIGHT IN WORLD TRADE
(in percentages)

	1900	1913	1928
Great Britain	19.5	16.1	14.1
United States	10.3	10.1	14.1

At the onset of the crisis the trade turnover of the two countries had been about equal. England's exports had declined 20 per cent by comparison with 1913, whereas the total world export had grown 18 per cent and United States export, 51 per cent. This change is of great importance to England, for she depends heavily on export trade. Her large scale industry, exports some 40 per cent of its output, and some of her industrial branches (ferrous metallurgy, flax, wool and cotton)—even 50-75 per cent.

There is a similar situation in the export of capital. England's foreign investments in 1932 were estimated at 32 billion gold roubles, those of the United States at something: a little less, but including the inter-allied debts, they exceeded the English. In 1913 England exported 1.8 billion gold roubles, and the United States only 100 million. In 1928 England exported 1.5 billion and the United States 3 billion.

A struggle between England and the United States is carried on for securing sources of raw material—rubber, cotton, oil, tin, nickel and copper; also in shipping and finance, for political influence, and in naval armament. Let us consider these various lines of competition, and the main centres of struggle for markets and investments (Latin America, the Dominions and China).

§ 2. Struggle for raw material

The struggle for oil

Oil is the crucial point in the struggle for raw material. The transition from coal to oil fuel for ships and locomotives, and the widespread use of oil for mobiles and airplanes, very unfavourably affected the demand for gland's coal, of which she has huge deposits. England is obliged to import oil from abroad. The United States, the

main oil producer, controls 75% of the world output, 70% being on its own territory. 18 billion gold roubles are invested in the oil industry, by the USA, England's investments in oil are only 4 billion. To secure oil independence England seized oil fields in Southern Persia, Iraq, the Dutch East-Indies, Burma, South America and Mexico. English oil capital is centred in two trusts: "the Royal-Dutch-Shell" (the Anglo-Dutch oil trust led by Deterding) and "the Anglo-Persian Oil Company." Both of them, especially the second, are closely tied up with the English government. The chief American oil trust is «Standard Oil» (Rockefeller). It struggles with the English companies and is gradually ousting them from Latin America. When, after the World War, England seized the oil field of Iraq (Mosul), the United States and French governments, by using pressure, achieved for their oil trusts a share in the oil extracted.

Besides the struggle of England and the United States for oil control, there is going on a struggle against Soviet oil. The rapid growth of production and export of Soviet oil goes counter to their policies of restriction of output and price raising, and intensifies their anti-Soviet attitude.

The struggle for cotton

England also carries on a struggle for cotton, the raw material for her main industrial branch. The United States produces 60% of the world's total cotton crop; the English colonies—Egypt and Sudan, only 6% and, India, self consuming great amounts, only 15%. Therefore England must buy cotton from the United States and is dependent upon the American market.

Struggle for copper

England is also in such dependence in regard to non-ferrous metals, especially copper and nickel, used the machine building and electro-technical industries—55% of the world's total copper output is produced by the United States, 18% by Chile and Peru, 4% by Canada and 3% by Mexico. 7% is produced by the English colonies in Africa. To secure independence from the United States in copper, English capital has sought to secure sources in Africa, Canada, and South America. But American capital has also penetrated there. America, even in 1926, had commercial control over 78 per cent of the

world's output. United States capital had obtained control over the copper output of Chile and Peru (and even earlier of Mexico). English capital with the support of the English government is intensively struggling for copper in Canada and South Africa. England has occasionally succeeded in breaking prices on copper established by the American monopoly. The American Copper Export Association now controls 90 per cent of the world's copper trade.

Struggle for nickel

American zinc companies control over 45 per cent of the world's total; the European zinc cartels 40 per cent. Competition for zinc mines in Canada and Upper Silesia (Poland) also brings England and America into struggle.

If the United States has superiority in cotton and copper and partially so in oil, England keeps the United States dependent upon her for rubber and tin.

Struggle for rubber

Rubber came into wide use in the 20th century (in 1900 the world consumption was 50,000 tons; in 1929—807,000). 75 per cent is used in the United States. The main rubber consumers are the American automobile manufacturers. The great electro-technical industry of the United States is also a heavy consumer. Almost all the sources of raw rubber are in the hands of England. Her colony Malaya produces 53 per cent of the world's total, India and Ceylon 10.5 per cent and the Dutch East Indies, under English influence, 32 per cent. Six hundred English rubber companies are united into one association which controls the world market and uses its monopoly to increase prices. The rubber industry of the United States is carrying on a furious struggle with English capital and in order to free itself from dependence upon England has purchased rubber plantations in French Indochina and the Dutch East Indies, and is developing new plantations in Liberia, the Philippines and Brazil.

Struggle for tin

A similar struggle goes on for tin used for tin plate and in machine building. 58 per cent of the tin deposits are located in the Malaya and

the Dutch East-Indies, and 22 per cent in Bolivia in the hands of English capital. The latter practically monopolize the tin market, 85 per cent of the world's total. The United States is the main consumer, 45 per cent of world consumption. The raising of prices on tin, as on rubber, by the English, has led to a sharp struggle, American capital having already gained some of the Bolivian mines.

§ 3. Principal areas of Anglo-American rivalry

Struggle in Latin America

Anglo-American rivalry has become of an extremely sharp character in the following countries: 1) the countries of Latin America; 2) the British Dominions and 3) China.

The countries of Latin America achieved independence in the first half of the XIXth century, but were obliged to take loans from England and very soon fell into semi-colonial dependence upon her. British dominance met with resistance from the United States, which puts forward the Monroe Doctrine, "America for Americans." The displacement of English capital by that of the United States began only in the imperialist epoch. It has gone furthest in Central America, Mexico and the West-Indies, though the South American republics are also influenced by the United States. England's positions, however, still remain very strong in South America, especially in Brazil, Argentina, Chile and Bolivia.

In the period since the World War the passing of England's world domination to the United States has obviously expressed itself in South America. England's share in South American purchases declined to 20% in 1929, from 29% in 1913, and that of the United States increased from 15% to 31% during that same period. England's investments in South America grew from 7.6 billion gold roubles in 1913 to 9 billion in 1932, i.e., 20%, whereas those of the United States increased from 300,000,000 to 6.3 billion, i.e., 2000%. Though England's investments in South America now exceed by some 50% those of the United States, the rapid growth of the latter threatens to overtake the former. In other parts of Latin America—in the Central American republics, the West Indies and Mexico, the United States is gaining full mastery. Due to this fact the total amount of USA

investments in the whole Latin America, 11.4 billion gold roubles, is almost that of the English (11.8 billion gold roubles). The table below shows English and United States investments in the South American republics (according to 1929 data, in millions of gold roubles).

Investments in	English	United States
Argentine	5,000	1,080
Brazil	3,000	900
Chile	640	1,000
Peru	200	340
Columbia	80	365
Venezuela	175	325
Bolivia	85	185

It will be seen that English capital maintains its dominance only in Argentina and Brazil. Most of its investments are in railroads, a smaller part in industries. United States capital has ousted its rivals in part by buying up English enterprises. Municipal enterprises and state loans are other fields of application of USA capital. A sharp struggle was taking place before the crisis between English capital connected with Brazilian coffee growing and marketing, and the United States as a main consumer of Brazilian coffee.

The main objects of Anglo-American competition in Chile are the enterprises producing saltpetre, and the copper mines. By 1929 50% of the saltpetre production and 97% of copper mines were in the hands of the USA. Oil fields there had previously come under control of the of United States.

USA capital is dominant in Peru, Colombia and Venezuela, with their great oil output.

In Bolivia the Anglo-American struggle is over tin. England has already lost its former ascendancy. 50-60 per cent of Bolivia's tin is now under control of the United States.

Economic struggle between England and the United States in Latin America has gone into the stage of political struggle and is accompanied by preparations for the next armed struggle. The United States has a fortified base in the Panama Canal zone and is guarding Central America, Mexico, and the northern part of South America, these approaches to Panama, from England's penetration. England has ancient possessions in these regions which could serve as bases in case of war with the United States,—the island of Jamaica, with its military-naval base, the island of Trinidad, British Honduras in Central America, and British Guiana in the northern section of South America.

Struggle in the Dominions

After the World War England faced the danger of losing her colonial control, was threatened with a collapse of the British Empire. In addition to the industrial development of the colonies, and growth of their own bourgeoisie, the displacement of English by United States capital became an important factor. Let us examine the figures:

COMPARATIVE WEIGHT OF ENGLAND AND THE UNITED STATES IN IMPORT AND EXPORT TRADE WITH THE ENGLISH DOMINIONS (in percentage)

	Canada		Australia		New Zealand		The South African Union	
	1913	1927	1913	1927	1913	1927	1913	1927
Imports from England	21	17	52	41	60	51	57	45
Imports from USA	64	65	14	25	10	18	9	15
Exports to England	50	33	44	33	79	76	—	—
Exports to USA	38	39	3	13	4	5	—	—

It will be seen that England's comparative weight in imports and exports is falling in the principal dominions, and that of the United States is growing. In Canadian trade the United States achieved predominance even before the war.

The world crisis stimulated the pushing out of English goods from these British markets. Sharpening rivalry and dumping by other countries (especially Japan) compelled the English to reject their traditional policy of' free trade and embrace protectionism. The following data concern the struggle in the field of investment. England's investment in Canada has grown to 4.5 billion gold roubles by 1980, from 3.6 billion in 1913, and those of the United States increased from 0.8 billion to 8.4 during the same period. The increase in the comparative weight of USA investment in Canada is shown in the fact that the United States share of foreign capital invested in Canada has increased from 22% to 61% while that of England has fallen from 73% to 36%, which clearly shows England's displacement.

Before the war United States capital did not play any role in other Dominions, but now it is progressively increasing its investments, especially in Australia.

Despite their struggle with England, and the important role of USA capital, the Dominions still remain within the British Empire. England is the main purchaser of their agricultural produce, the main creditor in

their state loans, and the main investor (except in Canada). It is likely that in case of secession from the Empire they could not maintain their independence, and would fall into the hands of the United States.

Rivalry in China

China is the third area of sharpening Anglo-American struggle. USA capital is successfully taking the old English positions in foreign trade. England's share there decreased to 7.7% in 1930, in comparison with 11.6% in 1913, whereas that of the United States increased from 7.4% to 19.8%. In regard to investments in China, England maintains superiority. Her share is estimated at 41% of the total, that of the USA only 8%. The struggle in China is extremely complicated, because it is closely tied up with a third competitor, Japan, with a knot of imperialist contradictions in the Pacific, and with the struggle of capital against the USSR, and the world revolution. The sum of these conflicts forming the Pacific problem will be examined in our next paragraph.

§ 4. Rivalry in the field of finance

Anglo-American rivalry for financial domination is shown in the following. the United States has become a world banker and a creditor of all the imperialist countries, but England is attempting to re-establish her former positions. The world crisis however greatly affected England's payment balance. Partly because of this England in 1931 went off the gold standard, i.e., her currency is no longer redeemable in gold. The rate of English exchange sharply declined. The American dollar became predominant instead of the English pound. However, the devaluation of English currency helped English goods to successfully compete with American, which led the United States to depreciate the dollar.

The financial struggle is closely connected with the problem of war debts. The debts of the Entente powers to America are estimated at 22 billion gold roubles. Due to the tight financial and economic situation they were unable to meet their payments, and negotiated with the USA for their reduction. On the one hand, England was interested in securing a reduction of allied debts to the United States, but, on the other, as France's and Italy's creditor, she fights such

reduction. In order to re-establish her credit England hastened to conclude an agreement the United States by which her debt was scaled down to 82%. France later got hers scaled to 50% and Italy to 20%. Thus England came to be in a disadvantageous position, and advanced proposals for the complete liquidation of the allied debts, attempting to form a united front of European countries, debtors, against the USA.

§ 5. Naval rivalry

"Mistress of the seas", due to having a powerful fleet, fortified bases and possessions at strategic points in different parts of the globe, England asserts the right of blockade in war time. The United States stands opposed, and demands freedom of the seas. The United States fleet being unequal to the British made this problem insoluble, and led America to begin feverishly to increase its navy. England's fleet also has greatly expanded, but the cost of it is a heavy burden on the national budget, which impeded her to reduce the navy quantitatively, but to increase its fighting qualities. Anglo-American naval rivalry has thrown England and Japan closer together on the Pacific. England's difficulties and the triple Anglo-American-Japanese competition led to a temporary compromise on battle ships at the Washington Conference in 1922. The ratios of the English, United States and Japanese battleships were set at 5:5:3, which means equality in battle ships between England and USA. The number of cruisers was not restricted. Of this class of ship England has many more than the United States. The United States also contended for restrictions on cruisers also, but without success. Both countries are now intensively constructing cruisers.

Naval rivalry shows itself in the construction of military naval bases in highly strategic places. Besides the old bases, Gibraltar and .Malta, England has built new ones. Important among them are the first class base at Singapore at the outlet from the Indian to the Pacific Ocean. at Port Darwin in Australia and on the Islands of Jamaica and Bermuda on the Caribbean Sea, at Haifa in Palestine. The United States has military and naval bases at different points on her territory rind in the Hawaiian, Aleutian Guam and Samoa Islands in the Pacific. In order to overcome England's naval preponderance and possession of military-naval bases, the United States pays special attention to the development of naval aviation.

§ 6. Diplomatic struggle

Along with their military-naval preparations both England and the United States are carrying on a diplomatic struggle, aimed at assuring support by other countries, or their neutrality, in case of war. In this respect England endeavours to make use of the League of Nations, where she and France hold the leading places, and which the United States has not entered. One of the USA projects was the Kellogg Pact, under which the countries signing it agreed to maintain international peace and in case of violation to use the USA as arbiter. England's counter-manoeuvre was its acceptance, with the following reservations: inviolability of the League of Nations statutes and of former international agreements, the Locarno Agreement, etc. In addition it proposed a kind of British Monroe Doctrine, providing for non-interference in British Empire affairs. England succeeded in getting a majority of these reservations accepted by other countries.

B. THE PACIFIC PROBLEM

§ 1. Changing of the Pacific into an arena of imperialist struggle

Up to the very end of the XIXth century the Pacific Ocean justified its name, not so much in respect to its physical qualities (for it is not pacific at all) but in a political respect.

True that even at the beginning of the XIXth century the Pacific saw trade and war ships, those of European powers and those of the United States. They helped trade-industrial capital to penetrate the interior markets of China and Japan. In the second half of the XIXth century the armed interference of foreigners increased and led to a system of unequal treaties and capitulations. They enslaved China and Japan economically and politically, seized Chinese possessions and numerous islands. Indonesia, Australia and New Zealand had

been captured by the Dutch and English even before this period. However this expansion of capitalist countries did then create the Pacific problem. It did not raise up acutely any sharp and irreconcilable contradictions between these countries, it did not threaten them with World War. The situation had changed by the end of the XIXth century. When the transition of capitalism was made to a higher stage of development—the imperialistic,—the division of the world among the capitalist countries had been completed and the struggle now was for its redivision. England, "Mistress of the seas," still maintains her domination on in the Pacific. The growing "pressure on the Orient" ("Drang nach Osten", as the German imperialists used to put it), on the part of the other countries, very much disturbs England and leads her to struggle against her competitors.

Effort in the far-East by Russian imperialism

Tsarist Russia was one of the more important competitors. Russia was regarded as a semi-colony by the West and as an imperialist power in the Orient. Russian capital was interested in the Far East, and particularly in China as a huge market for her cheap textiles (cotton) and sugar. Russia was also an exploiter of the local peasantry, by purchasing their agricultural produce, at low prices, for export.

The beginning of Japanese expansion

At about that time Japan stepped into the Pacific imperialist area. After the revolution of 1868 (which however did not liquidate feudal relations) Japan had begun its industrial development. In 1894 after her victory upon China (in the Japanese Chinese war), Japan, from being a sphere of imperialist expansion and exploitation, herself became an imperialist country. Russia at that time, supported by France and Germany, prevented Japan from reaping the full fruits of her victory. Her conquests were limited to annexation of Formosa and the small Pescadore islands, and in establishing Japanese influence in Korea. But Manchuria that so interested Japan with its coal and iron resources, was under the influence of Russian imperialism. In 1898 Russia got possession, on a "twenty-five year lease" of the South Manchurian ports of Port Arthur and Dalny (Dairen). She began

construction of railroads in Manchuria (the present Chinese-Eastern and South Manchurian), connecting with the Trans-Siberian railroad. The clashing interests of the rival imperialisms led to war between Russia and Japan in 1904-1905. Japan was supported by England, which at that time had less reason to fear competition) of the small and economically weak Japan than of the huge Russian Empire. England and Japan had made a treaty two years earlier, in 1902. Japan was also supported by the United States. The Russo-Japanese War ended with Japan's victory. As a result of it the island of Sakhalin, the leased South Manchurian ports, and the South Manchurian railroad were taken over by Japan, and the whole of South Manchuria turned into a sphere of Japanese influence. This stimulated Japanese imperialism and strengthened its position in the general imperialist struggle for the Pacific.

Manifestations of United States imperialism

At about the same time a new power became active in the Pacific arena—the United States of America. The tremendous growth of that country, the prodigious increase in its productivity, and capitalist necessity for foreign markets, tropical raw materials and foreign investment opportunities, provided stimulus for American expansion. She became concerned with events in China that might affect American trade opportunities (though her home markets were not exhausted then), 1893 the USA annexed the Hawaiian Islands, a great centre of sugar cane growing, and strategic station between America and Asia. In 1898 the United States began a war with Spain for "the liberation" of the Island of Cuba, which belonged to the latter, in the Caribbean Sea. An American naval squadron was also sent to the Philippines the western part of the Pacific, another Spanish colony, and annexed them, with intent according to president McKinley, ""to educate, elevate and civilize the Filippinos and to implant in them Christian ideals". They seized the island of Guam and part of Samoa. These acquisitions gave America bases in the Fare East and possibilities for developing her policy in China. In 1899 the USA manifested her disagreement with the united front of the other imperialist powers in China. She objected to further partition of China, and demanded recognition of China's territorial integrity and inviolability, and acceptance of the "principle of the open door", or equal opportunities in China for all foreign powers. Thus, the United

States, in the role of "friend and protector" of China, in fact aims at preventing hindrance to the free flow of United States goods and capital into the China market. In 1901 the new president of the USA, Theodore Roosevelt, declared "that the time had come for America to take her part in the shaping of world destinies, along with Great Britain, France, Germany, Russia and Italy, and the Pacific Ocean should become pre-eminently a sphere of influence of the United States." Even then the United States jealously regarded Russia's and Japan's expansion. America was especially afraid that Russian domination in Manchuria would be detrimental to the export of American goods and capital to Manchuria, that Russia would violate the principle of the "open door". Therefore the United States together with England supported Japan in preparations for the war with Russian. She financed Japan and cautioned Germany and France against joining the war on Russia's side, otherwise she would join Japan. But when Russia was defeated the United States became afraid of the growth of Japanese influence and sharply changed its orientation. Since then, the policy or the USA in the Pacific has been directed against Japan. Japan has however retained England's support, and signs are not wanting of the nature of the next Anglo-American struggles.

The role of France

France has played but a small role in the struggle for the Pacific. In the middle of the XIXth century she seized eastern Indochina and some small islands (the most important among them is New Caledonia) in the southern part of the Pacific, and from there spread her influence over neighbouring Chinese provinces. France served as Russia's ally and financial banker in the Russo-Japanese struggle. After the Russo-Japanese war France helped to effect a reconciliation between Russia and England (leading to the "Triple Entente" and also between Russia and Japan.

Germany's expansion

Germany having been late in embarking upon the capture of colonies, had started to penetrate in the nineties of last century both the Near and Far East. Germany's foreign trade and territorial expansion and the rapid growth of her military and naval strength made her England's competitor. In the Pacific Germany succeeded in

acquiring the south-eastern part of New Guinea, the Marianas, Caroline and Marshall Islands (bought from Spain in 1898). In 1898 Germany got from China, after a threat of war, a ninety-nine year lease of Kiaochow Bay, establishing a precedent for other powers in the "leasing" of Chinese ports. On this bay, at Tsingtao, she built first class naval fortifications and a commercial port, and thus created a base for economic penetration of China. Germany also got a concession for railroad construction and iron ore mining in Shantung, the province becoming a sphere of German interests. In the Japanese-English competition with Russia Germany supported Russia, to weaken England and to wean Russia away from France, which after 1870 was very hostile to Germany.

The situation in China

In studying the Pacific problem, besides the imperialist powers that have been mentioned, one has to consider the situation of China, this object of exploitation and rivalry. Possessing huge raw material and power resources, favourable conditions over a wide territory for agriculture, with a population of 480,000,000, it remained, up to the XXth century, in the words of Napoleon, a "sleeping giant." Retention of feudal relations, the alliance of trade capital with feudal landownership, and the considerable part played by parasitic usurious capital, retarded the economic development of China and deprived it of possibilities to resist the pressure of the capitalist countries. Penetration of foreign capital, on the other hand, led to a breakdown of the old handicrafts and an insurrectional movement of the many-millioned Chinese masses, "the Tayping," went on for years, from 1853 to 1867. In 1899-1900 there came the "Boxer" uprising, the whole of China, threatening both the Chinese feudals and foreign capital. This made the feudals and foreign capitalists de facto allies. Both movements were suppressed by the aid of foreign troops. The revolution in Russia of 1905 found response in the whole of the Orient, but particularly in China. The new wave of revolutionary feeling surging through the masses was supported and led by the Chinese bourgeoisie and intelligentsia. It led in 1911 to the overthrow of the monarchy and the establishment of a republic in China. But the revolutionary leaders stopped it half way. They did not complete the historical task of the bourgeois revolution. The semi-feudal organization and practices remained and a basis was laid for the break-up of China into a series of provinces headed by rival governors

who kept up a more or less continuous civil war. Such a situation afforded broad possibilities to foreign imperialists for the further division of China. In 1913 Russia managed to get Outer Mongolia from China, and established virtually Russian protectorate over her, and England has done the same to Tibet.

Thus before the World War the Pacific problem came into focus as a combination of mutual contradictions of the imperialist powers —England, Russia, Japan, the United States, Germany and in part of France, all interested in the exploitation of China and its further division.

§ 2. Sharpening of the Pacific problem and expansion of the arena of struggle around the Pacific after the World War

Changes brought by the World War in the Pacific problem

The World Imperialist War made considerable changes in the Pacific problem. First, the main suppliers of industrial goods, England and Germany, absorbed in supplying the war, relinquished their holds on Pacific markets. Their places were taken by American and Japanese and partly by Chinese and Indian goods. After the end of the war, England's return to her former markets met with strong resistance from the United States and Japan and partly from China, itself. This struggle has sharpened during the world crisis.

Defeated Germany was pushed out entirely from the Pacific arena.

Russia isolated herself from the inter-imperialist struggle by the October Revolution, as a result of which the development of the proletariat dictatorship was established, opposed capitalism and imperialism everywhere.

Thus Japan, the United States and England remained the main competing countries in the Pacific Ocean.

Aggressiveness of Japanese imperialism

Japan fully used her favourable situation in the' East during the

war. Joining the Entente, she seized the German possessions in Kiaochow Bay and the province of Shantung ("in order to return them to China in the future"). In 1915 she presented to China the famous "21 demands", amounting in fact to the establishment of a Japanese protectorate over China. Japan's allies in the World War were not in a position then to oppose Japan, though she was violating their interests. The United States did protest against violation of the principle of the "open door", but the general world situation kept her from decisive action. China was obliged to accede to sixteen of these demands. In 1916 Japan strengthened her control of Southern Manchuria, Inner Mongolia and Shantung. In 1917 the United States joined the World War against Germany. Japan used this circumstance and succeeded in gaining recognition by the United States of her "special interests in China based on her territorial nearness" (deviation from the principle of the "open door"). Following the United States, China joined the war against Germany. The United States insisted upon this, thinking to counter Japanese influence at the peace conference. But Japan, due to the previous secret agreement with the Entente countries, achieved recognition at Versailles of her gains in China, and also received a mandate to administrate the former German islands. Chinese protests, supported by the United States, that she was being despoiled, notwithstanding her being on the side of the Allied Powers, were given little consideration.

After this success, Japanese imperialism in 1918-1919 made use of the Anfu Party of the feudal elements to hold power in Peiping. She made China a series of plundering loans (subsidizing the Anfuists) on the security of important railroads and in consideration of mining concessions. With the same government of the Anfu Party Japan concluded an agreement of "alliance against the Bolshevik danger", and began anti-Soviet intervention by seizing a part of Soviet Far East.

Energetic counter-action of the United States. The Washington conference and the ending of the Anglo- Japanese Alliance

England an old ally of Japan (since 1902) and also an organizer of the anti-Soviet intervention, moved to support Japan but met interference from the United States. Having further developed her economic, financial, and military strength during the war, and having become a creditor of the Allied Powers, including Japan, the United States had great influence over the exhausted European states.

Besides this the United States' position in the Far East was considerably strengthened by the opening in 1915 of the Panama Canal, which shortened the way from its eastern coast to the Pacific; "the Far East ceased to be far for the United States."

In 1921 the United States called an International Conference in Washington and obliged Japan to return to China the "leased territory" of Kiaochow that she had seized from Germany and to sell to China the former German railroad in Shantung, to transfer exploitation of the Shantung coal beds to mixed Chinese-Japanese administrations, and to evacuate the occupied Soviet Far East. There was signed by nine powers, including Japan, a treaty providing for the "open door" in China. This treaty declared that the signatory powers would not attempt to secure any monopolistic economic rights or spheres of influence in any part of China, and would not conclude any secret agreements with China or concerning China. The Washington conference also established limitation of armament. The ratio of the United States, English and Japanese battle ships was set at 5:5:3, which assured USA domination over Japan. All of the powers were forbidden to build fortified bases in the Pacific. excepting at Singapore and the Hawaiian Islands, far removed from China and Japan.

It has to be borne in mind that Japan found herself isolated at the Washington Conference. England, partly afraid of the excess strength of her "ally" who was successfully competing with English textiles partly under pressure of the United States, partly in response to the demands of Australia and New Zealand, who feared Japanese imperialism and were insisting upon a break of the Anglo-Japanese alliance, veered away from Japan.

§ 3. Imperialist contradictions in the Pacific at the present time

The foreign trade of China is of great interest to the imperialist countries due to its great population and slight industrial development. In the aggregate it provides an enormously capacious market despite the low purchasing power of the individual members of the population. Some Englishman said that "if an inch could be added to the tail of every Chinaman's shirt the additional demand for cloth would save the English textile industry." If England is interested in China as a market for goods, for Japan, China is also an important raw material market.

The table below shows the comparative weight of the principle imperialist participants of China's foreign trade.

Countries \ Years	1913	1929	1930	1931	1932
England	11.4	8.4	7.7	8.6	7.8
Japan	18	25.2	27.0	23.0	24.7
United States	7.4	16.0	16.5	19.8	16.5
France	4.6	3.2	2.7	2.4	2.5

Thus, England's share in China's foreign trade is falling, wheras that of the United States and Japan is growing. The inference is borne out also in respect to importations into China.

Countries \ Years	1913	1929
England	11.4	9.4
England with Honkong	46.3	21.8
Japan	18.1	26.5
United States	7.6	17.0

Manchuria is the main region where Japanese trade is predominant. Before its occupation by Japan in 1929 there were the following turnovers (in millions of American dollars):

Japan	167.6
United States	22.9
England	20.0
France	1.4

The seizure of Manchuria and establishment of Manchukuo have further strengthened Japanese positions, and hurt United States and England's interests.

Central China, the Yangtze Valley, is the main region of England's trade and influence. Her main competitor here is the United States. After the war the sharpened trade rivalry in the Pacific is not

limited to the China markets. We see it in Australia, in Indonesia and in the British Malayan possessions. The struggle for the Australian market is illustrated by the following table of comparative weight in Australian import (in percentage).

Years / Countries	1913	1928/29	1930/31
England	51.8	39.7	38.2
United States	13.7	24.6	18.7
Japan	1.2	3.3	3.9
Germany	8.8	3.2	3.3
France	2.8	3.6	2.5

Striking here is the pushing out of England and Germany chiefly by the United States and to some extent by Japan. The United States is pushing England out from the hardware and machine markets, and Japan is crowding England out of the cotton and silk textile field. The interests of the importers clashed here with those of the Australian industrial bourgeoisie, which in connection with the crisis, established high custom tariffs on goods imported. England received privileges on some of her goods and this facilitated her competition with the United States. Japan increased her comparative weight in import clue to the "dumping" carried on by her.

In Indonesia and in the Malayan States, England is pushed out by Japan from the cotton market. England's cotton export to Indonesia in 1931 fell off 70 per cent in comparison with that of 1929, and 82 per cent in Malaya; whereas Japanese export to Indonesia increased 3 per cent and to Malaya—18 per cent during the same period.

In their struggle in these countries Japan resorts to "dumping" and England to anti-Japanese boycott (where trade channels are in the hands of the Chinese).

Intense struggle is carried on in the shipping field. In 1932 Chinese freight shipping was handled 37 per cent by English ships, 29 per cent by Japanese, 19 per cent by Chinese and 5 per cent by the United States.

Struggle for investments

The total foreign investments in China are estimated (according to English data) at three billion American dollars (about six billion gold roubles), distributed as follows:

Countries	Investments (in millions of American dollars)	Percentages of the total
England	1,266	41.1
Japan	1,153	37.4
United States	250	8.1
France	192	6.2
Germany	88	2.9
Belguim	62	2.0
Other countries	72	2.3
Total	3,083	100.0

In this field too England and Japan are the main competitors, having almost equal investments. But, since the war, the United States has shown much interest in China as a place for the investment of her capital, and aims at maintenance of the "open door."

Japanese capital plays a very important role in China. 60 per cent of it is placed in Manchuria, where it occupies the dominant position. It is found there in all the economic branches, but especially in railroads, banks, mining and the timber industry. Investments in Manchuria secure for Japan the raw material and fuel that she lacks. She is exploiting the coal resources of Manchuria (the Fushun and Yantaya mines), the iron beds and the forests.

In China proper Japanese capital is found most of all in the textile industry, shipping enterprises and banks. Its position in the textile industry of Shanghai is extremely strong.

England's and the United States' investments, territorially, are chiefly in Central China, mostly in the Shanghai Region. English capital is invested in railroads, shipping enterprises, banks, in loans to the Chinese government, in trade and insurance institutions, and also in real estate. American capital is invested in electrical and telephone stations in Shanghai, in civil aviation, in banking and trade enterprises.

French capital is chiefly invested in railroad and water transport; in banks and in loans; German and Belgium capital is in railroads. There is also sharp rivalry in the field of investments in other Pacific countries possessing valuable raw materials. In Indonesia and Malay there is a struggle for investments in the rubber plantations between United States and Anglo-Dutch capital, and in Indochina between United States and French capital. English, American and Japan capital struggle for oil in Indonesia, the English and Japanese for iron, and the English and American for Malayan tin. The United States has begun to interest herself in Australia as a market for her capital. Before

the war only the English mother country's capital was placed there. After the war 250 million dollars were invested there by the United States in industrial enterprises and in loans. It gives her economic political influence in Australia, which is used by the United States to draw Australia, and through her England, into war against Japan.

Struggle against Japanese immigration

Among the imperialist contradictions in the Pacific, special attention should be paid to Japan's struggle to place her excess population. Immigration of the Japanese into the United States was long ago prohibited on the pretext that Japanese workers lower the wage level and push out "white" workers "the yellow menace"). Such limitations are also established in Australia and New Zealand. Many other reasons impelled the United States to prohibit immigration of the Japanese to the Hawaiian Islands and to the Philippines. The United States is afraid of establishing in colonies of such great strategical importance a numerous Japanese population which would be hostile towards her in case of war with Japan. The problem of free immigration is intensifying the Pacific contradictions.

The Tanaka Memorandum and the plans of the Japanese militarists

After the Washington Conference and up to 1928 Japan continued the economic attack (in trade and investments) on England and the United States, but refrained from direct and open territorial usurpations. However she undertook intervention in China in a hidden form—supporting the feudal militarist clique of Chang Tso-Lin, carrying on civil war in China.

At the same time the Japanese imperialists were drawing up a plan of aggressive activity, revealed in the secret memorandum of prime minister Tanaka in 1927. This plan had in view the formation of a Great Japanese Empire on the continent. and the first step was to be the conquering of Manchuria and Mongolia. Further, the memorandum pointed out, "we must use this district as a base and penetrate other parts of China under pretext of developing our trade. Once in possession of the Chinese resources we shall conquer India, the Archipelago, Asia Minor, Central Asia and even Europe. "The

memorandum states that for this reason Japan has to carry on a policy of "blood and iron," which will bring her into collision with the United States. But "we have to smash the United States, i.e., to do to them what we did to Russia in the Russian-Japanese war." This memorandum provides for war against the USSR, from the Manchurian and Mongolian side, and indicates that it would take place upon the completion of construction of Japan's military roads in Manchuria. Conflict with the USSR over the Chinese Eastern railroad would serve as the pretext for this war. In the other document published by the Soviet press, Japan's military circles indicate their belief that "The Japanese-Soviet war should be carried out as soon as possible... We have to complete our forward movement right to Lake Baikal. Our further attack westward will be decided upon basis of the general situation at that time, and especially in accordance with the actions of States in the west. In case we stop at the Transbaikal railroad, the occupied Far Eastern region has to be included within the Japanese Empire limits." As we see, the projects of the Japanese imperialists go very far. They include not only a partial violation of other imperialist powers' interests, but even their complete "smashing" and a redivision of the world in Japan's favour. In order to avoid arousing resistance from the capitalist countries destined to be smashed and to secure its "rear" from revolution, "the first steps" of the Japanese imperialists are directed to war against the USSR (a complete seizure of Manchuria and Mongolia).

The hidden Japanese intervention in China in 1927-1928 and the "counter-measures" of the USA

Preparation for war began in the form of hidden intervention in China, as has already been mentioned, in support of the militarist-feudal clique of Tso-Lin. A powerful revolutionary wave arose among the Chinese toilers during the time of civil war, and threatened to be a menace to all foreign imperialist positions in China, as well as to China's own exploiting classes. The big-scale capitalist bourgeoisie left the nationalist movement of the proletariat, peasantry and small city bourgeoisie. It made agreements with foreign capital and turned its armed forces against the revolutionary movement (treachery of Chang-Kai-Shee and Fun-Ui-Sian). The United States broke the united front of imperialists against the national revolutionary bloc. By way of "support" they subordinated the camp of "the liberal-bourgeois counter-revolution" and used influence in the "feudal reaction camp,"

pushing out the Japanese. Even Japan's agent in Manchuria, Chang Tso-Lin, in the middle of 1928 "changed orientation" towards the USA.

Occupation of Manchuria by Japan and reactions to this on the part of other powers

In 1931 Japan violated the decision of the Washington conference of 1922 concerning the inviolability of China, occupied Manchuria and set up a dependent "state", Manchukuo. The economic interests of the United States and England are but slightly connected with Manchuria. But its occupation by Japan means a "closing of the door" to American and English imperialism. What is more important, however, is its strategic location for the occupying of China itself and for strengthening Japan's economic base (raw material, fuel, finances) for carrying on war. This circumstance decisively changed the correlation of forces in China and the Pacific in favour of Japan. Several times the United States protested the Manchurian occupation, but England, though against Japan's strengthening, was at the same time for the weakening of the United States as her main competitor for world domination and so did not support this protest. France, whose interests were not touched in the Manchurian operation, and competing with American capital on the world market, was rather on the side of Japan. Besides, the seizure of Manchuria was considered as preparation for an anti-Soviet war, and England and France, at that time carrying on an anti-Soviet policy, were ready to support it. The United States remained alone and limited herself only to protest.

Attempt of Japan to seize Shangai

In February 1932 Japan attempted the seizure of Central China —the Shanghai Region, where the main interests of England, the USA and some of the French, are located, and where the Chinese national bourgeoisie is strong.

The latter organized fairly strong resistance to the Japanese troops, which together with the joint protest of the other imperialist powers, caused Japan to evacuate her army.

Japan's partial occupation of North China and Inner Mongolia, and her further plans.

Now Japan is resuming the attack in the North and occupying the provinces of Jehol and Chahar in Inner Mongolia. The further plans of Japan are directed towards the occupation of the Mongolian People Republic, to its conversion, together with Inner Mongolia, into a dependency of Japan, styled Great Mongolia, towards the creation in North China of a similar dependent political unit—an Eastern Chinese Republic. Japan.. has a like intention towards Sinkiang (Chinese Turkestan). There she encounters the aspiration of England to unite under her domination Sinkiang and Tibet.

To gain a free hand for the realization of these plans, Japan gave notice in 1933 of withdrawal from the League of Nations.

Anti-Soviet provocation

Having in view after the first steps of her expansion Anti-Soviet to begin the anti-Soviet war that was envisaged in provocation the Memorandum of Tanaka, the Japanese imperialists tried to provoke a series of conflicts with the USSR, especially over the Chinese-Eastern railway. But the Soviet Union firmly adhered to its peace policy and exposed to the world the manoeuvres of the Japanese militarists. Having affected the occupation of Mongolia and North China, Japan faces the hour for the realization of her further steps; occupation of the whole of China, India, the Philippines, of all Eastern Asia, including the Asiatic part of the USSR. This causes American and English imperialists to intensify their arming and the proletariat of the Soviet Union to increase its defences and watchfulness. By continued aggression Japan will inevitably provoke war with the United States, for America understands that each additional conquest by Japan increases Japan's chances for further successful aggression. The USA now, as at the Washington conference will not agree to the strengthening of Japan by occupation of Soviet territories, and probably on this question will support the USSR. England continues to face a difficult question in the Pacific Ocean. Her basic antagonism to the USA in the struggle for world domination pushes her towards alliance with Japan. So does the fact that she has taken upon herself the role of gendarme of the world revolution. But her rivalry with Japan, in China, in all the countries of the Pacific Ocean, and in India, for

markets and investment opportunities, the military threat to India from a strengthened Japan, the pressure of American capital on England and against Japan and the unequivocal declarations of British Dominions, that they will not go with the mother country in any struggle against the USA, or on the side of Japan, the year that the Dominions might secede—all this keeps England from full alliance with Japan. At the same time England herself does what Japan is doing. From her supporting base in Tibet, that she to all intents and purposes occupied in 1911, British imperialism launched an attack in 1933 against the Chinese province of Szechwan, through the medium of the Tibetian Army, 80,000 strong, armed by England. In addition British imperialism hopes to unite under its domination Sinkiang and Tibet. The contradictory position of England adds confusion to the tangle of clashing interests in the Pacific.

France, which formerly supported the anti-Soviet plans of Japan, radically changed her policy and concluded with the USSR friendly agreements of reciprocal non-aggression. German Fascism, on the other hand, is prepared to collaborate with Japan in an anti-Soviet adventure.

The attitude in Chinese militarist, feudal and bourgeois camps to Japanese aggression

Let us consider the attitudes of the different forces inside China towards the Japanese aggression. Part of the militarist-feudal camp acts as an agency of Japanese imperialism. Its program almost openly makes preparation for the next in the series of territorial occupations. The other part of the militarist-feudal camp, and the camp of the liberal-bourgeois counter-revolution, connected with American and English capital, are hostile in attitude to Japan. But to overcome the well armed Japanese militarists they would need the support of the Chinese masses. They are afraid, however, of the masses, they fear their enormous revolutionary enthusiasm, and prefer to capitulate to Japan, contenting themselves with presenting protests to the League of Nations and with organizing in China and in their countries of the Pacific Ocean a boycott of Japanese goods, which happens to be very convenient for American and English capital.

The proletariat and toiling peasants of China, Japan and Korea as a force able to solve the problem of the Pacific Ocean

There is a force able to rise against imperialism and the survivals of feudalism, That is the proletariat and the toiling peasants of China, Japan and Korea. By rising they would solve the whole problem of the Pacific Ocean. The success of the Soviet movement in China, the continued development of revolutionary organizations in Japan and Korea, in spite of the terror, testify to the possibility of such a struggle around the Pacific Ocean.

The role of the USSR

The USSR, when it came into possession of the territory and succeeded to the rights held by the old Russian Empire, refused part of its inheritance, the "acquisitions" of Russian imperialism. In particular, in relation to China, the USSR renounced all exterritorial rights and unequal treaties, and cancelled all further payments by China of Russia's share of the Boxer indemnity. The USSR was the first state to establish relations with China on a basis of equality and reciprocity. The very existence of a great state bordering on the eastern countries that is based on "the fraternal collaboration of the various nationalities" (*Stalin*) and on the ending of all exploitation of man by man, has a colossal revolutionary influence upon the working masses of all the colonial East. The Soviet Union has made good use of its respite from armed struggle for thirteen years, by engaging intensively in socialist upbuilding and in intensified industrialization of the country. Now also the Soviet Union has powerful enough means of defence and it has millions of toilers ready to defend the country that is building up a socialist system. The Soviet Union is able to expose the projects of the imperialists and oppose to them, its policy of active struggle for peace.

2. THE CAPITALIST WORLD AND THE USSR

§ 1. The economic growth of the USSR, and the decline of capitalist industry

The final result of the struggle between the two systems is predetermined by economic necessities. Socialism will inevitably substitute capitalism. But although the objective conditions for this substitution already are ripe, capitalism still has enough strength to resist the growth and strengthening of the socialist system. Therefore the immediate perspectives of the struggle between the two systems depends upon the correlation of forces. This sets the USSR the task of overtaking and the most technically advanced capitalist countries in the possible space of time. The first reconstruction Five-Year Plan laid the foundation of heavy industry, the essential base for socialist society and it fulfilled its task almost completely. In the other camp we find that the world economic crisis that broke out in 1929-1931 on the background of the general crisis of the capitalist system, brought about a sharp decline in general production. The table below illustrates this. Still more sharply fell in capitalist countries and still more rapidly rose in the USSR the production of heavy industry.

In 1931 the USSR overtook France, Great Britain and Germany, and took the second place to the USA in expansion of industrial production. The place of the USSR in different kinds of industrial production in 1913, 1928 and 1932 is shown in the following table.

INDUSTRIAL PRODUCTION IN RELATION TO THE LEVEL OF 1929

Years / Countries	1929	1930	1931	1932	1933
USA	100	80.7	68.1	53.8	64.9
Great Britain	100	92.4	83.8	83.8	68.1
France	100	100.7	89.2	69.1	77.4
Germany	100	88.3	71.7	59.8	66.8
USSR	100	129.7	161.9	184.7	201.7

The same decline is observed in the domain of agriculture. At a time when world agricultural production is being reduced; acreage under cultivation cut; corn, coffee, fish and other "surplus" food products burnt, dumped in the ocean, or otherwise destroyed; when peasants farms are going to ruin, land badly cultivated and there is mass retreat of peasants from the village at that same time in the USSR the acreage under cultivation grows (134 ml. hectares in 1932 against 113 in 1928); socialized farming (state and collective farms) very sharply increases its relative weight in the farming of the country (from 2.7 in 1928 to 78 per cent in 1932); and the supplying of the village with machines and tractors is doubled.

Years / Kind of production	1913	1928	1932 The whole world	1932 In Europe
Generation of electric power	15	10	6	4
Mining	6	6	4	3
Extraction of petroleum	2	3	2	1
Smelting of iron	5	6	2	1
Machine construction	4	4	2	1
Output of agricultural machines	—	4	1	1
Tractor building	—	4	1	1
Automobile output	—	12	6	4

The raising and the socialist reconstruction of national economy in the USSR liquidated unemployment in 1930. It raised the number of industrial workers and employees from 11.5 million in 1928 to 22.8 million in 1932. In the capitalist world, on the other hand, the number of workers engaged in production sharply fell. For example in the manufacturing industries of the USA the number fell from 8.2 million in 1928 to 5.9 million in 1932, and by so much increased the unemployment. In the USA there are 15 million unemployed; in Germany more than six million; in the capitalist world as a whole (even by official data of the League of Nations) there are more than 30 million. All this unemployment and the heavy wage reductions (44 per cent in the United States, for example) have brought impoverishment

to the proletariat of the capitalist countries.

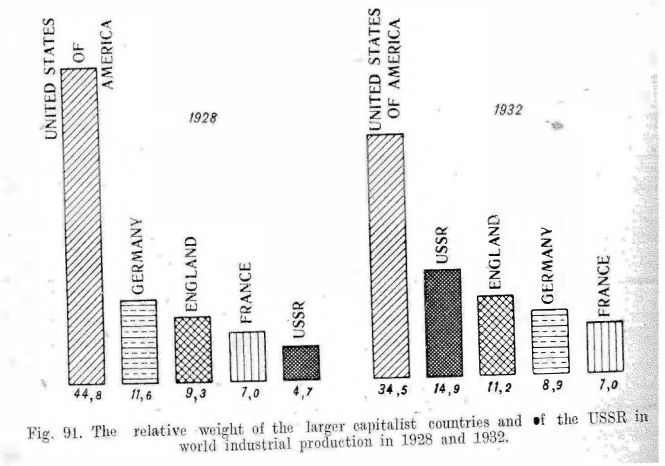


Fig. 91. The relative weight of the larger capitalist countries and of the USSR in world industrial production in 1928 and 1932.

The data we have been examining point to the economic growth of the USSR and the decline of world capitalist economy. They witness that in the struggle between the two systems the correlation of forces is changing in favour of the socialist system.

§ 2. Economic relations of the USSR with the capitalist world

The task of development of economic connections with the capitalist world was put before the Soviet Union at the end of the civil war, by the transition to economic restoration and socialist upbuilding. It followed, on one side, from the extreme economic backwardness inherited from pre-revolutionary Russia, aggravated by the imperialist and civil wars. On the other side, it followed from the necessity to use the probably brief "respite" to restore its economy at the earliest moment, and to pass quickly on to socialist industrialization in order to

finally overcome capitalism within the country and to be able to defend the country from foreign capitalist attacks. In spite of their hostility to the country of proletarian dictatorship, the capitalist countries have one by one established relations with us for economic purposes. The forms of economic connections of the USSR with the capitalist world are: foreign trade; short-term credits; chartering of foreign ships; transit of foreign goods through the territory of the USSR; mixed joint-stock companies employing Soviet and foreign capital; concessions; the work of foreign specialists and qualified workers in the USSR; technical assistance by foreign firms in the form of planning, consultations, and so on; the facilities granted to Soviet workers sent abroad for special training; the visits of foreign tourists to the USSR. But the development of these economic connections, without retaining in the hands of the proletariat complete control of the national economy, would have reduced the USSR to the status of a colony of international capital. The general party line—the line of socialist industrialization,—ties together the struggle for the construction of socialism, and the struggle for economic independence from of all capitalist surroundings. Therefore, after discussing the question economic connections with the capitalist world, the Fifteenth All-Union Communist Party Congress resolved that it was necessary "to establish the widest possible connections, as these connections... enlarge the economic strength of the Union, make it more independent of the capitalist world, extend the socialist base for the further industrial development of the Union."

The principal commanding height, possession of which guarantees to the Soviet Union success in the struggle for retention of freedom from foreign control, is the Monopoly of Foreign Trade. As was pointed out the central committee of the All-Union Communist Party in October 1925, "the Monopoly of Foreign Trade consists in that the government itself carries on the foreign trade of the country through a special organization (the People's Commissariat for Foreign Trade), determines which organizations, in which branches of the peoples' economy can carryon direct foreign trade operations, and in what volume; determines, in view of the tasks of economic and socialist construction, and by means of an export-import plan, what goods and in what quantity can be exported and imported. By means of its system of licences and contingents the government regulates export and import, and the operations of the foreign trade organizations." The Monopoly of Foreign Trade is one of the special features of Soviet economy. It is unrealizable in capitalist countries. It

protects our economy from control by the capitalist world, from the influence of the convulsions of the world market; it helps to accelerate the tempo of socialist industrialization. It preserves the independence of our financial system from the influence of capitalist economy. It lowers overhead expenses. It assures the systematic and organized appearance of the USSR on world market.

§ 3. Preparation for intervention against the USSR

The development of economic connections, however profitable it may be for the capitalist countries, cannot convert the basic struggle between the two economic systems into peaceful co-existence. The growth and development of the Soviet Union, the decadence and rotting, of the capitalist world, stimulate two very different tendencies in the latter: on the one hand, the tendency to keep peace with the USSR, and, on the other hand, the tendency to armed conflict with it. The world economic crisis, and the sharpened general crisis of capitalism rouse the tendency of the imperialist countries to solve their mutual contradictions and internal difficulties by the seizure and dividing up of the territory of the Soviet Union. Thus, the German imperialists propose to Poland to change the "Polish corridor" for a part of the Soviet Ukraine. The Japanese imperialists dream of occupying the Soviet Far Eastern, Eastern Siberia, and so on. The imperialists expect, in case of gaining a victory over the USSR, to extend their colonial possessions, markets and investment opportunities, and at the same time to strangle the world revolutionary movement. Therefore preparations for intervention against the USSR still continue, and in connection with the world economic crisis they are even intensified. The USSR counters the preparations by persistently pushing its peace policy, by ever exposing the face of militarism, by making use of mutual imperialist contradictions, and by trying to realize non-aggression pacts. The greatest recent achievements of the Soviet peace policy are the establishment of good diplomatic relations with France, Poland and Italy and the USSR. The continued preparation for anti-Soviet intervention on the part of some of the capitalist countries however, oblige the USSR not only to wage a still more energetic struggle for peace, but also to increase its possibilities of defence, and be ready "to give blow for blow to any initiator of war" (*Stalin*).