

The Nationalist

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Truth is the most powerful propaganda .-- J.F.C. Fuller

Can Protectionism Work Against Japan?

In January President Bush, escorted by the presidents of the Big Three U.S. automakers, went to Japan to beg the Japanese to stop kicking the poor carmakers around any more. The Japanese political leadership politely refused the offer that Japan commit harii karii and suggested that the problem was an American one and that Bush and Congress should do what is in the best interests of the U.S. and that they continue to do what is in the

best interests of Japan. This is a novel idea and very disturbing notion for the internationalist capitalist cabal that rules America. For if Japan refuses to play by the rules of international capitalism the U.S. will be forced to abandon the system of "free trade" or find itself stripped of its manufacturing base.

Infant Industries

Not so long ago it was America that refused to play by the rules. In

the 19th century the U.S. and later Germany established strong tariff barriers to protect their infant industries from competition coming from the dominant trading and manufacturing power of the day - Great Britain. The British made all the standard capitalist arguments one hears now from U.S. economists about how free world trade helps everybody by restricting production in specific items to those countries which produce the item most effi-



In 1957 Toyota exported to the U.S. its first two cars (above), and soon recalled them. But the Japanese did not give up.

ciently - the doctrine of comparative advantage as it is called by the "scientists" of macroeconomics.

But the Americans and Germans were not interested in universal world efficiency, rather they wished to build their own national political, economic and military power and they needed to build a manufacturing base to accomplish this mission. Their economic policy was not seen as an end in and of itself but was used as a tool to accomplish their political objective. Once their power base was secure they could then take the British on at their own game and beat them.

Under protectionist policies the American and German economies expanded with extraordinary rapidity, and the British economy declined with equally amazing speed. Yet, the British to this day still trumpet the virtues of capitalist free trade, apparently having learned nothing from their experience, and there is an historical reason for this.

Free Fall

According to capitalist theory British companies should have responded to the increasingly sophisticated techniques of their competitors by improving their performance. But the ineptitude of the British managerial class and the bitter labor-management struggle in the country prevented an adequate response to the competition (just as in present day America.) As British firms became less efficient and less profitable the British capitalist class sought to shift its wealth outside the country whereever a better return availed itself, which process further accelerated Britain's decline.

Where did the money go? After the First World War it went primarily to the great new champion of international free trade - the United States of America. Even great Bri-

tish "patriots" such as Winston Churchill invested their money in America rather than in Britain in the 1920's and 1930's, and the process continues to the present day, which is why the British ruling class still promotes the doctrine of free trade even though Britain has been wrecked by it and can never recover without an intelligent protectionist policy.

The wealthy Anglo-Saxons simply did not and do not care about what happens to their country as long as they can get good returns on their investments overseas whether it be in Canada, America, Switzerland or Germany. The present world domination of international capitalism allows the rich to shift their money to most whatever country presents the most attractive short term opportunities. Indeed most of the biggest companies in the world are now fully international with stockholders, directors and officers coming from a multitude of countries. Even some Japanese companies are beginning to move in this direction as a result of their managerial and capitalist classes becoming more and more immersed in the internationalist milieu.

Japanese Ambivalence

But the Japanese attitude toward capitalist free trade has been ambivalent ever since Perry's American fleet imperialistically forced Japan to open up and trade with the rest of the world. They learned from the experience of America and Germany that infant industry had to be protected, but as an island nation without natural resources Japan was compelled to import and export in order to build a manufacturing industry. Now Japan has a huge international trading apparatus plus the old protectionist attitudes and policies which prevent penetration of most of its markets by foreigners, and this causes enormous resentment in the U.S. which has a \$41 billion dollar trading deficit with Japan and which finds its manufacturing base diminishing under the pressure of Japanese as well as European competition.

The answer, however, is not to rail at the Japanese for doing things right and for serving their own national interest. Such unseemly whining will fail to produce any positive result. What America must do is rebuild its manufacturing base and protect its new infant industries in an intelligent fashion rather than in some knee-jerk Smoot-Hawley type bill which will only serve to trigger another international trade war just as the first such bill did in the early 1930's.

A Complex Problem

The problem is no longer simple because our basic markets are already deeply penetrated. For example, the head of the huge Dutch firm Philips Consumer Electronics has said that the U.S. did not even fight for its consumer electronics industry, it simply gave it up to the

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Japanese. The owners of American consumer electronic manufacturing companies decided they could make a better return on their dollar by selling their plants to the Japanese and shifting their capital into the service sector where they do not have to compete with the Japanese and Germans (at least for the time being.) So now there is not a television or VCR sold in the U.S. that is manufactured by an American-owned company. Thus it would be stupid to place tariffs and/or quotas on consumer electronic products as this would only raise the price of these items to American retailers and consumers without shifting any sales to American manufacturers because there are none.

Phased Barriers

The same situation exists in computer chips and many other products. So the government must first establish or encourage the establishment of infant industries in these areas, i.e. computer chips, consumer electronics, etc. and then erect phased barriers to protect them such that they can expand rapidly without the price of the products being forced upward. For example, if 5 million televisions are normally sold in the American market in one year and new American companies can only produce 1 million then it would be counterproductive to establish quotas or tariffs that would prevent the Japanese from supplying the other 4 million or would cause them to sell the other 4 million at inflated prices.

The most crucial area of trade conflict is clearly the auto industry as 75% of the \$41 billion trade deficit with Japan is in automobiles and auto parts, and Japanese-owned companies now control 30% of the American car market. But protecting American auto companies is a two-

edged sword. The Big Three have abandoned small car manufacturing as the result of a flawed business philosophy. Under capitalism the object is to maximize profit and percentage return on investment. The profit margin on small cars is very small compared to that on large cars, and even the total amount of profit is greater on large cars than small cars despite the fact that many more small cars are sold than large cars. So the American automakers long ago decided not to put too much design or research and development money into small cars, essentially abandoning the small car market to the Japanese who have a very different corporate philosphy which stems from nationalism rather than capitalism.

Nationalist Business Philosophy

In Japan the size, importance and greatness of a company are not measured by its percentage profit or even its total profit, but rather by its number of workers. This is because maximum employment is seen as a great social utility and thus is the primary mission of the Japanese business owner. Hence the Japanese corporation seeks maximum volume and secures it through minimum markup. This ensures maximum employment.

Another facet of this philosophy is that in Japan, particularly in the retail and service sectors, company payrolls are bloated with service people - people who open doors for you, or who operate the elevators, or who answer questions or who get your problems and complaints resolved quickly. This is part of the Japanese business philosophy of providing maximum quality (in this case the best service possible) but it is also part of an effort to keep everyone employed, and the Japanese are apparently willing to

pay higher domestic prices to obtain greater service and its attendant employment.

The Complications

Full employment being the goal, the Japanese were delighted to take the small car market away from the Americans, and the American automakers were equally pleased to give it to them and be rid of it because it looked bad on the books as it reduced percentage profit. The higher the percentage profit the higher go executive salaries, so now the Big Three have all formed partnerships with the Japanese to produce their small cars. This fact and the fact of Japanese built and owned auto manufacturing plants in the U.S. greatly complicates protectionist policy. Any attempt to limit the number of cars imported from Japan would only result in greater sales for the Japanese plants in America as they are selling superior products and often at lower prices than their Big Three competition. Moreover, every effort to increase the volume of car sales for American companies can only benefit the Japanese as they build the small cars which sell in the highest volume.

The solution is a nationalistic ownership policy combined with a nationalistic business philosophy. The American automakers must buy out their Japanese partners and regain their small car manufacturing base. Moreover they must buy out the plants built and owned by the Japanese in the U.S., and if the automakers are unwilling to do these things then the U.S. government should buy out the plants and set up new worker-owned auto companies to compete with the Big Three out of the ultra-modern plants obtained from the Japanese.

Secondly, the automobile manufacturers must adopt a business phi-

losophy of maximum quality at minimum price otherwise the people will demand the return of Japanese products and Japanese companies. They will not support the old capitalist rip off any longer, not now that they have been exposed to a different way of doing business.

Nationalist Protectionism

Once a nationalistic ownership policy and a nationalistic business philosophy are adopted then, and only then, will protectionist trade policy work to guard the American auto industry and other threatened and reborn industries until they have improved performance to the point where they no longer need protection. The alternative is to complain fruitlessly to the Japanese thereby raising the anger level of both sides, or to go to war with Japan and again destroy it, or to wait and hope that that country goes into an internal decline.

At present the Japanese are nationalists first and capitalists second, and though there is mounting evidence that capitalist corruption is on the rise in the Japanese political and business leadership, waiting for that corruption to sufficiently worm the wood such as to cause Japan's collapse is certainly tempting fate. We do not have that kind of time, and in any case it is better to think of ways to start doing things right - for a change. GG



LETTERS

Your article on the Ancients and science was excellent. It is stated in the recently published Who was Who in the Roman World that Pliny, who perished in the destruction of Pompeii, lists 4000 authors in his Natural History. The Loeb Library edition contains only about one hundred ancient authors and it is one of the most complete. The Bohn Library edition is good too. I have only a paperback Natural History which contains about 1/6 of the original. I would like to get the Bohn version published about 100 years ago but it is quite difficult to obtain. Bohn was German but he lived in England.

Voltaire thought that the Roman Church and Calvinism were the worst aspects of Christianity. But of course Luther's stupid remark about reason being the "harlot of the Devil" isn't any better than the nonsense preached by the "Mother Church" and the "reformed" religion. Servetus was close to discovering the circulation of the blood 70 years before Harvey, and Calvin

had him burned. And the Christians can admire a man like that!!

Most sincerely, Leif de Kruif New Jersey

This note is to tell you how much I enjoyed your article on class struggle. I am a history buff but I have never read so clear an analysis of class in the ancient world. I look forward to its continuation next issue.

Sincerely, Robert Briggs Florida

As you can appreciate, things grow worse here in Poland day by day. In our recent Parliamentary election only 40% of eligible Poles turned out to vote, a figure similar to that of the Presidential election. The government is not supported by the majority and is just another one of the usual cliques. You can imagine the scale of Jewish influence in such a situation.

We of the Patriotic Union Grun-

wald tried to explain this in the last election campaign, and now we are paying the price along with other nationalists.

That Poland has a democratic government is a Big Lie. We are being punished for our exercise of "free speech." It is still against the law in Poland to criticize the Jews. The General Procurator is investigating me and other nationalist leaders for anti-Semitism.

Already I have been stripped of all my administrative posts at the University though I still teach as a Professor of Social Science - at the magnificent salary of \$150 per month. Financial difficulties have forced me to temporarily suspend the publication of Nasze Sprawy.

For us the persecutions of Judeocapitalism are even worse than the former persecutions of Judeo-communism.

God bless our American friends, Professor M. Trzeciak Konstancinska 7B/109 Warsaw 02-942 Poland

SHORT BURSTS

Science Lays the Groundwork

Stephen Warren of Emory University coordinated a team of international researchers who recently tracked down an errant gene that causes mental retardation called fragile X syndrome. Genetic science is developing so rapidly that there is little doubt that the wheel is turning on the "nature vs. nuture" debate at least in the scientific community, and this is a prelude to the political dethronement of the nurturists and their multiracialism.

Rigging the Game

Over 100,000 students each year pay \$500 or more to commercial coaching firms to prepare for the SAT tests. An organization critical of the SAT, Fairtest, says that coaching can improve scores by an average of 100 points or more. The College Board which sponsors the SAT tests denies this, of course. The rich have long used tutoring and coaching courses to help their less gifted young into the halls of Ivy League academe. We would suggest that you do the same for your children if you can afford it as this is the only way to compete fairly with the rigging of the game.

In the Land of the Free

Florida Chief Circuit Judge John Santora made the mistake, after thirty years on the bench, of granting an interview to a newspaper in which he discussed his political and social views. On Dec. 22nd the Florida Times-Union reported that Judge Santora opposed interracial marriage, referred to women as girls and said that the Blacks in

private schools were better disciplined than the Blacks in public schools: "They don't molest teachers, they don't rape." These are, of course, all crimes against the official Newspeak and demands for Santora's resignation or impeachment immediately rang out from the guardians of freedom. Thank god we do not live under Communism where freedom of speech is not respected.

"Amateur" Sports

Ah, the dangers of multiracial living. They can strike those who least suspect they are vulnerable. For example, when Eric Ramsey played football for Auburn a few years ago he carried a secret tape recorder to all the meetings he had with Coach Dye and his assistant coaches because Ramsey hated White people and intended to hurt them if the opportunity arose. He was recently cut from the NFL and decided that now would be a good time to release the audiotapes which reveal that Ramsey was regularly paid for his football services by the coaching staff and alumni of Auburn. According to Auburn Professor Schaeffer, Ramsey was caught cheating in his class but the Academic Honesty Committee suddenly dropped the case without good reason. Why? Apparently because Ramsey had threatened the University with spilling the beans on its football program. Yes, Auburn is corrupt to the core, but no doubt it is different at other universities.

A Jewish Circus

The trial of El Sayyid Nosair for the murder of JDL leader Meir

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Kahane should have been nationally televised instead of the Kennedy rape trial. It must have been wild. Nosair got the rabid Communist Jew William Kunstler to defend him, and Kunstler was thereupon attacked by the rabid Zionist Jew Alan Dershowitz (of the Harvard Law School) who claimed that the defense was "laughably amateurish." Perhaps, but Kunstler's defense of suggesting that Kahane was murdered by Jews because of internal disputes within the JDL succeeded in getting Nosair acquited. At one point during the selection of the jury the Jewish judge, Arthur Schlesinger, accused the defense of trying to exclude Whites from the jury. Kunstler replied that he was only trying to exclude those "descended from the predators of Europe." Naive Whites should have seen this trial.

Class Struggle and the Decline of Nations

Editor - Part I of this article appeared in the last issue of *The Nationalist*. Part II follows:

Nationalist Experiments

Essentially the same process of class struggle which we have described in ancient Greece and Rome repeated itself in the various European nation-states in one form or another with minor variations on the theme from about 1400 AD to the present day. But important lessons can be drawn from the experiences of three great nationalist leaders and their efforts to build new orders and deal with the problem of class.

Genghis and Jamuga

One must always be careful when drawing on the experience of other races because of the emotional and intellectual differences between genetically distinct peoples, but Mongol society because of its very simplicity presents certain questions in stark relief, whereas they are harder to see in cultures with more sophisticated and complex institutions.

Genghis Khan was born the son of an important Mongol chief in 1167 AD. When he was 12 his father was poisoned by the Tartars at a feast and his tribe was broken up amongst its enemies. Genghis was thus a chief without a tribe. Slowly he gathered under his wing the loners, criminals, misfits and adventurers who wandered the steppes. And he met Jamuga who was doing the same thing. Both Jamuga and Genghis were idealists, though of two dif-

ferent stamps, and a powerful emotional bond developed between them. They became blood-brothers to seal their friendship.

Genghis' dream was to unite all Mongols into one powerful nation, Jamuga's was to build a classless society in which men were recognized for their talent rather than their birth.

The two nomadic tribes lived side by side and moved always together across the eastern Mongolian steppes. Both grew large. When each tribe had about 13,000 tents, a



Genghis Khan

dispute developed between Jamuga and Genghis, largely at the instigation of the latter's mother. She was proud of her aristocratic birth however humble such must have been in these semi-primitive tribes, and she resented the lack of deference that Jamuga showed to the petty chieftains who came to visit. These little chiefs were always looking for a better deal and would defect from tribe to tribe to get it. Genghis' mother told him that meri-

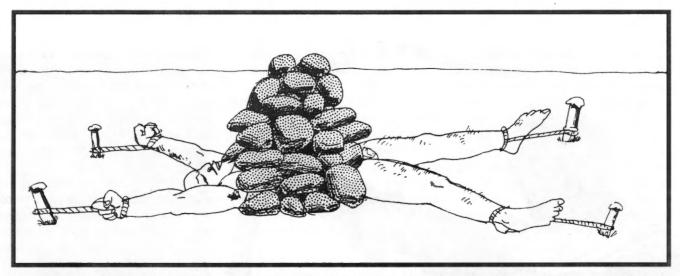
tocracy would frighten the chiefs away from joining his tribe and that it could not work with the Mongols in any case as hereditary rule was too firmly ingrained in their culture. She advised him to break with his radical blood-brother.

The War of Words

Genghis tried to convince Jamuga that aristocracy and meritocracy could be combined. In Genghis' tribe those with talent were given command over his regular forces (those permanently on station) while the chieftains were still allowed authority over their clans and little tribes. Jamuga warned Genghis that the chiefs would always be loyal to themselves and would betray him just as surely as they betrayed their former leaders when the opportunity to improve their positions presented itself. The chiefs, contended Jamuga, were not committed to the idea of nationhood and never would be, and they were certainly not committed to the Mongol people or social justice. They saw themselves as being above and beyond the people. Only a new class of leaders could learn to identify with and serve the people.

The war of words grew more and more bitter until finally the two tribes split and moved away from each other. Genghis' tribe proved to be the more successful, largely due to his military skill. Most of the chiefs decided to join him only after he defeated them in battle and then reestablished them at their old positions. Genghis came to control all of eastern Mongolia.

Jamuga fled to the west and con-



Genghis had his blood-brother Jamuga crushed to death so that none of his blood and none of their joint spirit would be lost

vinced the predominant leader there, Togrul Khan, that Genghis would not be satisfied until all of the tribes of Mongolia were under his control. Togrul invited Genghis to a feast in order to poison him. But Genghis' mother had gone through this before and suspected trouble. She convinced him not to go.

Surprise Attack

When Genghis failed to arrive, Jamuga persuaded Togrul to strike quickly. Togrul immediately marched his 80,000 warriors east and took his opponent completely by surprise. Only Genghis' regular army was mobilized - 4500 strong. It fought desperately to delay Togrul, while Genghis sent out orders to his chiefs to concentrate their forces at his headquarters.

The chiefs did not come. Only Genghis' brother Kasar obeyed the mobilization order. Jamuga had been right about the chiefs. They were now kowtowing to Togrul who demanded tribute, but not obedience. The commanding officers of Genghis' small regular forces (none of whom were aristocrats) remained loyal despite the apparent hopelessness of the situation. Later, in reward for their fidelity, they would be given the title Terkhan which

gave them the right to speak with Genghis at any time and say whatever was on their minds.

Dangerous Retreat

Genghis' tiny army withdrew all the way across Mongolia with Togrul in hot pursuit. Kasar then feigned betrayal of his brother. Togrul welcomed his defection with a feast. Kasar's troops pretended to get drunk that night in Togrul's camp, but they were only awaiting a signal from Genghis. When it was given they rose to slaughter Togrul's inebriated warriors from the inside as Genghis' army attacked from the outside. Togrul's forces dissolved in panic. How often in history has alcohol led to the annihilation of an army.

Genghis pursued the remnants of the enemy army, captured and killed both Togrul and Jamuga, and called the chiefs to account. Here he had the opportunity to destroy hereditary rule, but instead he left the chiefs as figureheads. From now on they took their orders from the Mongol general staff. Each was assigned a chief of staff from the professional officer corps. These chiefs of staff organized and trained the tribes in accordance with the procedures of the national army, and in private the

chiefs of staff told the chiefs what to do and how to do it. Aristocracy was emasculated, but its essential principle of hereditary rule still existed and was still recognized as legitimate, and this would lead to the early undoing of the Mongol Empire.

The Rise

Genghis went on to conquer west China, north China, central Asia, eastern Russia, and Persia. He ordered the development of a written language for the Mongols, and he left a written constitution and

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Gary Gallo, Editor



code of laws, called the Yasak. The Yasak prescribed that his successor, the Khakhan, would be elected by a congress (the Kuraltai) of all of the Mongol lords and commanders.

Genghis divided rule of the empire amongst his four sons, establishing four separate hereditary fiefs. But shortly before his death he realized that this was a major error. He openly regretted it but felt he could not undo it. Instead, he preached unity over and over.

He called his children and grandchildren together from their farflung provinces and at the meeting he handed each an arrow. Each was asked to break his arrow in turn. Then he bound together the same number of arrows and asked each to break the bundle. Of course none could. It was the Mongol equivalent of the fasciste, the Roman symbol of unity.

And the Fall

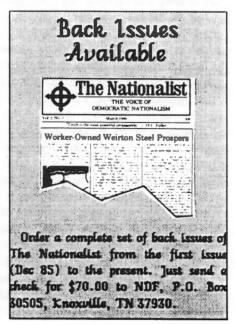
But the preaching did only a little good. The spirit of national unity lasted less than two generations. After Genghis died, the four ruling clans drifted apart psychologically, each governing its section of the empire as it saw fit. There was no centralized national bureaucracy to bind the parts of the empire together into a cohesive whole. The

professional officers who were selected meritocratically and trained for political rule and military command were subordinate to and were quickly overshadowed by the aristocrats. The general staff system was thus gutted. The nation was structurally unsound.

The last Khakhan to have any real authority over the empire as a whole was Kublai. He was one of Genghis' grandsons and was only the fourth Khakan after Genghis. During Kublai's reign the parts of the empire began to war against each other just as Genghis had feared. Kublai was unable to prevent the empire from breaking into pieces. We can only wonder how often Jamuga's words about birthright crossed Genghis' mind as he worriedly approached death.

Napoleon and His Marshals

The French Revolution wrecked the aristocracy of France and ended the legitimacy of hereditary rule. It gave birth to modern democracy and modern nationalism, but it was anarchic until Napoleon brought order out of the chaos. He embraced the principal of meritocracy and





Napoleon Bonaparte

sought leaders for France on the basis of talent rather than political reliability or social connections. (The wealthy bourgeosie were still powerful and socially well-connected, and they could still pass on their estates to their descendants.)

At first, Napoleon developed a form of democratic nationalism in which a popularly elected dictator (called the First Consul) would serve for ten years and then step down. This was the Revolution's finest moment. But Napoleon would not leave well enough alone. He felt his monarchial opponents and his own bureaucrats were just trying to wait him out, and he saw no adequate successor. So he took advantage of his enormous support amongst the masses to be elected First Consul for life in 1802. Now he felt he had the time and authority to completely reorganize every aspect of French life, and to make his reforms stick.

Desiring to get on with his domestic program of radical reformation, Napoleon made peace with Austria, Prussia, and Russia. And in 1801 even Britain agreed to cease hostilities - temporarily - as she was without allies. But Britain continued

to agitate the European monarchies against the Revolution.

British Fear and Loathing

In theory Britain was a "constitutional monarchy," but the king was already pretty much a figurehead. In reality, Britain was an oligaric republic, and the British patricians greatly feared the extreme democracy and great power of the French Revolution. The British ruling class wanted to preserve the right of herditary rule and the dominance of the lords (who were intermarrying with the rich capitalists.) French ideas were infecting the peoples of Europe. The Revolution had to be crushed.

The European monarchies wanted to protect the belief in the divine right of kings, which could not be reconciled with the revolutionary principle that all authority stemmed from the will of the people. The revolutionaries championed a return to the rationalism of pagan Greece and Rome. They rejected the mysticism of Christianity as well as the idea of the divine of right of kings to rule - an Oriental notion which they considered alien to European culture and values.

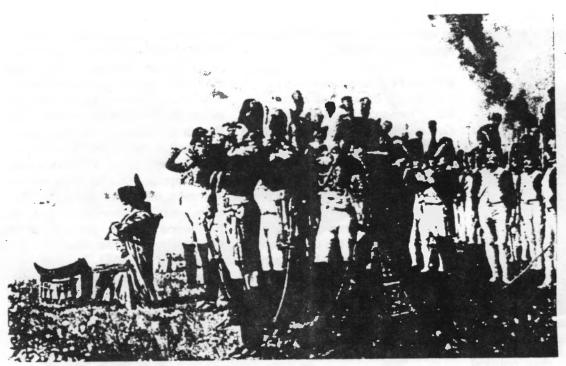
Moreover, Napoleon believed the capitalist principle of a "healthy" national debt to be utter nonsense and he would only spend what was collected in taxes. The international banking houses were outraged, especially as France prospered. (Even during wartime Napoleon refused to borrow money, preferring to raise taxes or loot foreign treasuries when possible, and as a result French finances were always on a sound footing and free of alien influence.)

Britain convinced her erstwhile allies of the First Coalition, that a prosperous and unbowed France was the best argument for the revolutionary ideas that were spreading throughout Europe. France had to be broken and Britain (with the backing of the international banking houses) promised the money necessary to finance the struggle. But the monarchies were still reluctant. The French conscript armies had defeated every invasion of France since the beginning of the Revolution, and with Napoleon at the helm victory was even more uncertain. Furthermore, every French triumph gave the Revolution greater momentum in the minds of the lower classes.

Britain decided to lead by example and provoked war with France in 1803. Napoleon thought that if he could prove to the kings that he was not anti-monarchial they would not make war upon him. He decided to become a king. This would legitimize him in Europe and give him even more authority in France, so he thought. He was wrong on both counts. In France, the radical democratic revolutionaries (Jacobins) became determined to overthrow him. The monarchs of Europe were enraged by the idea of an elected king especially one who did not have "blue blood" running through his veins. The Senate passed the necessary legislation to make Napoleon Emperor, it was confirmed by the people in a plebiscite, and shortly thereafter the Second Coalition against France was born when Austria joined Britain in 1804. Russia would soon join the coalition followed by Prussia.

Greatness Finally Succumbs

War would rage in Europe until the Battle of Waterloo in 1815. During this period Napoleon proved himself to be the most brilliant military commander in Western history. But greatness inspires alliances against itself. Virtually all Europe was arrayed against him, including even Sweden and Spain. In 1812 he



Napoleon with the officers and men of the Imperial Gurard. The latter remained loyal to the end.

was defeated in Russia by "General Winter" after bludgeoning the Russian Army at Borodino. In 1813, Napoleon achieved victories at Lutzen, Bautzen and Dresden, but all was undone by the loss at Leipzig where the Grand Armee was surrounded by the forces of Austria, Sweden, Prussia, and Russia. The French armies were driven back into France. The British and Spanish were closing in from the south. The Austrians, Prussians, Russians and Swedes advanced from the north and east.

The odds were overwhelming, but Napoleon conducted his most brilliant campaign in 1814, inflicting one defeat after another upon the confused Allies. The French soldiers were fighting ferociously on their own soil. The Allies sought a different way to victory.

Allied agents opened up secret negotiations with the French marshals. Napoleon's marshals were former bakers, butchers, shoemakers and the like. They rose through the army on the basis of their leadership abilities. He lavished upon them medals, money, aristocratic titles and estates. But there was one proviso in all this recognition of ability: the estates and titles returned to the state upon the death of the new lord. The estates would then be granted to other rising stars to reward their talent.

The Marshals Betray

Napoleon understood the problem with hereditary power, but he had violated the principle himself by becoming a monarch. He thereby made it easy for his marshals to rationalize their own defection to the Allies, particularly as the odds against them seemed so daunting. Better they should command in the coming Bourbon France than lesser men. Better that their sons become part of the hereditary aristocracy. The Allies promised the marshals that they could keep their titles, estates and positions after restoration of the "legitimate" monarchy. Most of them agreed to betray.

When the troops of the Imperial

Guard became aware of the treason of the marshals they stormed out of their encampment and begged Napoleon to carry on the war without their commanders. It was an emotional moment, but Napoleon was psychologically broken by the defections. He agreed to surrender and enter into exile on the Island of Elba.

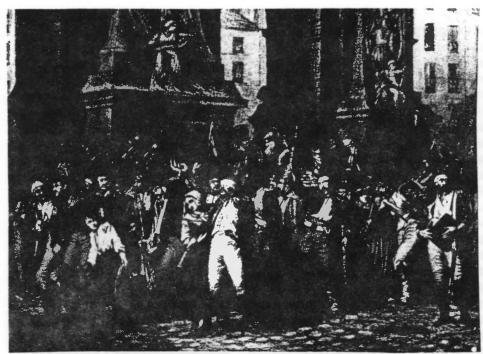
Instead, he attempted to commit suicide with the vial of poison he had carried since Russia. But the poison had gone bad, and it only made him very sick for a

couple of weeks. During this recovery his enormous will resurfaced and he plotted to return to France.

To Be French Again

In 1815, Napoleon escaped from Elba and landed in France with less than 1000 soldiers. He began to march toward Paris. The people came by the thousands from miles around to cheer him. The peasants came with their pitchforks and rusted old muskets just in case the Royalist troops resisted. They did not resist.

Outside of Grenoble Napoleon encountered a Royalist battalion. On both sides the troops deployed. There ensued one of the most moving scenes in Western history. Napoleon stepped forward alone and approached the Royalist formation. "There he is," shouted the Royalist Captain Randon, "Fire!" Napoleon stopped, stunned by the command, but not one of Randon's soldiers obeyed the order. No one budged.



Parisians greeting the wounded. The morale of troops and populace never broke.

Napoleon stepped forward again, opening his greatcoat he said, "If there is one soldier among you who wishes to kill his Emperor, here I am!" The response was a tremendous shout of "Vive l'Empereur!" They ran toward their Emperor to cheer him and touch him.

The people always want to serve greatness, the powerful always envy it. All over France the lords and marshals ordered resistance, and the troops mutinied and defected to Napoleon. One wit put up a placard in Paris which said:

"Napoleon to Louis XVIII: My brother, you needn't bother sending me any more soldiers. I have enough."

Louis the XVIII, the Bourbon King of France, once again fled from "his people" to the waiting arms of his real own kind, the blue bloods of Europe. He would once again help his fellow royalty make war on the French.

In France, "the explosion of feelings was irresistible," wrote Baron Thiebault, "Only three hours before, as a soldier serving the Bourbons, I had my cannons aimed at him. But now it seemed that I had become French again." For a moment, the French were great once more.

Unfortunate Compromise

When Napoleon reached Paris he compromised with the Jacobins, who had emerged from the woodwork, and a constitutional monarchy was established in the name of the Revolution. He sought peace but the Allies would have none of it. He reorganized his army quickly and marched into Belgium to surprise the British and Prussian armies before the Austrian and Russian forces could arrive. He defeated the Prussian Army at Ligny but its new general staff system worked perfectly. The chief of the general staff, Gneisenau, ordered the Prussians to retreat away from their supply lines and toward their British allies, to fall in on Napoleon's flank at the Battle of Waterloo.

The Jacobin leaders, always meanspirited and never noble - just as their kind were in ancient Athens, saw their opportunity to unseat Napoleon after the defeat at Water-loo. They conspired with the wealthy bourgeosie to pull the rug out from under him and Napoleon was forced to abdicate again.

The Jacobins wanted some form of pure democracy, though on their own they could never produce anything but anarchy which they seemed to find most exhilarating as each Jacobin leader could be a big fish in a little pond. The rich wanted an oligarchic republic. Both thought they could negotiate with the Allies if Napoleon were ousted. Both were disappointed. The blue bloods reimposed the hated monarchy, and Napoleon was sent to a bitter exile on St. Helena.

Unfortunately for those of royal and aristocratic blood, the ideas of the Revolution would not die. In 1848 the French would once again revolt. But the will of the people was always being thwarted by the rich who eventually established a modern form of the oligarchic republic, the capitalist plutocracy. The wealthy, of course, call it "democracy" and claim to rule in the name of the people.

The French were a proud and vital people who struggled mightily for social justice and national greatness. But blow after blow, both internal and external, weakened their spirit and undermined their unity. Now they are an ordinary people, and the Germans have risen to replace them as the great people of Europe.

Hitler and the Junkers

In January of 1933 President von Hindenburg was forced to appoint Adolph Hitler Chancellor of Germany. The electoral victories of the German National Socialist Workers Party (NSDAP) and the failure of minority capitalist governments gave the old aristocrat no choice. This legal assumption of power began the National Socialist Revolution in Germany.

Consolidation

Hitler immediately worked to eliminate his political opponents in order to concentrate all authority in the NSDAP. First the Communist Party was outlawed (with the help of the capitalist parties), then the Marxist and Socialist parties were banned, and finally the capitalist parties were eliminated.

But this process took years and Hitler had to manuever carefully and achieve many extraordinary foreign and domestic succeses before he actually consolidated great power in his hands. Most importantly he felt that he had to make compromises early in the process, and these concessions to the Junkers (the aristocrats), the industrialists, and the Army officer corps (mostly Junkers) undermined both the purity of spirit and the strength of the National Socialist Revolution and Germany, indeed it was a revolution only half-completed.

Internal Struggle

In 1932 there were two major rival factions in the NSDAP; they may be called the national socialists and the national capitalists. The leading national socialists were Gregor Strasser, Ernst Roehm, Otto Wagener and Walther Darre. The leading national capitalists were Hermann Goering and Heinrich Himmler. Other party leaders such as Josef Goebbels and Rudolph Hess felt that they should commit themselves to Hitler personally as his political genius was the best bet in sorting out the dispute and guiding the destiny of Germany. Goebbels had been a top national socialist but had abandoned open support for the

faction to help Hitler who was attempting to bestride the behemoth and direct it with one foot in each camp. Unfortunately the ideological differences between the two factions were not minor, indeed they went to the very essence of what revolutionary Germany should be.

The national socialists believed that it was essential not only to employ the working class but to radically redistribute the wealth and the power that produced and controlled that wealth. For example, they wished to convert capitalist enterprises to worker cooperatives, to break up the large Junker estates and redistribute the land to the German peasantry, and to eliminate Junker control of the armed forces and rely instead on a people's army led by National Socialist officers and based in the SA (Sturmabteilung the huge paramilitary militia of the NSDAP.) The national socialists thought that only such a social justice based revolution could end class conflict and ensure the long term unity and strength of the National Socialist State.

The national capitalists, on the other hand, believed that as long as the new order was meritocratic the workers would be satisfied with full employment at decent wages with guaranteed social benefits, secure in the knowledge that their talented sons could rise to the highest posts in the Party and government. Industry and agriculture would continue to be run by extremely wealthy capitalists and aristocrats, under the direction of the Party whose top officials would also become very rich. The national capitalists believed that those with managerial skill deserved not only great power and responsibilty but great privilege and wealth as well, and they distained worker participation in management. They believed that the worker did



Hitler at a rally. Goering in front.

not really want the responsibility of such participation, and the fact of it would just serve to hinder effective decisionmaking. For them paternalism was superior to participation. The national capitalists did not see the concentration of wealth as a political problem nor did they object to the principle of hereditary rule; they wanted to pass their wealth and power on to their descendants and so they were willing to grant the aristocrats and capitalists the same privilege.

Clearly the amount of respect held by the respective factions for the ordinary German was very different. One group had faith in the people as a whole and the other did not, seeking to rely instead on the



Hitler with Himmler in 1943.

strengths of the best. One believed that social justice demanded only a very limited sharing of the wealth of the nation and the other believed in a massive and constant redistribution. Both believed that political power should be concentrated in the hands of the NSDAP and that the Party should be led by one man. But that was the only middle ground and so things soon came to a head after the assumption of power.

Long Knives

Himmler was head of the SS (Schutzstaffel) which was designed to be the political elite of the Party and of the nation and which operated much like a religious order based on the principles of service and sacrifice. But the SS was also responsible for internal political intelligence and this allowed Himmler to build a case for treason against the national socialists, particularly Gregor Strasser, and Ernst Roehm, the head of the SA and thus Himmler's top rival.

Hitler was fed this information over a period of time and finally became convinced that a conspiracy against him was shortly to be launched by the radical wing of the Party. In 1934 he and Himmler responded with the Night of the Long Knives in which several hundred Nazis and other potential threats to the regime were arrested and immediately executed. The lack of trials is an indication that the actual evidence

against these people was not strong. This was a political move more than a response to treasonous conspiracy and it ensured the ascendancy of the national capitalists within the Party. Hitler had ended the fractious internal dispute with a decisive move against the national socialists and the nature of the revolution was thus determined.

A Deal is Cut

Hindenburg, the industrialists and the Junkers, particularly those in the Army, were delighted with the slaughter of the radicals and the weakening of the SA. To complete the reconciliation with the Army Hitler agreed to slowly disband the SA eliminating it as a threat to the Wehrmacht and in return all military officers would take an oath of loyalty to Hitler. As we shall see this oath did not stop the top officers of the Army from conspiring to overthrow Hitler even as early as 1938.

Goebbels, the chief of the Ministry of Propaganda, could always feel which way the wind was blowing and in 1933 his propaganda machinery began to promote national capitalism complete with film of his family at their huge new estate living the good life surrounded by servants. But Goebbels' pollsters and intelligence agents were honest enough to tell him that his popularity was tumbling as a result, so he refrained from further showing of his grand living style on the propaganda reels. But he did not actually return to Spartan living until the Second World War began. Hitler continued his simple life style but clearly he was not adverse to other top leaders living lavishly and many of them did, Goering being the most ostentatious and becoming ever more so as his resources increased, even during the war.

National Capitalism Works

In 1933 Hitler appointed Dr. Hjalmar Schacht to direct the economy. Schacht was a leading capitalist (a former president of the Reichsbank) but his ideas were so radical that no previous capitalist



An unofficial photograph of Adolph Hitler being greeted by his people. As with Napoleon, Hitler was enormously popular with the masses.

government had been courageous enough to try them. Hitler admitted to little economic understanding and so was willing to give Schacht a free hand, except in the area of labor relations. Schacht's experiment worked as did National Socialist labor policy and by 1937, despite the ongoing world depression, Germany was operating at full employment and was actually importing labor from neighboring countries.

In 1938 Hitler demanded a major increase in military spending and Schacht resigned claiming (wrongly as it turned out) that this would interfere with Germany's economic recovery. Hitler thereupon parceled out control of the economy to several leaders with Goering getting the largest chunk. And soon thereafter Goering was also appointed Hitler's successor as leader of the NSDAP and of Germany upon the death or resignation of the Fuehrer.

Goering Ascendant

In the days before the assumption of power Goering had been a brilliant, energetic organizer and speaker despite his eccentricities (such as his penchant for outlandish dress and facial makeup.) But he had to constantly do battle with morphine and he was in and out of addiction. His original addiction stemmed from treatment for a war wound in World War I when he was a top fighter ace and head of the famous Flying Circus, Germany's best fighter squadron. It is clear that part of Goering's ineffectiveness in World War II was due to his drug addiction. But Goering was also corrupt. He believed in national capitalism rather than national socialism as the former better served his own self-interest. He was at root a materialist and a hedonist.

During the rise to power Goering was constantly handing Hitler large

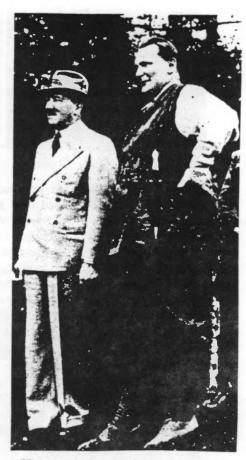
sums of cash. The latter apparently believed that these were gifts from Goering's rich wife. In fact most were contributions from rich capitalists who were hedging their bets and who sought to purchase influence with Goering, and through him with Hitler. The contributions paid off for these capitalists as Goering was later able to dole out tremendously profitable government contracts to his friends, and they in turn rewarded him with a cut of the action.

Goering became so friendly with the big internationalist capitalists that at the end of the war he actually believed that they would pull strings and save him from prosecution at the Nuremberg war crimes trials. When they did not he dragged himself together and performed with his old dynamism at the show trial and then committed suicide.

Malevolent Influence

After coming to power Hitler was ever grateful to Goering and relied upon his advice, both political and military. Only Himmler had similar influence with Hitler. Himmler did not mind leaving wealth and economic power in the hands of the aristocrats and capitalists as long as his SS possessed the political power. Indeed, the corruption of the capitalist leaders would only make his idealistic religious-like order look better and more necessary. Indeed it was Himmler who finally undermined the plans of his fellow Nordicist Agriculture Minister Walther Darre in regard to land reform, forcing the latter's retirement.

Darre wanted to redistribute Junker lands to the German peasantry, but Hitler refused as he was not willing to make enemies of the aristocrats. So when Poland was conquered in 1939 Darre proposed a



Hitler with Goering in costume. Otto Wagener claimed that Goering referred to himself as a national capitalist.

plan by which farmland in western Poland would be distributed to German peasants. Himmler stepped in to convince Hitler that the Junkers should be allowed to establish huge farms there using large amounts of chemical fertilizers to win the "Battle of Production." Darre had also championed organic farming and so had angered the chemical companies as well as the Junkers. Darre argued that small peasantowned farms run organically would produce more in the long run than large farms using chemical fertilizer and operated by salaried employees. Hitler sided with Himmler over Darre and moved the latter to a secondary post refusing to allow him

to resign as his popularity amongst farmers was very great.

False Hopes

Hitler's attitude was that through moderation, propaganda and education, and the force of his will he could end class-consciousness in Germany and get the old leadership class to commit to the new National Socialist order. And the Junkers and industrialists went along with the program, at least ostensibly. In reality they were just biding their time, awaiting an opportunity to overthrow National Socialism and restore "legitimate" government, that being oligarchic rule.

After the war it was revealed that in 1938 the Chief of the German General Staff, General Ludwig von Beck, organized a conspiracy to topple Hitler in the event that one of his foreign policy manuevers went awry, for example if the Allies opposed the dismemberment of Czechoslovakia or the incorporation of its rump state into the Reich. But everything went right for Hitler and wrong for the Junkers.

Later conspiracies were organized by General Franz von Halder, Beck's successor, and by Dr. Goerdeler and others. At one point or another during World War II almost all of the top army leaders were approached by the conspirators. Most generals refused to participate on the grounds that such a move against Hitler would lead to civil war with the Waffen SS, and furthermore that they could not rely on the loyalty of their own troops and younger officers who were pro-National Socialist. Some, such as Guderian, even realized that it was Germany as well as National Socialism that the Allies wanted to destroy and that there would be no change in the demand for unconditional surrender even if the coup

succeeded.

It is important to note that none of the officers who were approached ever reported the meeting to the proper authorities even though it was obvious that treason was being discussed. Himmler picked up whiffs and strands of these plans but could never put them together despite the large number of people approached until the attempted assassination of Hitler in July of 1944.

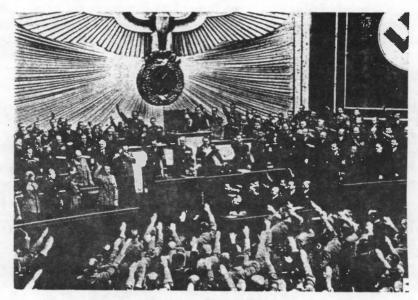
Out of his Element

Hitler never trusted the Junker officer corps and this mistrust led him into his worst blunders. Hitler's leadership style was to make an overall policy decision and then to give his subordinates a free hand in its execution, particularly where they had a special expertise. Albrecht Speer tells us that in his first interview with Chancellor Hitler the latter's desk was clean of everything except a pistol he was cleaning. Hitler did not like to bog himself down with paperwork or detailed decisionmaking. But during the war

Hitler's style changed completely because he felt he was not getting either honest or competent advice from his generals, and in many cases he was right. His chief advisor, Chief of the Army General Staff Halder, was especially suspect.

Further, Hitler was a gifted amateur when it came to military affairs and his instincts were often better than the calculations of his generals. For example, he backed the development of Heinz Guderian's panzer corps over the objections of the General Staff and he backed General Erich von Manstein's risky plan for the 1940 invasion of France again over the objections of the General Staff. But Hitler's study of the military art was not thoroughgoing, nor did he have any operational experience. In the end he was a military amateur, not a professional.

His role should have been confined to political policy and grand strategy where he had proven himself superb. But the more he came to distrust his officers the more he



Address to the Reichstag after the Munich triumph. If this or any other foreign policy initiative had failed the Junker generals would have launched a coup against Hitler and National Socialism.

came to interfere in military operations. By 1942 he was immersed in the details of the war, sometimes even issuing orders for the movement of regiments. No unit could take a step backward without his personal permission so most disintegrated under attack instead.

Hitler had available to him several extraordinary strategists who could have managed the war far better than he if given enough room to exercise their initiative, men such as von Manstein, Guderian and Rommel. But the political struggle with the Junkers drew Hitler out of his element and prevented him from extending the necessary measure of trust. The result was a vast, horrendous and perhaps avoidable miltary disaster for Germany, and the end of the National Socialist Revolution.

The Half-Revolution

Hitler's wartime dilemma stemmed directly from his decision to support the national capitalists over the national socialists in the Party. He was too much of a practical politician for his own good. Certainly his flexibility and practicality were large factors in the rapidity of the NSDAP's rise to power, but the

short term exigencies of politics led Hitler down the wrong path to a half-baked revolution.

If Hitler had adopted the program of the national socialists of the Party then the Junkers and the capitalists would have been stripped of their wealth and power and a new order with completely new attitudes and a pure spirit could have been built off a clean slate without compromise and concession, and without internal division and mistrust.

But was this possible considering Hitler's legal ascension to power and his unstable political base in the early period of the Third Reich? Certainly Hitler would have had to tread carefully in the early years and the hotheads (such as Roehm) would have to have been shunted aside while the military power and training of the SA (2,000,000 strong in 1933) and SS were built up in a professional manner.

The Army could have been kept within the Versailles Treaty limits (100,000 strong) in order to emasculate Junker power and alay the fears of the Allies, and eventually it could be disbanded. This approach would have meant that Hitler could not have engaged in any foreign policy

adventures while the new military officers of the SA and SS were being trained. It would take ten to fifteen years for the SA and SS to develop a professional military officer corps trained along German General Staff lines, but in the end the military would have been politically reliable (in the fashion of Mao's Red Army or Ho Chi Minh's Viet Minh Army.) With such an army and such a revolutionary political structure a National Socialist leader could then have ventured on a foreign policy risking war knowing that his people and institutions were united and thoroughly organized for the ultimate struggle.

In other words, the domestic revolution had to be consolidated before, not after, Germany launched out on its foreign agenda. The reverse priority could only prove to be a disaster considering the formidable strength of Germany's potential enemies.

The final part of this article on Class Struggle and the Decline of Nations will appear in the next issue of The Nationalist.

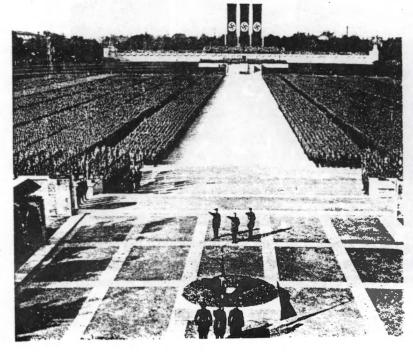


Photo from the 1934 NSDAP Party Day Rally at Nuremberg which was dramatized by Leni Riefenstahl's still famous documentary film Triumph of the Will.