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## **Eugen Varga: World Economics at the End of 1925.**

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## An Estimate of the Latest Events in China.

By Karl Radek.

The conflict of the Soviet Union with Chang-Tso-Lin over the Eastern Chinese railway is one of the results of the acute situation of China at home and abroad, a situation which has been brought about by the first wave of the Chinese revolution and commenced with the events of Shanghai on the 30th of May 1925.

The events of Shanghai, which have set in motion millions of Chinese workers and petty bourgeois, have aroused the desire in the English bourgeoisie who suffered most as a result of the revolutionary wave, to find counter-revolutionary forces at any price in China, to make unnecessary an open intervention and to quieten the mass of the people. The English diplomacy began to look for coming to terms with Chang-Tso-Lin, the military governor of Manchuria, in spite of the fact that he, owing to his friendship with Japan, is a representative of Japanese interests in China. Chang-Tso-Lin decided to profit from the situation, in fact to prove his ability to crush the Chinese revolution, whereby he hoped that he would succeed in this way to remove the distrust which the American bourgeoisie held against him because he was so much bound up with Japanese imperialism.

Chang-Tso-Lin directed his troops against Shanghai, occupied himself with the destruction of workers' organisations and ordered demonstrators to be shot in Tientsin. By this means

he offered the military governors of Central China who, led by General Wu Pei Fu, had been beaten by him in the Autumn 1924 the possibility of striking his army on the flank. The troops of Chang-Tso-Lin, finding themselves a long way from their base of Manchuria, had to retreat and suffered considerable losses on the way. This undermined the authority of Chang-Tso-Lin in the eyes of his own generals and led to the rising of General Kuo-Sung-Lin, the former Chief of Staff of Chang-Tso-Lin's troops. The rising of Kuo-Sung-Lin was not so much a proof of the influence of the national movement on the Manchurian troops as a result of the fact that part of the generals of Chang-Tso-Lin had become convinced that the means which the base in Manchuria offered, were not sufficient for a military clique, with its base in Manchuria, to play a rôle in the whole of China. Chang-Tso-Lin was beaten by the troops of Kuo-Sung-Lin and compelled to fly from Mukden; but this called forth the intervention of Japanese imperialism.

Before the Japanese imperialists the question arose of their future influence in South Manchuria which was completely in the hands of a financial clique which was in connection with the South Manchurian railway. The Japanese knew very well, that Kuo-Sung-Lin was no revolutionary, but they held the view that the Manchurian generals, after having weakened their forces in fighting each other would be compelled, after the overthrow of

Chang-Tso-Lin, to make concessions to the workers and tradesmen and to look for a closer connection with the people's army, which was led by General Feng Yu Hsiang.

In addition to this in the decision of Japan, to support Chang-Tso-Lin, that fact played a part to which some newspapers in Shanghai made reference:

"Some days ago a Shanghai newspaper reported that Japanese capitalists, in the event of the depreciation of Chang-Tso-Lin's money, would lose 60 million Mexican dollars. Yesterday the Shanghai newspapers published the information from Mukden that immediately after the defeat of Kuo-Sung-Lin, Chang-Tso-Lin's money rose in value. These Japanese capitalists, who in the case of a defeat of Chang-Tso-Lin would have suffered a loss of 60 million Mexican dollars, found that it would be worth while making the attempt to support Chang-Tso-Lin. They had enough influence in Tokio to compel the Japanese government to forward fighting forces to Manchuria. How many Japanese troops have been sent in the last weeks to Manchuria is unknown. The Japanese claim that the number of their troops were only brought up to the normal strength, that is 8000, but an American who knows the situation in this district very well, affirms that there are now 20,000 Japanese soldiers in Manchuria." (China Weekly Review, 2nd January 1926.)

The intervention of Japan in Manchurian affairs consisted not only in sending troops to Manchuria. Along with the constant outcry about their neutrality the Japanese did not only refuse to allow the troops of Kuo-Sung-Lin to use the South Manchurian railway, but even forbade them to fight in the neighbourhood of the railway line. In addition to that, there is no doubt, that Japanese spies bribed Kuo-Sung-Lin's followers and by this means delivered him into the hands of Chang-Tso-Lin.

"The mysterious arrest and shooting of Kuo-Sung-Lin through officers of Chang-Tso-Lin and the unexpected going over of a portion of Kuo-Sung-Lin's officers to the side of Chang-Tso-Lin can be explained in no other way than through the work of Japanese spies and money."

writes the above mentioned Shanghai Weekly Review.

At the present time fighting is going on between parts of Chang-Tso-Lin troops and a part of the people's army, which had supported Kuo-Sung-Lin. Also in this fight Chang-Tso-Lin receives the support of Japan, which is aiming at the liquidation of the people's army in order to pave the way for the restoration of Chang-Tso-Lin's influence in the provinces of Tchili and Shantung.

In the province of Tchili is the capital of China, Peking. Whoever rules in Peking, holds in his hands the representation of China against foreign powers. The province of Shantung which by the Conference of Versailles in the year 1919 had been given over to Japan, was taken away from Japanese imperialism by the Conference of Washington in the year 1922. Japanese imperialism evacuated Shantung only because there remained troops of an agent of Chang Tso Lin and through that Japanese interests were actually secured.

In order that Chang-Tso-Lin again takes possession of the provinces of Tchili and Shantung, a concentration of all his fighting forces in the South is necessary. For this purpose he considered it necessary to take possession of the East China railway in order to show a firm hand to the Soviet Union. The official representative of Japan in Mukden gave Chang-Tso-Lin the fullest support in this matter. The evasions of the Japanese Foreign Ministry, which was asked on account of the contradiction between the attitude of Japan's representative in Mukden and the official "neutral" attitude taken up by the Japanese government, cannot remove the facts, that Chang-Tso-Lin really received Japan's help. Whether this contradiction is to be explained by independent actions of Japanese diplomatic and military agents who are in Manchuria, by a difference of opinion between the policy of the government and of the military circles or by a usual diplomatic hypocrisy, is difficult to find out.

The policy of Chang-Tso-Lin and the Japanese militarists in Mukden has found the full support of English diplomacy. The English imperialist press, which stands in close connection with the Foreign Office, as for example the "Daily Telegraph", discusses quite openly, that negotiations over an understanding between Chang-Tso-Lin and Wu-Pei-Fu have commenced for common actions against the people's army. By that the programme is realised which in the London "Times" has been suggested several months ago by a well-informed collaborator in which he pointed

out, that if the efforts in bringing about an understanding between Chang-Tso-Lin and Wu-Pei-Fu were successful it would also be possible to force North and Central China into the mailed fist, after which it would be easy to have done with the revolutionary South China, where the English, as is known, have suffered in recent years the greatest disasters.

The English government has obviously decided to proceed not from the South but from the North. After their hopes of a victory over the revolutionary Canton, by means of the support of the counter revolutionary general Tcheng-Tchu-Men, have been shattered, it has obviously become convinced that the position in the South could only be changed by a decisive victory of the counter revolution in the North. Hence the attempts to bring about an understanding between Chang-Tso-Lin and Wu-Pei-Fu, and the attempts to take the people's army between two fires. At the same time the English government has sent a very authoritative delegation to Peking which is supposed to win the sympathies of public opinion in China.

The campaign, which has been organised by international imperialism against the Soviet Union on account of the firm position which the Soviet government has taken up against the occupation of the East Chinese railway by Chang-Tso-Lin, is one of the means of mobilising the counter-revolutionary forces in China. For if the Soviet Union does not appear an enemy of the Chinese people, to whom shall it look for help against European imperialism?

We shall not here investigate the reproaches which the innocent youths of the imperialist press raise against the Soviet Union. If the fact that the Soviet Union did not hasten to the assistance of Chang-Tso-Lin in his preparation for fighting the people's army, is imperialism, then we confess that we are imperialists. But we are convinced that the mass of the Chinese people and the intellectuals of China will be grateful to the Soviet Union that it has not allied itself with Tchang-Tso-Lin.

From the political standpoint it is of greater value to take into account two other items of the whole international campaign which is conducted on account of the conflict of the East China Railway:

1. The first item is the role of Japan. Japan, in order to maintain its power in South Manchuria, gave support to the end to the enemy of the Chinese working and peasant masses, Chang-Tso-Lin. Will Japan succeed in saving Chang-Tso-Lin? This is less probable. After the rising of Kuo-Sung-Lin he is now weaker than he was formerly, as he had to destroy a part of his own army. The more he uses up his forces in the fight against the people's army the weaker he will become in Manchuria. But if it is doubtful whether Japan will succeed in saving Chang-Tso-Lin, there is, at any rate, no doubt that Japan in the eyes of the Chinese workers and peasants carries the full responsibility for Chang-Tso-Lin's regime and for the attempt to extend this regime to territories south of the Great Wall.

2. In her efforts to bring about an understanding between Chang-Tso-Lin and Wu-Pei-Fu, England, by this means, strengthens Japanese influence in China. Whether the United States will give their agreement, only the future will tell. The agreement would mean nothing more nor less than a renunciation by the United States of America of an independent policy in China, which does not arouse such a strong opposition on the part of the mass of the Chinese people as that, aroused by the policy of Japan and England, the chief representatives of the regime of diplomatic privileges and the partition of China into spheres of influence.

## POLITICS

### Storm Signals for American Labour

By Wm. F. Dunne.

A number of recent events to which the capitalist press devotes much space calls for the special attention of our class. Even if considered separately they are of tremendous importance as indicating the express train speed with which foreign policy, because of the rapid rise of the United States as an imperialist nation since the world war, is coming to dominate all other questions of State.

For the trade unions, the organised and therefore most powerful section of the working class, to continue to adopt an ostrich-like attitude toward events which point unerringly to new

wars of conquest to be waged in behalf of the American plunder-bund, and for which the unions will be mobilised after being castrated and made into eunuch-like organisations of cannon-fodder, is to court disaster. It is precisely because imperialism presents new problems for the trade unions in their daily struggles that a thorough understanding of the meaning of new developments is necessary, as well as a strategy and tactics based on the needs of the new situation.

The class peace policy of the American trade union bureaucracy, its denial of the class struggle and its entry into the field of insurance and banking, is a direct consequence of America's premier imperialist position, whether the masses of the membership know it or not.

The hostile attitude of the A. F. of L. officialdom towards Soviet Russia, its expulsion policy directed against the Communists and the left wing in general, statements by President Green before chambers of commerce to the effect that "American labour has accepted the existing order, there is no room for class hatred or the class struggle in America", the opposition of the bureaucrats to the drive for world trade union unity, all of these things have the closest connection with such events as the following:

1. Hoover's warning to other governments — categorical statements that the United States will tolerate no monopolies or foreign government subsidies of raw materials such as rubber, sisal, nitrates, potash, iodine, quicksilver, tin, silk, etc.

2. The joint bill just introduced by Senator Capper and Representative Johnson providing for the automatic establishment of a military dictatorship in the event of war or a "national emergency". It gives the president power to draft all necessary man-power and to "control" materials. The bill is endorsed by the war department and the American Legion and receives the support of the most influential capitalist journals.

3. The steady propaganda for the World Court and the majority of the senate favouring the entry of the United States into this body.

4. The systematic boosting of the Locarno pact as an instrument for permanent peace.

5. Wall Street inspired hostility to the Mexican land law and the coincidence of another counter-revolution in Mexico just at the time when American imperialists are threatening Mexico again.

6. The public denunciation of the Reuter news agency by agents of American imperialism in China as a British propaganda agency engaged systematically in creating suspicion of America's purpose in China.

7. The announcement of an agreement reached between the railway brotherhoods, the government and the railway capitalists which will make strikes impossible and which in fact outlaws them.

8. A modification of the class peace scheme of the brotherhood bureaucracy proposed for the anthracite miners by John L. Lewis providing for a joint efficiency commission, a "no-strike" board with the majority appointed by ex-secretary of state Hughes and a five year contract.

Only the most important incidents of the last two weeks have been listed and it will be noticed that of the eight cited, five have to do with foreign relations and only three with internal affairs.

But the three domestic events — the introduction of the Capper-Johnson bill and the peace pacts between organised railway and mine workers and the railway and coal capitalists and the government — are of primary importance in that they express two entirely different but inseparable results for the labour movement at home of an imperialist foreign policy.

The five other events are surface signs of the inescapable contradictions in a capitalist society which is in its final stage — imperialism, a period of wars and revolutions. They represent the reactions to, the attempts to solve these contradictions on the part of the American imperialists, their spokesmen and their instrument — the American government.

These signs are characteristic in that they combine the two tactics by which imperialism proceeds in this epoch — gestures of peace and open or disguised threats of reprisals.

Affiliation to the world court and the praise of the Locarno pact are peace gestures — hypocritical gestures, it is true. The threats of Hoover, Morgan's secretary of Commerce, the brow-beating of Mexico, the rift over Reuter's activities in China, are war gestures. Peace manoeuvres are designed to create confusion in the ranks of imperialist opponents (while strengthening the

imperialist front against Soviet Russia) war gestures are for reminding them that behind the gestures of peace lies the will to use force to the utmost.

The same tactics are used in the class struggle. Towards the workers both peace gestures and threats of war, open or covert, are made.

The Capper-Johnson bill is a war threat against the workers (it kills two birds with one stone, however), it shows the war-like determination of American imperialism to both the rival imperialist nations and the American working class.

The agreement between the railways, the government and the railway brotherhoods, the Lewis proposal, like the Locarno pact, are peace gestures but they have the kindred and sinister purpose of demoralising the workers of these unions, by higher wages and security of employment, etc., destroying their class connection and interest with the less privileged sections of the working class. This tactic, like that of militarisation of the population, as seen in the Capper-Johnson bill, is characteristic of imperialist methods.

Under imperialism not only are certain sections of the labour movement debauched and preparations made for bloody wars of conquest but these wars are directed against both imperialist rivals and the workers and peasants of the colonial and semi-colonial regions.

The American and British soldiery in China are not shooting one another as yet but — they are butchering the Chinese workers, peasants and students in the interests of their imperialist bosses.

With Mexico also we are nominally at peace.

But the demands of Wall Street upon Mexico become more and more insistent. Abandoning its recent previous policy of private conferences and agreements with Mexican officials, Wall Street now works directly and openly through the state department.

American imperialism is following its traditional policy in Mexico — a two-sided policy of bringing pressure on Mexican governments from outside, by threats of withholding or withdrawing recognition if objectionable laws relating to the disposal of natural resources are passed, and of encouraging or actually organising reactionary revolts against the offending government.

We come next to the recent activities of the versatile Herbert Hoover — he whose charitable instincts did not prevent his snooping into the intimate affairs of all the governments to whose aid he came as administrator of the food supply during the war. The knowledge thus gained he utilises now for the advancement of the interests of his masters — the house of Morgan and the industrial lords who make up its retinue.

Hoover, as secretary of commerce, has developed a great dislike, amounting to aversion, for monopolies; not for American monopolies, which are wise and generous, but for "foreign" monopolies. Foreign monopolies are bad, according to the Hooverian theory, because they are subsidised by the governments of other nations.

Not only does the department of commerce threaten to deprive nations whose governments aid industrial monopolies in the materials American imperialism wants to purchase at its own price, but the departments of state and commerce acting together shut off all loans to foreign capitalists who are aided by their governments.

What is it that American imperialism demands from its rivals and the weak colonial and semi-colonial countries from which most of the raw materials Hoover mentions are obtained?

Let Hoover answer:

"I believe the solution lies in the willingness of statesmen through the world to recognise the consequences of Government controlled production and price, and to meet the issue in the only way it can be met, that is, by abandonment of all such Government action. (Current History for December. — Emphasis mine-W. F. D.)

The wealth and power of American industry, not damaged but given a new impetus by the world war, makes it possible for it to prosper without direct government subsidies. (Only in shipping where British competition is still met does the subsidy question arise.) No other great nation has an industry capable of this.

American finance-capital holds mortgages on the other nations and they must come to it for the needed loans. The American government does not subsidise the American monopolies but back of them stands the full power of the American

imperialist government — its departments of state and commerce and if economic pressure fails — its army and navy.

If the withdrawal of all subsidies to industrial enterprises whose products American imperialism buys, can be forced, then the American imperialists have the whole capitalist world at their mercy.

No such arrogant and sweeping ultimatum ever has been delivered before. It is given now because American imperialism feels itself strong enough to demand entry, on nothing less than an equal basis, to those colonial regions controlled by rival imperialists — Great Britain in particular. Let the other governments be forced to withdraw their subsidies to the special industries whose commodities Wall Street covets, and together with the enslaved workers and colonials who produce them, they will pass rapidly into the clutches of American imperialism. **American imperialism drives for world hegemony.** It has much but it wants it all.

**Increasing activity in China** under the slogan of the "Open Door", the financial and military penetration of Mexico, Central and South America, Cuba and Haiti, under the aegis of the Monroe Doctrine, to the almost complete exclusion of other nations, and now the attempt to dictate the economic policies of all other governments expressed in Hoover's ultimatum, together with the dominant position of American imperialism in the field of international finance, show that the American imperialism complies in all these respects to the methods of expansion as set forth by Lenin.

Whole sections of the American labour movement are sharing in the super-profits of American imperialism.

The rise of "labour" banking and "labour" insurance enterprises is coincident with the increasing domination of American imperialism.

Beginning in 1920 with the establishment of the Brotherhood of Locomotive Engineers' bank, on June 30, 1925, there were listed 35 "labour" banks with total resources of over \$100,000,000. Most of these banks are organised by the bureaucracies of unions composed of decisive sections of the workers — notably among the railway organisations, engineers, firemen, conductors, trainmen, machinists, railway carmen, clerks and freight-handlers, coal miners, etc.

Side by side with this method of debauching sections of the workers who occupy strategic positions in American industry, goes the extension of the B. and O. Plan and other company union schemes.

The needle trades unions have also established their own banks.

The most cordial welcome is extended to these enterprises by the capitalist press.

"Labour" insurance, another effective method of bribing the labour aristocracy, has been urged upon the labour movement for some time but at the Atlantic City convention of the American Federation of Labour, it received the endorsement of that body.

Speaking to the convention of the International Ladies Garment Workers union last November, **Matthew Woll**, one of the vice-presidents of the A. F. of L. urged the entry of the union into the enterprise and stated that a national insurance company already had been formed by the heads of some fifty unions.

American imperialism has corrupted a large section of the organised workers. It has divided the labour movement. It has been urged on to this task by the increasing imperialist antagonisms — some of which we have pointed out.

The division of the labour movement by class collaboration schemes, the growing arrogance of the American imperialists producing strained relations with other groups of robbers, the militarisation of the whole working class — these are signals which the masses cannot afford not to notice and interpret correctly as warnings to extend and consolidate the labour movement, give it political understanding and direction and drive from power the bureaucratic agents of imperialism in the unions.

Although the imperialists denounce the class struggle and their bureaucrats betray it, the exigencies of imperialist policy, at home and abroad, force the sharpening of the struggle.

In the anthracite coal industry, 150,000 miners have been on strike since September 1st. The bureaucracy had kept the maintenance men at work and sabotaged the strike but now the grievance committee of District One — the largest and most important district — has demanded the withdrawal of all maintenance men. This, in the face of the supine attitude of the officialdom and its stultid attempts to make the strike a mere "withdrawal of labour", is an indication of the basic soundness

of this important section of the organised labour movement. In the railroad industry, particularly among the shopmen, boilermakers, maintenance of wayworkers, blacksmiths, machinists, car repairers, clerks and freight-handlers, electricians — there are evidences of a new resentment against the capitalists and concern over the small percentage of organisation maintained since the disastrous betrayal of the strike of 1922.

There is a strong sentiment for a campaign to **organise the unorganised** and for a general wage increase.

In addition there are a number of anti-administration movements crystallising in such unions as the **Telegraphers, Clerks and Freight-Handlers, Trainmen**, etc. As yet these movements of the rank and file are formless and without any concrete direction expressing themselves either in tendency toward secession movements or organisational resistance to the bureaucracy within the union.

These movements of the rank and file of the unions must be organised around such basic issues as they will fight for and the process of building a broad resistance to the labour agents of imperialism in the unions begun. Out of the elementary struggles, energetic and careful work will first very gradually and then with increasing speed, organise a powerful proletarian army which cannot be debauched and demoralised.

## German Social Democracy and the Plebiscite Movement.

By Th. Neubauer (Berlin).

The party leaders and the party bureaucracy of German Social Democracy are in an extremely awkward situation; quite against their own will they are obliged to help in revolutionising the masses.

For six weeks they had fought with all means and methods at their disposal against the communist proposal to confiscate the property of the princes without compensation, they had described it as "the clamour of agitators", as "impossible in practice", as "injurious demagoguery" etc. For six weeks they had clung to the democratic proposal which aimed at a "just indemnification" of the princes, and which in reality is nothing but a former social democratic proposal. Then "hell broke loose" on them; the will of the masses which had been roused by the communists, the pressure of the social democratic members, forced the party leaders and the party bureaucracy to change their attitude completely, forced them to abandon the democratic proposal for indemnification and to support the communist proposal for confiscation and the movement in favour of a plebiscite.

In order clearly to understand the significance of this right-about turn, we must bear in mind that in Saxony, Social Democracy forms a coalition with the Democrats and the People's Party, that in Prussia it forms a coalition with the Democrats and the Centre and that throughout the country it has become the "silent" supporting party of the Luther Government. In the question of the plebiscite however it had to take the side of the Communists; indeed it had publicly to acknowledge the leadership of the Communists.

Social Democracy thus finds itself entangled in contradictions, from which of course it hopes to escape as soon as possible. Surely no one will believe that a miracle has happened and that the counter-revolutionaries, Wels, Müller, Hilferding, Scheidemann have turned into thorough-going revolutionaries in a single night. Once more, as Wels openly expressed it on another occasion, they have only placed themselves at the head of the movement, in order at the appropriate moment, to cut off its head. Until that time they console themselves with the thought that the great campaign against the monarchist movement which has taken hold of the broad masses, may help them to make their unyielding partner in the coalition, the Stressemann People's party, pliable enough to offer the social democrats better conditions for their share in the great coalition. Even to-day, they calculate positively that — thanks to the Terror which the agrarians are practising in the country — the masses will not be able to raise the 20 million votes required for a victorious plebiscite and want, in the meantime, to forge their second weapon, the coalition, in the fire of the mass movement. These are the very transparent political speculations of the social democratic leaders.

The party leaders and bureaucracy of the SP. of Germany regard the present situation, in which they are obliged to take their stand by the side of the communists, both in regard to their past and also in view of the immediate future, as something quite unnatural. Is it not a curious fact that they should do to-day that which they did not do in 1918, when they were in full possession of political power, i. e. expropriate the princes?!

When, in 1918, the Workers' and Soldiers' Soviet in Lippe-**Detmold** wished to expropriate the deposed prince, the people's deputy **Ebert** wrote him, under instructions from the social democratic National Government, on December 5th 1918:

"The question whether the property of the former Prince of Schaumburg-Lippe in Lippe **Detmold** are the private property of his family, ... is a legal question, the decision of which must be left to the courts of law in question (the old, reactionary, monarchist courts!)."

A few days later, the National Government wrote to the same Workers' and Soldiers' Soviet:

"We would call the attention of the People's and Soldiers' Soviet to the fact that attacks on private property (that of the princes) are against the law."

When the People's Council of the petty Thuringian State **Reuss** wished to expropriate its former prince without compensation, the social democrat **Dr. David**, at that time Minister of the Interior, wrote as follows on July 28th 1919, under instructions from the National Government which consisted mainly of social democrats:

"The National Government is not in a position to act on this suggestion, as it cannot propose a law to the National Assembly, the purport of which is not in harmony with the fundamental ideas of the future constitution of the German State."

The social democratic National Government also maintained this point of view against the Diet of **Gotha** which consisted mainly of independent social democrats. The Diet had decided on a law according to which the duke, an English prince, was to be expropriated without compensation. The National Government under the social democratic Chancellor **Bauer**, consisting mainly of social democrats, sent a national executive body to **Gotha**, deposed the Independent Government and dispersed the Diet.

In all the other States, the social democratic revolutionary governments chose the way of "peaceful arrangement" with the "fathers of their people" who had abdicated.

In **Prussia**, four days after the 9th of November 1918, the people's deputies **Hirsch**, **Ströbel**, **Braun**, **Ernst**, **Rosenfeld**, **Adolf Hoffmann** issued a decree which shunted the "arrangement" on to the sidetrack of legal justice. The Prussian Minister of Justice, the Social Democrat **Wolfgang Heine**, wrote on January 22nd 1919:

"According to the principles announced by the Prussian Government, according to which attacks may not be made on private property, expert opinion with regard to arrangements for the rights of property must be based on the premiss that in such arrangements the Royal House and its members retain their private property."

The social democrats **Südekum** and **Lüdemann** as Prussian Ministers in 1920 presented an agreement to the Landtag which intended to adjudicate property to the value of more than 500 million marks to **Wilhelm II** who had fled the country; at that time even the social democratic majority in the Landtag rejected this proposal as unacceptable.

In **Brunswick**, the purely social democratic **Jasper** Government laid a proposal with regard to an agreement with the former ducal house before the Landtag; it was rejected by the social democratic majority in the Landtag but was taken up again after new election had been held, by the bourgeois Right Government, and passed into law by the bourgeois majority in the Landtag!

These social democratic "practical politicians" were at that time very proud of their success in the questions of arrangements. But one fine day the princes came along with claims that their property should be valorised, the agreements annulled etc. In **Schwarzburg** for instance the princely weirs obtained a verdict according to which the whole of the State domains and forests, i. e. a quarter of the whole territory was to belong to them! In **Sachsen-Weimar** again, the dowager Grand Duchess obtained a valorisation of her annual allowance up to 1400%.

whilst persons who had saved small sums received, according to the law for re-establishing the currency 12.5—15%. Thereupon princes and princesses, dukes and their mistresses came with their claims and proved to the social democratic "statesmen" the real value of their "practical politics".

Now, at any rate, the amount of the demands of the princes is fixed. There are still many gaps in the summary and it is by no means final, but nevertheless the following facts are evident: the deposed German princes lay a claim through the right of ownership to 500,000 hectares of agricultural property to the value of 100 million marks. In addition more than 100 palaces and castles to the value of about 500 million, productive land — 200 million, annual income and indemnities — 100 million, art treasures, gold and silver — 500 million, capital — at least 300 million. Altogether 2600 million marks! More than three times the Dawes loan! All this the social democratic leaders would have left to the grasping princes if the communists had not stirred up the masses by their proposal of confiscation!

Now the bourgeois parties are using the opinions expressed by the social democrats in former times against the S. P. of Germany and hold before its nose the words of the former social democratic Minister of Justice **Wolfgang Heine**, who, as the paid advocate of the deposed Grand Duke of Mecklenburg defended the interests of this "father of his people" against the State, in the following words:

"The revolution must retain the large-minded character of a transformation of the State and of society; it must not sink to the level of personal quarrels and personal injuries. The leap from the throne, to the life of a private individual is a very high one and very painful, but it is inevitable. We must not poison this painful wound by placing the dethroned princes in a financial position which seems to them and many of their former subjects to be a degradation."

The German working class must not forget such servile words. In listening to the present-day radical speeches of the social democrats, if it will protect itself against further bitter disillusionments. For the inherent character of the party bureaucracy of the S. P. of Germany not only decides on the continuation of this past but also on the political prospects for the future.

The slogan: Not a farthing to the princes! has found such a quick and loud echo among the mass of the population, because the German economic crisis has reached a degree of intensity in which the dull passivity of the masses is once more turning into open revolt. Three million unemployed and hundreds of thousands of short time workers, in addition miserable wages and provocative starvation allowances, a terrible increase of prices and enormous pressure of taxation — these stimulate the masses to rebellion. The petty bourgeoisie however both in town and country, is also suffering severely under the present crisis. This multitude was filled with righteous indignation when it heard of the monstrous demands of the princes.

The bourgeoisie is beginning more and more plainly to attempt to sabotage the plebiscite; the possessing class must show its colours more and more openly; each of its acts may help to disillusion the masses as to the "advantages" which they may expect from the "democratic" system. Today the bourgeoisie can still use the pretext of legal doubts with regard to the plebiscite. But the more this mass movement spreads, the more the real character of this fight on the part of the bourgeoisie also is revealed, the character of a fight for power. Once the masses have entered into this fight for power, the battle-field will of course not remain limited to the expropriation of the princely parasites, but will be however in keeping with the strength of the mass movement. This however is the prospect of which social democracy is in deadly terror!

## The Meeting of Briand and Chamberlain and the Postponement of the Disarmament Conference.

By G. Peri (Paris).

In the last week of January the French Prime Minister and Foreign Minister **Briand** and Chamberlain, the British Minister for Foreign Affairs, met in the French Foreign Office for a detailed discussion. Both Foreign Ministers expressed their opinions on three important questions of international politics.

1. As to the date of the meeting of the preparatory commission for the Disarmament Conference. They invited Sir Eric Drummond, the General Secretary of the League of Nations to join their discussions on this question.

2. As to the disarmament of Germany and the conclusions in the report of the interallied Military Control Commission.

3. As to the strength of the allied troops of occupation in the Rhine district.

It is further reported that Briand used the signing of the agreement between Great Britain and Italy, as to Italy's debts to Great Britain, as an opportunity for bringing up the question of France's debts.

In any case the three first questions are the most important in these discussions. They only need to be enumerated for us to appreciate their significance and to realise that they endanger the whole policy of Locarno.

The victors of Versailles had determined by hook or by crook partially to disarm Germany. That part of the regulations of the treaty which refers to the clauses regarding the air force and the army, begins with the words: "In order to make preparations for a general limitation of armaments in all countries possible, Germany undertakes to observe the following clauses with regard to her army, navy and air force."

According therefore to the letter of the treaty, the disarming of Germany should have been the prelude to general disarmament. We know what has happened to this clause. The victors, with imperialist France at their head, have indulged in the most fantastic interpretations of the Treaty of Versailles. Whilst increasing their own armaments, they left defeated Germany unarmed. In this respect they were faithful to the leading idea of their policy; the idea of completely annihilating, encircling and dismembering Germany. Nevertheless a breach was made in some of the clauses of Versailles. Germany was given permission to maintain an anti-revolutionary army, and the formation of a Baltic Corps in East Prussia was also regarded with favour, as it was intended to help in the blockade of Red Russia.

Luther and Stresemann, however, maintain that the formula of Versailles is now out of date. It is less a question of encircling Germany than of allowing Germany to take part in the encircling of the Soviet Union. Why then should the decisions of the Treaty of Versailles be kept in force?

The German Chacellor demands that, as Germany is a party to the Treaty of Locarno, the same rights should be granted to her as to the other parties. If she is expected to take an active part in the crusade against the Soviet Union, she must be allowed to increase her armaments. If she is to remain unarmed, then all the parties to the Treaty of Locarno should also disarm and begin to evacuate the territories which they are occupying by force.

In his speech in the Reichstag which so enraged the incorrigible chauvinists and the disappointed partisans of Locarno, Luther said nothing more nor less than that Germany had adapted herself to the recommendations of Locarno and the clauses concerning the disarmament treaty, and that it was high time the other parties to the Treaty of Locarno imitated Germany.

These arguments cannot be contradicted. They prove that the "spirit of Locarno" has not dispersed a single cloud in the atmosphere of mistrust and suspicion which has prevailed since Versailles, has not altered or cleared up anything in the relations between France and Germany!

As a matter of course, in these circumstances, the meeting of the preparatory commission for the disarmament is postponed for ever and a day. We were told that the first effect of the signing of the Treaty of Locarno would be that the military burden which weighs so heavily on the workers, would be lightened. To-day we know what we may expect.

The first attempt which followed the Conference of Locarno is on the verge of a deplorable shipwreck. There will be bitter disappointment among those who let themselves be carried away by the delusive enthusiasm of Oct. 1924. The attitude of the partisans of Locarno on both sides of the frontier with regard to this, is very characteristic. In France there is resentment, in Germany silence. In both countries they realise that the fruit in the Locarno orchard takes a very long time to ripen.

## The Dawes Plan and the Italian Debts.

By L. U. (Milan).

As a result of the war, the Italian State contracted debts to the amount of 2 milliard 140 million dollars, the equivalent of 52 milliard paper lire in the United States, and 590 million pound sterling, the equivalent of 73 milliard paper lire in Great Britain. This makes a total of 125 milliard paper lire foreign debt, apart from the internal debt of another 100 milliard paper lire.

By the Washington Agreement, the Italian State has pledged itself to pay 2 milliard 40 million dollars in 62 years. The annual instalments payable to the United States are graduated in such a way that, beginning with an annual payment of 125 million paper lire until 1929/30 it rises to about 300 million paper lire by 1933, passing to 500 million by 1950 and reaching in 1957 a final annual payment of one milliard two hundred million lire.

By the agreement with Great Britain which was concluded a few days ago in London, the Italian State pledges itself to pay Livres Sterling 272,250,000 i. e. less than the original debt, also in 62 years. The annual instalments however, with the exception of that for 1926 which amounts to rather more than 200 million paper lire, will be about equal, somewhere about 500 million paper lire.

Professor Gino Borgatta, in an article in the "Nazione" has calculated the annual instalments which the Italian State has to pay in gold lire as follows:

Year	United States	Great Britain	Total
1926	25,9	50,4	76,3
1927	25,9	100,8	126,7
1928	25,9	100,8	126,7
1929/30	25,9	107,1	133,0
1931/32	62,02	107,1	169,3
1933	63,7	113,5	177,2
1950	114,0	113,5	227,5
1957	411,4	113,5	524,9

It should however be remarked that there is a sum of 22 million pound sterling in gold at the English Treasury, which was deposited during the war. According to the agreement come to in London between the Italian Minister of Finance Count Volpi and the English Chancellor of the Exchequer Churchill, this deposit will be paid back in instalments extended over a long period.

The newspapers and the semi-official agencies only emphasise that this year the amount of the annual instalments to be paid to the United States and England in redemption of the war debts will be almost entirely covered by the amounts received in accordance with the Dawes plan. The "Agenzia Volta" writes on the subject:

"The first instalment of the debt to England, amounting to 2 million pound sterling, which, according to the present rate of exchange is about 240 million lire, falls due on March 15th. The first instalment of the debt to America, to the amount of 5 million dollars, which, according to the rate of exchange is about 125 million lire, falls due on June 15th. Thus altogether about 365 million lire have to be found.

Against these requirements we can place the receipts through the Dawes plan, which, in the current financial year, can be calculated at 70 million gold marks, the equivalent of 400 million paper lire.

It may therefore be said that in the current financial year the payments on war debts will hardly be felt in our finances, neither as regards the money to be collected nor as regards the after effects of the payments".

If this is the case, it is almost impossible to imagine the enormous burden that is piled on the shoulders of the German proletariat. Our attitude towards the war debts and the Dawes plan was quite recently expounded in Parliament by the Communist fraction. It is evident that bourgeois public opinion is trying to solve everything with the well-known formula: "Germany will pay!" Supposing even that the German bourgeoisie should succeed in squeezing this incredible tribute demanded by the Dawes plan out of the German working class, it is possible to foresee that this can only go on for 40 years at the most, whereas Italy's debt will only be wiped out through the yearly instalments in 62 years. Furthermore the annual payments which Italy is to receive

through the Dawes plan, will not change in amount, whilst those which Italy has to pay to the United States will steadily increase.

The question as to how the Italian finances will stand the payment of the war debts in later years, is answered by the semi-official organs by:

"Chi vivrà, vedrà." (Those who live long enough will see.)

## Labour in Ireland.

By G. Mc. L.ay.

At present there is not a Communist Party in Ireland or anything to take its place.

Formed in November, 1921, shortly before the signing of the Treaty, the Communist Party of Ireland was only about 8 months in existence when the Civil War broke out: Born in the lull of the Truce, the Party was very soon cradled in the lap of armed revolt by at once deciding to take up arms with those remaining true to the Republican cause, thus fulfilling the revolutionary need of helping on the struggle for National Freedom in order to weaken the forces of Imperialism—Great Britain.

The stress of the struggle proved a great strain on the resources of such a young organisation. Imprisonments, raids etc. made it very difficult to carry on. Despite the difficulties of "illegality", the "Worker's Republic", the Party Organ, except for the first 2 weeks of the fighting, was published every week, and a very considerable propaganda carried on amongst the Republican Forces urging the adoption of an Economic Programme, suited to the needs of the Town workers and Peasants of Ireland. The efforts in this direction failed with the leaders but had good results among the rank and file of the Republicans.

The defeat of the Republicans and the cessation of the fighting, found the Party sharing in the aftermath of the struggle—quarrels about policy and conduct of Party affairs. Before the end of 1923, it was found impossible to continue publishing the "Worker's Republic" and shortly after the Party was disbanded.

The dissension and chaos that led to the break up of the C. P. I. has been general, both politically and industrially, in the labour movement in Ireland for the last 3 years. This is the natural outcome of the National Split and Struggle. Consider that the workers who formed the bulk of the Free State forces on one side in the armed struggle and of the Republicans on the other, are the same workers who make up the trade unions, and at once the fundamental reason for the divisions in the ranks of the labour movement is apparent... this is the real cause of the breakaway from the Irish Transport and General Workers Union to set up the Workers' Union of Ireland. This has greatly aggravated the discord but is not the first cause of same as so often asserted. How the Employers have benefitted by the disunity in general and the splitting of the largest Trade Union in Ireland in particular, will be seen later.

In Irish revolutionary history, the setting up of the Free State will be recorded as the betrayal of the National Struggle by the larger capitalists, estate and ranch owners, and large farmers on their obtaining a certain amount of Economic Freedom. Immediately this had been done by force of arms, the a great need was cheaper production and economy in the affairs of the State, including the Municipal and other local bodies. Economic pressure had forced many workers into the Free State army. Soon the most of them were demobilised thus adding to the already large numbers of the unemployed.

Systematic onslaughts on wages have been the order, taking the workers section by section. Municipal councils, such as Dublin and Cork, that refused to use their powers to reduce the wages of their employeés and bludgeoned down the standard of living generally, have been dissolved and commissioners appointed to do the dirty work. Tariffs have been placed on clothes, boots, furniture, confections, tobacco, soaps and other goods coming into the country. These are the methods of the Capitalists to enable the small and badly equipped Irish Industries to Germany and other countries, but lower wages and tariffs raising prices mean reduced purchasing power of the workers and so the methods defeat their own ends.

Very few of the unemployed in the Free State get any unemployment benefit or the "dole" as it is called. The exact numbers of the unemployed are not known, they have little or

no organisation, and what they have is on the charity collecting basis. Attempts at organising them have been on wrong lines and so the Government does as it likes because there is no organisation to take up the cudgels on their behalf. There must be at least 60,000 to 70,000 unemployed in the Free State of whom only about 1 in every 12 gets the "dole". They have to depend on charitable organisations and their friends and relations.

Under guise of doing something for the unemployed the Government has set up on a small scale relief works. This has mostly meant getting necessary work done, such as road making, at wages much lower than the trade union rates. The latest instance of this is the Shannon scheme, which is to provide electric power for the whole of the Free State. Because of the low wages offered the scheme has been boycotted. Here also the resistance of the workers has broken down, principally because the unemployed ex-soldiers (National Army) have been used by the government contractors as scabs for the unloading of ships with material for the scheme in Limerick Harbour and on the job itself. One more in the long sequence of defeats for the Irish Workers during the last 3 years.

Increased competition from Denmark and Sweden and the raising of the ban on Canadian cattle has greatly reduced agricultural exports to the impoverished British market and so the agricultural workers share in the unemployment and onslaughts on wages and the general miserable conditions of life now the lot of the workers.

If ever the fallacy of splitting the existing unions, rather than carrying on the fight against the reactionaries within, has been in doubt the lesson of Ireland should once and for all prove that the place to fight reaction is inside the existing unions. No one doubts the earnestness and good intentions of those responsible for the breakaway from the Irish Transport and General Workers Union. When the split took place the great need was to re-unite the politically divided workers by forcing the issue of a united front on the industrial field to meet the attacks of the bosses.

The Irish Transport and General Worker's Union had a membership of about 100,000, roughly 1/3 of the organised workers of Ireland. A fraction of the energy spent on the setting up of the Workers' Union of Ireland and its activities since, if concentrated within the I. T. and G. W. U., would have once again made that union the driving force in the Irish Labour movement and have prevented at least some of the defeats that the workers have suffered.

Instead, false issues have been raised and the workers, instead of fighting the employers, have been splitting each others heads and sowing seeds of rank and file hatred that will take years to get over. From being a powerful weapon in the working class struggle, the I. T. and G. W. U. has become a scab providing organisation, used by the bosses to beat the new union—Workers' Union of Ireland. In the latest instance, the coal workers' lockout, the I. T. and G. W. U. provided scabs working under police protection. As soon as the resistance of the mens' union, the W. U. I., had been broken the employers began sacking some of the scabs and taking back their old workers at reduced wages. Beaten and without lockout pay these had little or no option but to accept.

On the political side, the only apology for a labour movement is the Irish Labour Party. But for an occasional feeble protest by the 14 or so members in An Dail its existence would scarcely be known. Enmeshed by supporting the Free State to be set up it has ever since played the part of the mongrel cur, kicked for its pains and unable to do more than give a feeble yelp, or rather lacking courage to do more.

The Republican Party, although having 47 members of An Dail (who have never taken their seats) is fast losing ground. The great needs of the Irish Workers are economic and because of the strong capitalist section of its membership, the Party has never been able to formulate an economic programme to hold its supporters amongst the town and country workers and attract the now disillusioned workers that supported the Free State because of specious promises re "plenty of employment", "better houses" etc.

Further, the abstentionist policy of the Republican T. Ds. (Member of Dail Eireann) has proved a failure, and soon a further split in the ranks of the Republicans will take place, ostensibly round this question of going into An Dail. As there are quite a number of the T. Ds.

who are left wing Republicans, standing for the setting up of a **Workers' Republic**, the split, if it comes, although nominally round the question of going into An Dail, is more likely to be in reality for and against adopting a programme for rallying the movement on a **Workers Republic** basis. Anyhow, to settle questions of policy, a special Ard Feis has been arranged for March.

The failure of the ultra leftist policy on the Industrial field, the extreme weakness of the official Labour Party and lack of a fighting policy of all of the unions forming it, and the Republican failure to adopt an economic programme, all tend to make the time opportune for the formation of the mass **Workers' Party of Ireland**.

And soon it is expected to have a strong virile section of the **Communist International** in Ireland.

## Political Organisation of Labour in India.

By G. A. K. Luhani.

It is a welcome sign of the times that, in the aftermath of the decomposition of the nationalist revolutionary Parties, a more than academic interest is being taken in the political organisation of labour in India. It is a testimony to the slow understanding by the Indian intelligentsia of the fact that labour, meaning thereby the masses of workers and peasants, holds in its hand the master-key to the solution of the problem of Indian freedom. After the successive débâcles of Gandhism and Swarajism, it is indeed high time that the fact is recognised by the revolutionaries of India. But it seems, it is as yet too early to expect freedom from ideological confusion, even in the case of those in whom confusion does not proceed from the unconscious bias of class-interest or class-affiliation.

We remember the abortive attempt in the beginning of last year by Lala Lajpat Rai, and Messrs. Chaman Lal and Joshi to form a **Labour Party for India**. Since then, Lala Lajpat Rai has drifted into the absorbing entanglements of the Hindu Sanghatan movement, and has recently entered the Legislative Assembly as member of the eminently capitalist Independent group. Nor do the others appear to have taken any further steps to renew the attempt at giving a political form to the increasing (class-)consciousness of the workers of India. Dewan Chaman Lal remains a pillar of the Swaraj Party and Joshi, a kind-hearted liberal, horrified at the idea of class struggle. But other attempts have been made here and there. Recently there has come into existence on the flank of the orthodox Swarajist position a "**Labour Swaraj Party**" in Bengal with an organ of its own called the **Langal** (The Plough). We do not know who form the rank and file of the Party nor do we know what its programme is. (Often there are political parties in India, whose membership does not extend beyond their leaders, and which have not very often a programme to call their own). But the name — **Labour Swaraj** — is significant.

On the other side of India in **Bombay** a **Socialist Party** has been trying for some time for a foothold, if indeed it has not taken a false step into oblivion by this time. In the industrial province of Bombay, Socialism would be a somewhat belated flower, but a flower very racy of the soil.

Apart from these efforts, the proletarian party of the near future, so much in the mind of the Indian "Labour Leaders", is consistently spoken as a "**Labour Party on the British model**". This scheme has been promoted by a number of representatives of the British Labour Party who visited India recently. Of this number **Mr. Oswald Mosley**, Labour M.P. was the pioneer; he was followed by **Graham Pole** and **Dr. Rutherford**. They did not go with an official mandate from the Labour Party, their mandate may be described as a "moral" one. Their efforts in India were seconded from England by utterances of **Colonel Wedgwood**, Ex-Minister of the **MacDonald** Cabinet, by resolutions of the Labour Party Conference and the Independent Labour Party. The missionaries of British Social-Democracy in India had an initial difficulty in the shape of the **Indian policy of the MacDonald Ministry**. They served up the stale, but always curious apology that the British Labour Party was in office but not in power, when **Mr. MacDonald** swore hard that he was going to keep **British Imperialism** intact whatever he might do with the capitalists at home, and when **Lord Olivier** sanctioned the infamous **Bengal ordinance**. If there were anything else

than demagogic humbug in the profession of the British Labour Party to meet the very moderate demands of the Swarajists, then **Mr. MacDonald** would have logically kept at least the status quo in India intact during his office, in waiting for the more favourable opportunity of a tenure of power. The actual policy followed by the **MacDonald Ministry** with regard to India would be followed by any Labour Ministry, whether or not it combines office with power.

But the job of the Labour MPs. was a different one. If they toured India it was not only with the purpose of convincing the Swarajists that dominion status is to be had for the asking from the British Labour Party "in power". What they wanted was to take a hand eventually in the political organisation of India Labour. It sounds quite harmless and inoffensive, almost laudable. It was indeed as such that they presented their sudden preoccupation with the internal situation developing in India.

It was **Major Graham Pole** who took himself the most seriously. He spoke of establishing a permanent liaison between the British Labour Party and Labour organisations in India. He promised presumably on behalf of his Party to send organisers from England and to help in the launching of a Labour Party for India. In his further anxiety to provide for an appropriate ideology for such a Party, he even suggested the formation in India of a branch of the **Fabian Society**; so that in the near future the ponderous opportunism of the Socialist philosophy of Messrs. **Sidney Webb** and **Philip Snowden** may keep company in India with the indigenous supineness of Swarajism and Swarajist labourism.

It is in the striking changes wrought in the relation between the British Metropole and the Indian Colony since the war, that one finds the "categorical imperative" of the economic law which has pushed the British Labour Party out of its official isolation from the problems of Indian labour. The class-conscious British proletariat, extending its hand to the workers of India, is indeed an example of proletarian world unity for the common fight against exploitation. But the class-conscious British proletariat working for the revolutionary overthrow of capitalism is one thing, and the British Labour Party, led by Messrs. **Ramsay MacDonald**, **Thomas** and others, as a constituent of the imperialist political system at the Metropole is quite another.

Now, this imperialist system in its economic aspect has grown out of its primitive stage. If the attraction of raw materials to the Metropole has been the preeminent function of pre-war imperialism, it is not so now. The classic relation of India to England as a reservoir of raw materials and a market for industrial products has ceased, India emerged from the shock of the war as a country on the way to rapid industrialisation, though that industrialisation is bound to appear in the beginning rather as an industrial preparation of raw materials for export than as manufacture of raw materials on the spot. But the one is only a step to the other. The home-market in India for the absorption of indigenous manufactures is being prepared by a system of "discriminate protectionism", while the basis of all intensive industrialism, namely, the iron industry, is being pushed forward by a system of generous bounties. The preponderating role in this industrial transformation is that of finance from the British Metropole. Imperialism becomes thus more and more synonymous with "export of capital".

The effect of this export of capital will be enormous in the internal economy of England; it will be revolutionary in that of India. In any case here is a great change in the process of exploitation of labour in England and India in the interests of British capital. The unorganised labouring masses of India, thrown in the maelstrom of intensive industrialisation, will now be used to keep the industrial proletariat of England in its proper place, as a class of hapless wage-slaves. The transformation of India's raw materials into industrial products will now be increasingly done in India, instead of in factories of England. Not the entire industrial production of England will be susceptible to this change, because India as a source of raw materials is one of several which England draws upon. Particular areas, namely, the centres of textile industry in Lancashire and Dundee will be the first to be affected by lower wages and unemployment.

In consequence of this, it becomes impossible for labour politicians in England, to retain their continued leadership of the British proletariat, more and more subject to the developing contradictions of capitalism. A political Party of the exploited which sees in the process of exploitation not the sharpening of



the class struggle leading ultimately to social revolution, but only a maladjustment of the relation between Labour and capital destined to disappear by a series of "reforms", is the substantially exact definition of the British Labour Party. And such a Party becomes untenable as a proletarian Party in the post-war circumstances of capitalist development. To such a Party and to its leaders, the tendency of British capital to absent itself from London, with its social sequences both in England and India, does not mean an extension of the field of revolutionary alliance of the British and Indian proletariat, for the destruction of imperialism. It means to them an extension of the field for the application of their reformist tactics.

The India of the plantation coolie and the agricultural labourer could very well be left out of the operation of their "reformism". But the India of the industrial proletariat is a different matter. It introduces a terrible disequilibrium in the economy of the Empire, it opens up new revolutionary possibilities. Now a revolution is the last thing that Mr. Mosley and Major Graham Pole and their colleagues at home care for. They would do anything, call the British Empire a Commonwealth or a Federation of "free nations", but they will not accept the possibility of revolution overthrowing the Empire. Hence the call for a political organisation of Indian labour on the model of the British Labour Party. As in England so in India, they will attempt the tutoring of the working classes to a belief in a system of compromises and palliatives. The raising of wages and the shortening of working hours, beyond which the programme of the British Labour Party hardly ever goes, except momentary lapses into schemes for nationalising this or that industry — will become ends in themselves instead of means to the larger struggle against the whole system of exploitation. Organised Indian labour, demanding higher wages and a better standard of life, will have the tendency of neutralising the effect, on industrial conditions in England, of the export of British capital to India. Thus by meeting the legitimate and initial demands of a growing industrial proletariat in India, an Indian Labour Party inspired by British Social-Democracy will tend to stave off the day of the final reckoning with Imperialism.

But such a political party cannot and does not meet the fundamental demands of a colonial proletariat striving for emancipation. The raising of wages, the shortening of working hours, the securing of better housing conditions — all these and much more in the daily life of the workers — are indeed parts of the fight of the proletariat against its exploiters. But they are not the whole fight; and much of these can be had by the purely industrial organisation of the proletariat in trade unions, of course seconded by a proletarian political Party. A political party, by its definition, fights on the political plane, which means it fights, puts itself in opposition to, the State — the State as the repository of the power of the exploiting and dominating class. A fight against the State is in the last analysis a fight for the seizure of political power. And the fight for political power is the revolutionary encounter of opposing social forces. The revolutionary marshalling of the forces of the exploited millions is not in the programme of the British Labour Party. We know that its highest "revolutionary" achievement up till now has been the capture of "office" and not "power", that too with the silent sanction of the Bourgeoisie. An Indian Labour Party with the same programme will not even achieve office by any long chance. That we are on the eve of a revolutionary encounter in India, as in all other colonial countries, is beyond question; it is further proved by the very appearance of reformism on the scene, because reformism in its essence is counter-revolutionary, and a counter-revolutionary tendency can logically appear only when the revolutionary tendency has clearly defined itself. The revolutionary tendency defined itself as early as 1921 when the Indian workers with their sure proletarian instinct brought the non-co-operation movement to its logical collision with the State by burning down at Chauri-Chaura the police station, the symbol of the power of the State. The Chinese workers with an equal sureness of instinct showed in Shanghai last year that the interval is very short indeed between the appearance of economic grievance and the gravitation of the masses towards a revolutionary encounter with the forces of oppression and exploitation. Twenty years ago in St. Petersburg, before the Tsar's winter-palace, the Russian workers on strike had shown the same instinct, when they had presented a political programme, and thus staged what Lenin called "the full-dress rehearsal of the revolution of 1917". Major Graham Pole was giving a futile warning against the overwhelming process of an

inevitable historical development when, during his tour in India, he said: "labour in India should be careful not to ally itself with Communism, though it might be proclaimed that it was bound in its turn to domineer over the world".

The political party of Indian labour cannot then be of the type represented by the British Labour Party. Indian labour has to organise itself into a mass party of workers and peasants — a party, which, while carrying on the day-to-day fight against the capitalist and the landlord, will adapt itself more and more as an instrument for the revolutionary overthrow of imperialist domination and class exploitation. The reformist illusion of "constitutional" advance will have no place in its tactics. But its tactics will take due note of the actual socio-economic structure of India, from which it will be its task to detach whatever other elements of revolt there may be, and lead them to the inevitable clash against imperialism. The national bourgeoisie of India have abdicated the leadership of the struggle for political liberation. They have given up the fight against imperialism for imperious reasons of class-interest, and are now ready for "responsive co-operation" with it. But the economic processes of imperialism not only create an industrial proletariat out of the labouring masses of India, but also perpetually pauperise the middle classes. It is the historical rôle of the revolutionary political party of the Indian proletariat to lead all these forces to the battle for freedom. A Labour Party on the British model will not be such a party of the Indian proletariat.

## ECONOMICS

### World Economics at the End of 1925.

By Eugen Varga.

#### Retrospect and Prospects.

Owing to the lack of sufficient statistical data, it is impossible at the present moment to make a complete survey of the economic situation in 1925. We are however none the less of the opinion that it is extremely necessary to trace the course of last year's economics, if only in rough outlines, in order to gain an idea of the probable economic developments of the coming year.

As a determinative starting point for this investigation we must put the question: **Has the stabilisation of capitalism recorded by the Enlarged Executive of the Communist International made further progress in 1925, or has it not?** In other words: have the events of 1925 furnished any foundation for the assumption that the stabilisation is a progressive process the full development of which will approach pre-war conditions?

Before the war capitalism was characterised by a generally upward tendency. The forward movement was cyclic in form: crises and booms alternated with a certain regularity. But if we compare each of these crises and booms with the ones immediately preceding them, we find that in every case there was invariably an increase of production, an expansion of the sphere of capitalist economics, a more definite accentuation of the factors characteristic of capitalism. This applies alike to the period of free capitalism and to the period of imperialism.

If we take a survey of economic development during the past year, we find an entire lack of uniformity. In the United States, in the other countries of America, and in the English settlement colonies, capitalism is plainly on the up-grade. The same is to be recorded — independent of these other countries — for the Soviet Union. The economic progress of Asia is hampered by the widespread revolutionary fermentation, by colonial and civil wars. In Europe the conditions are more difficult to judge than anywhere else, varying degrees of economic prosperity being observed in the various countries. Whilst in England the economic crisis continued until the autumn, then giving place to a certain degree of improvement, Germany furnishes an exactly opposite picture: a fair degree of economic prosperity until the autumn, followed by an acute economic crisis almost as extensive as that of the autumn of 1923. Stagnation or crisis prevails in the other countries of Central and Eastern Europe, whilst on the other hand the two countries now passing through an inflation: France and Italy, are enjoying fairly good economic conditions. If we compare the economic conditions of England and Germany, the two largest European industrial countries, we again receive the impression which events have given several times during the

last few years, the impression that the economic improvement of one country causally coincides with the decline of economic prosperity in the other.

Going further into detail, it may be observed that in Europe in General, with the exception of a few countries, there is to be seen a further reorganisation of the mechanism of circulation. The most important achievements in this line are the actual restoration of the gold standard in England, Holland, and some of the smaller countries, the restoration of the free circulation of capital throughout the entire area of capitalism (raising of the embargo on foreign loans in England), and with this an extensive inflow of American and English capital to almost all European countries. The consolidation of a considerable portion of the inter-allied war debts (Italy, Belgium), may also be mentioned in this connection. Exceptions, and very considerable ones, are to be found in the extreme depreciation of the French franc, which sank during the year by about a third of its value, as compared with the beginning of 1924, and in the depreciation of the Polish currency established on a gold basis two years ago. This is the first time that one of the freshly stabilised European currencies has again fallen a victim to depreciation. But despite these exceptions, there is on the whole a decided advance in the reorganisation of the circulating mechanism of Europe to be recorded.

But if we are to form a judgment on the actual economic situation, if we are to answer the question whether stabilisation is making progress or not, we must consider events not in the sphere of circulation, but in the sphere of production. Here it must be remembered, first of all, that the crops in Europe have been extraordinarily this year, and that this — all other things being equal — is a leading factor towards the improvement of economic conditions. The following table shows the production of the most important goods, classified under world production and Europe's production in comparison with 1924<sup>1)</sup>:

Production of the most important goods	World production	Europe's production			
		1924	1925		
Wheat <sup>2)</sup> . . . . . million tons	83.7	89.8	37.1 <sup>3)</sup>	28.4	37.2
Rye <sup>2)</sup> . . . . . "	18.5	25.0	25.1 <sup>3)</sup>	16.1	23.2
Barley <sup>2)</sup> . . . . . "	23.0	26.6	15.4 <sup>3)</sup>	11.7	13.9
Oats <sup>2)</sup> . . . . . "	52.5	55.1	28.2 <sup>3)</sup>	22.2	24.2
Maize <sup>2)</sup> . . . . . "	77.6	92.2	15.1 <sup>3)</sup>	11.0	12.2
Potatoes <sup>2)</sup> . . . . . "	120.8	125.7	113.8 <sup>3)</sup>	105.8	114.2
Coal <sup>4)</sup> . . . . . "	1033	1025	568	525.5 <sup>5)</sup>	508.5 <sup>5)</sup>
Petroleum . . . . . barrels	1013.1	1018.9	—	—	—
Iron . . . . . tons	66.4	75.2	36.8	28.2 <sup>5)</sup>	31.2 <sup>5)</sup>
Steel . . . . . "	77.3	88.8	34	30.5 <sup>5)</sup>	33.2 <sup>5)</sup>
Copper . . . . . 1000	1514	1580	—	—	—
Cotton . . . . . million dc	42.7	52.8 <sup>6)</sup>	—	—	—
Rubber . . . . . 1000	391	504	—	391	504

The figures showing the output of coal, iron, and steel give the best indication of the economic situation. In Europe the output of coal was somewhat less than in the previous year, but on the other hand the production of iron and steel has been considerably more — in round figures 10% — than in 1924. From this we may conclude that there has been an certain increase in the output of the finished goods industries, although we have no useful data as to this.

The whole aspect of the situation changes, however, when we regard it from the standpoint of the working class. We see that the total number of unemployed in Europe, in all countries where official unemployment statistics are issued, was greater throughout the whole of 1925 than in 1924. (We must emphasise that the appended figures can only be applied to the proportional estimate of unemployment, not to its absolute extent. The absolute number of unemployed is always considerably greater than the

<sup>1)</sup> The data for 1925 are not final. In the case of iron steel, coal, etc., the figures have been estimated from the available production of the first ten to eleven months. They are however sufficiently accurate for the purpose of a rough comparison. They have been taken for the most part from the monthly supplements of the "Economist".

<sup>2)</sup> Without the Soviet Union. <sup>3)</sup> 20 countries of Europe, United States, and Canada. <sup>4)</sup> Only the most important producing countries. <sup>5)</sup> For coal: Belgium, France, England, Holland, Germany, Czechoslovakia, Poland. For iron and steel: Belgium, France, England, Germany, Poland, Luxemburg, Sweden. <sup>6)</sup> 1909/13. <sup>7)</sup> 1923/24. <sup>8)</sup> 1924/25.

<sup>9)</sup> Belgium, Great Britain, Sweden, Norway, Denmark, Holland, Italy, Switzerland, Czechoslovakia, Poland, Austria, Hungary, Germany, Latvia, Esthonia, Finland.

number of those in receipt of unemployment benefit and registered in the official statistics. The total number of unemployed in Europe is more likely to have been over than under 5 million at the end of the year.)

#### Unemployment in Europe<sup>9)</sup>.

	1924	1925
June . . . . .	1,919,300	2,068,300
November . . . . .	2,119,100	2,151,800
December . . . . .	2,254,800	3,022,700 (estimated)

The increase of unemployment is not necessarily inconsistent with an increase of production, since it need not be emphasised that technical advance and longer working hours enable the output to be increased and the number of workers reduced at the same time. In the Ruhr area, for instance, it has proved possible to reduce the number of miners employed by 72,000 or about 18%, and yet to maintain production at the old level.

To sum up in Europe production and unemployment have increased simultaneously. Before arriving at a judgment on this phenomenon, we must however first take two very important points into consideration—

1. The above described improvement in the mechanism of circulation, which has doubtless contributed to the improvement of production, has been rendered possible to a great extent by the aid lent to European capitalism by American capitalism. The transition to the gold standard in England and the stabilisation of the currency in Belgium have been brought about by the American credits granted to these countries. German and Italian economics have also been aided by large credits from America<sup>10)</sup>. It need not be said that this American aid is not given for nothing, despite the humanitarian phrases we hear so much of (for instance in Coolidge's speech<sup>11)</sup>). The more American capital comes to Europe, the greater the dependence of European capital on America, and the greater the share falling to America of the surplus value expropriated in Europe. We shall deal with this point in more detail further on.

2. The fact that production in Europe was greater in 1925 than in 1924 is no proof that the stabilisation was a progressive process. It is fundamentally wrong to compare the production figures of one year with those of another without taking into account the phase of economic prosperity represented by these years. The comparison can only be correct when both years belong to the same economic phase. It is, however, one of the most characteristic phenomena of the present period of capitalist decay that it is impossible to trace any uniform trend in the economic situation. We do not know whether the year 1925 represents an economic boom in Europe, corresponding to the economic situation in America. If this is the case, and 1925 represents a period of economic prosperity for Europe running parallel with that in America, that is, if we are to assume that European economics are condemned to share in the economic crisis which is bound to be the next and not very distant phase in America, then we should have to place a very low estimate on the increase of production observable in 1925. Production is still below the pre-war level, and should a phase of crisis intervene it would inevitably reduce production to far below the level of the last pre-war crisis. The uncertainty as to economic developments in Europe forces us to be exceedingly cautious in forming a judgment on the actual significance of the increase

<sup>10)</sup> On the other hand, the improvement in English heavy industries is greatly due to the strike of the anthracite coal miners in America, which has been going on for almost six months.

<sup>11)</sup> "It was America's aid that saved the world from collapse after the armistice. It was our credits and our food which rescued the world. When Austria decided to put its house in financial order, it was we who raised a part of the capital; when Germany became anxious to build up sound economics, it was we who contributed a large share of the gold loan. Without this aid the reparation plan would have been a failure, for Germany would otherwise have been incapable of making payments... thus, if we put aside everything which has been promised, there has been nothing during the last five years which can be compared with America's help towards the restoration of the financial stability of the world. It must be made clear that this represents a new era." (Coolidge's speech reported in "Deutsche Allgemeine Zeitung", 20. November 1925.)

of production in Europe in 1925. Some years elapse before it will be possible to make a retrospect and draw a final conclusion regarding the significance of 1924/25 as part of the collective development of European capitalism!

### The Decline of Europe: a Consequence of Structural Changes in World Capitalism.

Some years ago we drew attention to the fact<sup>12)</sup> that the acute crisis of 1919/21 — if not ended by a proletarian revolution — would not lead to an automatic "collapse" of capitalism, since there are in capitalism not only immanent tendencies towards the establishment of a new economic equilibrium, but at the same time conscious economic political endeavours towards this end. The "stabilisation" of capitalism is an actual success gained by these tendencies, the attempts at seizing power by the proletariat having failed. (Stabilisation does not necessarily mean the absence of contradictions, but merely that these contradictions do not increase to an "acutely revolutionary situation.")

The crisis in European capitalism which has now existed six years, in various forms of varying acuteness, but still continuing to be a crisis, permits us to raise the question as to whether, in spite of the stabilisation, the alterations which have taken place in the whole structure of the world capitalism are not of such a nature that a restoration of European capitalism to the "normal" condition of an upward-moving capitalism has not become impossible. In order to make our theses clear, we refer to our earlier definitions:

What we have called **immanent tendencies** is that totality of the actions of individual economic factors made for the purpose of increasing of their profits. Such actions bear within them — unknown to those carrying them out, and of no interest to them if known — the tendency towards the overcoming of those disproportions in world economics which are causing the crisis. For instance, there is a shortage of capital in Europe, and thus a high rate of interest; in the United States there is a superfluity of capital, and in consequence a low rate of interest. The European capitalist borrows capital from the American capitalist. Each acts in his own private interest, for the enhancement of his own profits. The final result — socially regarded — is however the equilibration of the disproportion in the distribution of capital. The endeavour made by every capitalist to increase his own individual profit creates the tendency to equilibrate the rate of interest, and form a control regulating the anarchistic and unsystematic capitalist order of economics.

**Conscious endeavours** towards overcoming the crisis are the economic plans and actions organised by capitalist associations, governments, etc., aiming at directly grappling with and overcoming the crisis.

Immanent tendencies and conscious endeavours can however only lead to the crisis being overcome when the causes of the crisis are due to disproportionality. The whole history of capitalism consists of a series of economic booms and crises of disproportionality, and of their equilibration on a higher level, accompanied by the simultaneous development of the germs of a fresh crisis.

**Structural changes**, according to my definition, are such changes in the social structure of capitalism as show no tendency to revert back but are fundamental and permanent alterations in the whole structure of capitalism: for instance the transformation of "free capitalism into imperialism".

If we regard the development of European capitalism within the last six years; the crisis, which — despite the partial stabilisation resulting from the influence of the immanent tendencies and conscious endeavours, — continues to exist in actual fact, changing only in form and intensity; the absence of any economic boom since 1919; then we cannot but arrive at the conviction that we are here confronted by something more than an ordinary crisis, and that a new period of capitalism, the "period of decline", as we have designated it, has begun.

We shall now endeavour to indicate those structural alterations in the total structure of the world capitalism which form the basis of its decay<sup>13)</sup>. These appear to be as follows:

1. **Western Europe's loss of its dominating position as the industrial workshop of the world.** Here two forms should be differentiated:

a) Since the war the international division of labour has been replaced by a rapid industrialisation of the countries producing raw materials. This process has been artificially promoted by the State. Up-to-date war technics demand a high degree of development for almost every branch of industry, especially the industries working up metals and chemicals. A country without industries is defenceless today.

b) During the last ten years America has risen to the first rank among industrial countries, and, supported by her enormous home consumption, is able to produce cheaper, despite higher wages, than the industries of West Europe, which are only utilising a part of their producing capacity.

These two processes have destroyed the predominance of Western Europe as the purveyor of industrial goods to the rest of the world. And although the reappearance of the product of European industry after the great war pressed heavily upon the newly arisen industries of the agrarian countries, still the economic political measures which have been taken to protect industry are much too strong to permit of any abandonment of this process of industrialisation. Nor will the United States cease to develop into an industrial export country of decisive importance.

In order to grasp the full significance of these factors for European capitalism, the qualitative side of the question should be thoroughly gone into. The ratio between the industrial goods exported from industrial Western Europe (England, France, Belgium, Germany, Austria, Czechoslovakia) before the war and those exported in 1925 should be calculated, with special reference to:

- a) total quantity and total value;
- b) in proportion to the industrial working class;
- c) in proportion to the existing productive apparatus;
- d) in proportion to the home consumption, etc.

This, unfortunately, is such an extensive task that it can only be undertaken by a scientific institution with any prospect of success.

2. **The diminution of colonial super-profits.** The revolutionary ferment among all the Asiatic (and North African) colonial peoples; the fierce colonial wars in Morocco, Syria, and Egypt; the emancipation already attained by Turkey and being striven for by China and other semi-colonies; all this is depriving the European imperialist colonial powers of one of the foundations of their existence. There is no likelihood whatever that this process of emancipation will be reversed in the future.

3. **The transformation of Europe from a continent exporting capital into one importing capital.** This process signifies an essential structural alteration in world capitalism. The bourgeoisie of Europe is no longer receiving the surplus value produced in other parts of the world, but is obliged to cede to America a part of the surplus value produced by the European proletariat. This applies especially to Continental Europe. England still possesses much capital abroad, and has again exported a great deal of capital during the last few months; but the English national economists are already calculating that the adverse foreign trade balance is not being covered by the "invisible exports", and that England is encroaching on her foreign investments<sup>14)</sup>.

The result of these three fundamental and permanent alterations is that it is no longer possible for the European bourgeoisie, by throwing crumbs of its profits to certain workers, to create a workers' aristocracy interested in the maintenance of the capitalist order of society! This is to be most plainly observed in England, the classical country of the "bourgeois working class", as Engels expressed it. Baldwin may talk as persuasively as he likes to the capitalists and workers, in order to induce them to agree with one another; the fact remains that the economic possibility no longer exists of maintaining the English working class at the standard of living of a labour aristocracy. The case is similar in the other countries of Europe. The capitalists are forced to make constant attacks upon the standard of living of the workers. This isolates the capitalists from the proletariat, and makes the work of the social democratic leaders.

<sup>12)</sup> See E. Varga: The crisis in capitalist world economics. 2nd ed 1922.

<sup>13)</sup> See my article: Ways and obstacles to the world revolution. Communist International 1925. No. 12.

<sup>14)</sup> G. Hunter, Economist, 19. September 1925.

these "agents of the bourgeoisie" among the workers — as Lenin generally designated them — increasingly difficult<sup>14</sup>).

4. **The isolation of the capitalists signifies at the same time a phenomenon which has taken place in all countries which have passed through an inflation: the disappearance of the small investor!** This class, — participating in capitalist exploitation without doing any work whatever — has always and everywhere formed the most reliable reserves of the actual capitalists. Today this class has practically disappeared in Germany, France, Belgium, Austria, Poland, etc. The inflation practically destroyed fixed interest-bearing capital of every description: war loans, state pensions, industrial and agricultural debentures and mortgages, life insurance and pension, etc. Although a certain fresh accumulation of "savings capital" is going on at the present time, and although a fraction has been "revalued", nevertheless the importance of the pensioner class has sunk to zero in comparison with its position before the war, and it is very unlikely that it will ever be able to regain even approximately its former importance!

What has become of the capital of the pensioner class? One part of it was "used up" during the war, and the remainder through the inflation mechanism finally found its way into the pockets of the industrial capitalists. An inflation means the extension of the process of centralisation to fixed interest-bearing capital.

These four structural changes involve, in our opinion, the decay of European capitalism. Unless economic forces really capable of reversing these structural changes can be shown actually to exist, all prophesies regarding a fresh revival of European capitalism are merely idle predictions, counter-revolutionary apologetics.

#### The Actual Form Taken by the Process of Decay.

##### The contradiction between productive powers and possibilities of utilisation.

The decay of European capitalism is shown in the **constant contradiction between the producing and utilising possibilities of industry**; in the more or less permanent difficulty in finding markets; and in chronic extensive unemployment. This appears to be contradicted by the fact that the output of those industries which publish statistics of production (coal, iron, steel, ship-building) almost reached the 1913 level in 1925. It must, however, be taken into account that during the last twelve years the industrial productive apparatus has been greatly extended, and that the population has meanwhile increased.

This extension of the industrial productive apparatus began during the war, when all the belligerent countries were forced to build up a great armament industry, which was converted into a peace industry after the close of the war. The extension continued after the war, for the industrial capitalists invested their gains in real values, that is, they extended and perfected their industrial producing plant.

This fact would appear to be a flat contradiction of our standpoint that there was **no accumulation** during the inflation period. This contradiction is however only apparent! A very **extensive concentration** took place; that is, there was a great accumulation of capital in the hands of the big industrial bourgeoisie, but this was not an accumulation of a part of the surplus value produced in big industry itself, but merely a concentration, a sucking up of the capital and wealth of the lower middle class. The enrichment of the big industrialists during and after the war took place at the expense of the pensioners, officials, and workers. The enrichment of the big bourgeoisie was accompanied by the impoverishment of all other classes (with the exception of the agrarians and large farmers).

The extension of the industrial producing apparatus has not yet been made the subject of statistics. As regards France we find an extremely interesting account in the latest English consular report<sup>15</sup>).

Here there arose during the war — in the place of the big industry of the North lost through the invasion — a new industry for munitions of war, in the interior of the country, in

Paris, Lyons, etc. After the conclusion of peace the industry of the North was built up again on more extensive and up to date lines, at the expense of the State, that is, by means of an inflation expropriating the lower middle class. With regard to Germany we read in the latest annual report of the Frankfurt chamber of commerce:

"The war and inflation periods led to an over-industrialisation with no corresponding possibility of utilisation. We shall not be for wrong if we estimate the average productive capacity of industry at the present time at 120% of the prewar capacity, whilst the absorbing powers of the market have sunk to about 70%."

Fürstenberg, business manager of the Berlin Commercial Co., estimates the present producing capacity of German industry at 40 to 50% more than before the war. The great extension of industry in Italy is a well known fact. In England, too, the producing apparatus has been enlarged, if only slightly.

As opposed to this, the sale of industrial products has diminished in comparison with the pre-war period. In the world market the cause of these lessened sales is the industrialisation of all countries producing raw materials, and the tremendous competition offered by the United States, which is able to beat all competitors out of the field by means of its capital export in the form of goods exports, that is, by means of long term credits or participation in undertakings receiving the goods. In the home markets the sale of industrial finished goods has been greatly diminished by the impoverishment of all classes outside of big capital itself: disappearance of the pensioners, low wages of the workers, mass unemployment. When the sale of industrial products stagnates, this is bound to be followed within a certain time by an over production of industrial means of production<sup>16</sup>).

The inconsistency between productive and selling possibilities is an inevitable consequence of the above-described structural changes in the capitalist world economy. It is bound to lead to a constant difficulty in finding markets for goods, and to chronic and extensive unemployment resultant on the closing down of large producing plant. This has been the case in England for five years. The same crisis has now spread to various parts of Europe, and is evidenced by the crisis in the coal, ship-building, and railway equipment industries, indeed, in the whole iron industry. At the end of the year we witnessed a general lack of markets and enormous increase of unemployment in Germany, Austria, Hungary, and Denmark. (The Polish crisis is of a different nature.) France and Italy, as inflation countries, have so far been spared this sort of crisis; but there is no doubt that after stabilisation has been accomplished these countries — especially France — will share in the general difficulties in finding markets for their goods.

The development of German economics during the last two years is especially interesting. After the stabilisation the first crisis arose, which could be mainly attributed to the incorrect division of the total capital owned by society into fixed and circulating capital, leading to a shortage of circulating capital. Hilferding proclaimed that after the "political obstacles had been cleared away", that is, after the reparation question had been regulated and foreign loans received, German economics would find themselves on the road to a boom. The acceptance of the Dawes plan followed, and the influx of foreign capital. This induced the German capitalists to make an attempt at setting their whole productive apparatus in motion. The dialectics of history led to the inevitable result there is no market for the increased production, inner circulation was choked by unsellable goods, and a crisis of exceptional violence was the result. The inflow of foreign capital removed the shortage of working capital, but in doing so created another crisis graphically evidencing the glaring contradiction between the capacity for production and the market possibilities.

#### "Sanitation Crisis" and "Rationalising of Economy".

##### The common slogans of the bourgeoisie and of social democracy.

For the individual capitalist, who invariably only sees the surface of the fact, and not its actual meaning, the general way out of a crisis is the reduction of his prices.

<sup>14</sup>) It is interesting to note that the American capitalists are working deliberately for the creation and maintenance of a national American labour aristocracy, by means of immigration prohibitions, high protective tariffs, and exploitation of other countries.

<sup>15</sup>) J. R. Cahill: Report on the Economic and Industrial Conditions in France, 1925.

<sup>16</sup>) This has been very clearly and logically worked out in Bucharin's study on "Imperialism and the Accumulation of Capital". German: Under the Banner of Marxism, No. 2. Discussion with Tugan Baranovsky.

He believes that high prices are the reason of stagnation in selling, and seeks for means to reduce his prices<sup>17)</sup>. To him the sole problem is the reduction of the costs of production.

The German capitalists suggest two methods:

1. Reduction of wages, lessened expenditure for social welfare, and longer working hours.

2. Rationalisation of works and factories and clearing away of all undertakings unable to produce at low prices<sup>18)</sup>.

In the long run both these remedies come to the same thing: a diminished participation on the part of the working class in the total value produced by society. For the rationalisation of production means in reality nothing more nor less than that the same quantity of commodities is to be produced by a smaller number of workers.

To what extent would this process lead to a solution of the difficulty in finding markets? Let us assume that by means of a sharp attack on the standard of living of the working class, and the ruthless closing down of all unprosperous undertakings the costs of German industrial production would be reduced to a considerable degree. Would these products find a market at this lowered price? Certainly not in the home markets; for if our above statements are correct, the difficulty experienced in selling goods in Germany's home markets is in part to be attributed to the reduced purchasing powers of the broadest strata of the population, and in part to the disproportionality existing between the size of the industrial productive apparatus and the needs of the market. A mere reduction of the cost of production by lowering wages, lengthening working hours, and rationalised methods, would only have the effect of lowering the purchasing powers of the proletariat still further, whilst at the same time enhancing the productive capacity. Every step towards the more rational running of an undertaking is synonymous with an increase of producing capacity. From this we see that the contradiction in the home markets would by no means disappear.

With regard to the world's markets, it is true that this line of action would increase Germany's competitive powers, and alleviate the position of German industry. It would however not bring about the slightest change in the position of European capitalism as a whole, for the markets won by Germany would be lost by its competitors. The sole result would be a shifting of the crisis from Germany to other countries. The improvement in Germany's economic situation would be bought at the expense of worsened conditions in other countries.

Thus the more far seeing of Germany's bourgeois economists demand that the above measures be accompanied by a reduction of the producing capacity of German industry. This tendency is expressed in a catchword on the necessity of "adapting the producing apparatus to the altered requirements of the market", or, expressed in the above mentioned report of the Frankfurt chamber of commerce:

"This discrepancy (between market and production) can only be removed by a ruthless closing down, or restriction and amalgamation of unprofitable and superfluous undertakings and plants. At the close of the year industry is in the midst of this process of transformation, which has already been carried out to a great extent in many branches of manufacture by the disappearance of enterprises founded in the inflation period."

The necessity of removing the superfluous undertakings is expressed even more crudely in the report given by the manager of the Association of German Machine Builders at the beginning of December:

"The odd undertakings must be ruthlessly laid idle, discarded, and if necessary, scrapped."

<sup>17)</sup> A characteristic example of this is a phrase used in a programmatic article by August Rosterg, published on 6. January 1926 in the "Deutschen Bergwerkszeitung", the most ruthless anti-labour newspaper in Germany, and the invariable spokesman of the secret wishes of the heavy industrialists: "The world is large, and there is always a market to be found for cheap goods."

<sup>18)</sup> The object being: 1. The attainment of a lower price level rendering it possible to carry on foreign trade in a manner enabling Germany's financial obligations to be met; 2. The weeding out of those enterprises which are incapable of maintaining themselves at such a low price level; 3. The concentration of production and trade in those undertakings which are capable of continuing to exist at the reduced price level." (Deutsche Allgemeine Zeitung. 7. January 1926.)

What does this demand for the closing down and scrapping of works and factories in order to restore the equilibrium between production and market really mean? It means that instead of the customary method of overcoming market crises under normal capitalism, that is, instead of adapting the sale of goods to the increased producing capacity, by means of the extension of the market at home and abroad for the products of capitalist industry, that is an adaptation in an upward direction, here precisely the opposite of this is being proposed. It is proposed that the superfluous undertakings are to be laid idle and the machinery sold as old iron, the equilibrium thus being restored by diminishing the production apparatus, by an adaptation of production to the market, that is, an adaptation in a downward direction. But it is precisely this fact which signifies the decay of capitalism — the recognition of the impossibility of carrying on capitalist economics along an upward line!

The necessity of destroying means of production replies at the same time to the question, so often raised by us, of whether an accumulation of capital took place or not in Germany during the inflation period. We pointed out above that the concentration of enormous quantities of new means of production in the hands of the big bourgeoisie was not an accumulation, but a centralisation made possible by the ruthless expropriation of the poorer classes. But it is now evident that the thoughtless extension of the productive apparatus of German industry only apparently represents, in an outward form, an accumulation of capital: Factories and machine plants are taken as a rule to represent the actual form of capitalist accumulation. Now that it becomes apparent that there is no market for the products of this newly created industrial productive apparatus, then this means that the superfluous portion of this industrial productive apparatus does not represent capital. For capital is solely that which serves to gain profits. Factories and machines whose products cannot be sold for lack of markets cannot yield profits, and when they are therefore condemned to be broken up and sold as old iron, then it is only externally that they represent an accumulation of capital, and economically and actually they represent, under capitalist conditions, a useless waste of material and labour for the creation of superfluous equipment.

The German bourgeoisie consoles itself with the idea that the present crisis is a purging crisis, and that after the weeding out of the incompetent undertakings, of the enterprises which fail to compete successfully, German industry will rise again. German social democracy proclaims the same opinion. In the theses issued by the social democratic Reichstag fraction we read<sup>19)</sup>:

"The present crisis... can be designated to a considerable extent as a crisis of purification and rationalisation... The acute economic crisis has been aggravated in the most disastrous manner by reactionary tariff and cartel policy, by the sabotage of the international division of labour at the trade agreement negotiations, and by a muddle of waste and restriction in the granting of credits... This purging is at the same time the prerequisite for an increase in real wages, and for a sound development of the social situation... The disappearance of the unprosperous undertakings is the prerequisite for the increased productivity of the work accomplished by our collective national economics, and thus for the increase of real wages... It is even possible that the present crisis will prove in the end to be the starting point of a prosperity of German economic life, and of a general improvement in the standard of living."

From this we see that German social democracy theoretically entirely adopts the standpoint of the bourgeois economic politicians, and conceals from the working class that the rationalisation of production implies lessened opportunity for employment. It is less straightforward than even some of the bourgeois organs:

"We must" — writes the "Köln. Zeit" — "reckon with even greater unemployment, as a permanent state of affairs as has existed in England for some time past."<sup>20)</sup>

If we compare the manner in which the war problem is dealt with in England and in Germany, we observe that the cleverer and more far seeing English bourgeoisie is much more reserved in judgment and action than the German. In England the question is examined and investigated from every point of view, in great commissions, and the English bourgeoisie has

<sup>19)</sup> "Vorwärts". 19. December 1925.

<sup>20)</sup> "Köln. Zeitung". 20. December 1925.

finally come to the correct conclusion that an improvement of England's economic position is only to be expected from a general advance in international economics. The German bourgeoisie and German social democracy content themselves with the catch-words of: purification and rationalisation of production.

#### The International Economic Conference is no Remedy.

Among the remedies recommended by the social democrats and by a section of the bourgeoisie against the chronic economic crisis, an important place is occupied by the convocation of an international economic conference. The reader will recollect that this idea was unexpectedly raised at the last session of the League of Nations, by Loucheur and Jouhaux, but was practically rejected by the real lord of the League of Nations: Great Britain. After the declaration of refusal made by the English delegate Lord Cecil, it was decided that for the present the Secretariat should merely convene a conference of "private experts" for the preparation of such a conference, but that these experts were not to be regarded as representatives of their governments. The actual conference, to be eventually convened for the end of 1926 or the beginning of 1927, is to be held on the same basis. The first stage is to be a preliminary conference of 35 national economists, held at the beginning of 1926.

Despite this failure, the French and German social democrats, in conjunction with a part of the bourgeoisie, continue to cling to this idea.

What motive induces the German and French social democrats to exert themselves so energetically for this economic conference?

When examining into this question we must keep in view the fact that the social democrats invariably represent the interests of "their" country, of "their" bourgeoisie, in foreign politics. The German, French, and Italian bourgeoisies are extremely anxious for:

a) the lowering of the tariff barriers in the smaller and not yet fully industrialised countries, in order to secure the export for their industries.

b) the relaxation of the monopoly possessed by the two Anglo-Saxon world powers in the most important raw materials (cotton, jute, rubber, petroleum, zinc, copper, etc.). This is specially important for Italy.

c) an agreement with the Anglo-Saxon powers exporting capital, for the purpose of the joint regulation of currency questions, involving a favourable solution of the reparation question and of the interallied debts.

The international economic conference is thus the programme of the bourgeoisie of the continental European industrial states, of the second class great powers of the world, and is directed in the first place against the small states of Europe, which are to be held back from a further industrialisation injurious to the industrial export countries by means of the slogan of the "United States of Europe" or the "European Tariff Union". And on the other hand an attempt is to be made by the countries of the continent to join for mutual protection against the economic and financial supremacy of the two Anglo-Saxon world powers.

The cool rejection of the international economic conference by the English and American bourgeoisies shows that the latter clearly recognise its object. But unless these world powers participate actively in the conference, it will not be able to effect anything, even if it contrives to meet at all. If England and America take an active part, on the other hand, this simply means that in view of the present economic relations of forces the result will be — as has been the case in London and Locarno — merely a further development of the dependence of continental Europe from the United States. Should the bourgeoisies of the continental European countries succeed in coming to any binding agreements among themselves before the conference, this could perhaps render a certain resistance against America possible. But up to now even the attempts at an international regulation of the coal and iron industries have been unsuccessful in spite of two years of negotiations!

Even the best of economic conferences can be no effective remedy for the crisis in European capitalism. When a number of states, each suffering individually from the contradiction between its productive capacity and its market possibilities, all join together, this will not remove the fundamental evil. The most that can be accomplished is that one state improves its position at the expense of another.

#### The Future of Europe.

The foundations upon which European capitalism has been built up are destroyed. Neither the "rationalisation of production", nor world economic conferences, nor the joining of the capitalist states in "United States of Europe", nor any other means, can restore these foundations. The fact that the German bourgeoisie proclaims the necessity of destroying the "superfluous" means of production is of symbolic significance; French and Italian capitalism will speedily find themselves in the same position; the English bourgeoisie is still leaning upon its inherited wealth and the fruits of the exploitation of its gigantic colonies. The European bourgeoisie is no longer in a position to give work and bread to the workers. Mass unemployment has become a permanent state of affairs. Evolution is driving to an enormous intensification of the inherent antagonisms of capitalism: to armed conflicts abroad in pursuit of markets, to revolutionary class struggles in the countries themselves. We are actually approaching the state described by Bucharin in abstract theory in his above mentioned essay:

"... We have arrived at the boundary of capitalism.

When the explosion of capitalist antagonisms has brought about the destruction of economics and a decline of the productive forces, and when as a result the reproduction of labour and with this the functioning of labour has become impossible from a certain moment onwards, then the social apparatus of production goes to pieces, and the barricades arise between the classes<sup>21</sup>).

Although the present stabilisation may delay the advent of the acutely revolutionary situation in which "the barricades arise between the classes", Europe has undoubtedly historically reached the outermost boundary of the capitalist method of production.

The Soviet Union has already overstepped this boundary.

In Europe, economic development will most likely take the form of rapidly recurring and lengthy crises, interspersed with brief intervals of better conditions, the number of unemployed increasing with every crisis. Acutely revolutionary situations recur in rapid succession. The struggle for the seizure of power by the proletariat, the final struggle with the bourgeoisie, takes its course. Should this struggle not end with a rapid victory for the proletariat, and should civil war rage undecided for a lengthy period, then it may end with the destruction of the "superfluous" means of production and the extermination of the "superfluous" human beings by means of war, famine, and disease. And on this foundation it is possible that Europe — as an appendix of America — may restore capitalism. The contending classes may perish together in the course of long and undecided struggles, as the Communist Manifesto has already told us. It might be that a new and primitive form of capitalism could then arise on the ruins of European civilisation. We hope for and believe in the speedy final victory of the proletariat. But the possibility of a different issue is not excluded, and this different issue might be the result of the failure of the subjective factor of revolution to act at the decisive historical moment, of the failure on the part of the Communist leadership to throw the whole force of the organised proletariat at the decisive moments into the struggle. There are various issues possible. The only one which appears to us to be impossible is that dreamed of by the social democrats: a new period of peaceful advance for European capitalism.

## THE LABOUR MOVEMENT

### Trade Union Development in South Africa.

By James Shields (Johannesburg).

During the past two or three years there have been some big changes taking place with regard to the Trade Union movement in South Africa. In one or two journals dealing with Trade Union Unity recently, certain figures have been quoted with regard to the strength of S. A. Trade Unions. These figures it must be pointed out here only referred to what are known as the white Trade Unions, and did not include the big section of natives now organised in Trade Union ranks. This is a very important factor to be reckoned with as far as South Africa is concerned, because the present period is wit-

<sup>21</sup>) Under the banner of Marxism (German) No. 2. p. 285.

nessing a rapid decline in the membership of the white unions whilst the native Trade Union is making remarkable strides forward.

The hey-day of Trade Unionism was reached in this country in the year 1920 to 1921, when the numerical strength of the movement stood at the figure of 86,000. With the collapse of the 1922 strike on the Rand however, and the resulting chaos in the Trade Unions circles, this figure has dropped to a very low level. The rapidity of the decline and also its extent can be well judged when it is realised that the **Engineering Union** (A. E. U.), which formerly had a membership of over 11,000 now stands at the very low total of barely 3,000. The situation in the **South African Mine Workers' Union** has been even worse, where a drop in membership has taken place of roughly about 10,000. This Union, of course, was practically knocked out of existence during the Rand revolt. Before the revolt in question, however, there were round about 12,000 miners in its ranks, and yet to-day, three years after the finish of the strike, out of 18,000 white miners in the Transvaal barely 1,000 are within the ranks of the Union.

How the Unions as a whole have deteriorated can best be understood when it is realised that their aggregate membership is now between 35,000 and 40,000. Truly there has been a tremendous drop indeed from 86,000 in 1921 to hardly 40,000 in 1925. This phenomenon might seem incredible when taken in conjunction with the growth and development of South African industry where a rather big increase in the number of industrial establishments has taken place. Since 1920 over two hundred new establishments have come into existence whilst to go even further back we find that in 1916 there were roughly 4000 factories as compared with the present number of over 7000.

It is significant to note also that practically no increase in the white population has taken place during those years, whilst it can be definitely stated that more skilled workers left the country during that period than came into it. Where then, one might ask, were the fresh workers for the extra 3000 factories procured from. It is here that we at once realise that the new industrial workers have been procured from amongst the natives. Coming into contact with the evils of capitalist industrial life and seeing the white Trade Unions built up by the white workers, it was only natural that the idea of organising should take hold among the natives. Round about the end of the war we had a definite start being made in this direction and what is known as the **I. C. U. (Industrial and Commercial Workers' Union)**, was inaugurated. This Union which follows the line of the one big Union type came into being at the beginning of 1919 with the organising of the Dock workers in Cape Town and Port Elizabeth in its ranks. At the commencement of its career it was engaged in strike action on behalf of its members and to a big extent was fairly successful in raising their wage level. As a consequence of this success the employer commenced substituting coloured workers (asiatics) in the docks in place of natives, and the Union then began turning its attention to recruiting commercial workers, domestic workers, etc.

No doubt its initial racial outlook in character prompted it to move in this direction. More and more, however, as time went on the native in industry was drawn into its ranks, until to-day quite a fair proportion of its membership is made up of industrial workers.

The exact details of the **I. C. U.** are briefly:

Membership on the Book of over 30,000.

Regular monthly paying members of 15,000.

Female workers in the Union — One third of the total.

Two fifths of the total membership are industrial workers.

Remainder — Agricultural and Women.

The contribution per member is sixpence per week, but women and agricultural workers only pay half that amount or threepence per week.

The headquarters of the Union will probably be shifted from Cape Town to Johannesburg (the industrial centre of the country) in order to assist more in the work of organising the mine natives who number over 200,000 in the Transvaal.

At the present time we have a situation existing wherein Trade Unionism so far as the whites are concerned is rapidly declining, whilst Trade Unionism among the natives is rapidly increasing. The membership of the Trade Unions apart from the **I. C. U.**, as stated before, is less than 40,000 as compared with the **I. C. U.** membership alone of over 30,000.

There is this to be said about the **I. C. U.**, however, and that is that to a very big extent it still has to approach to proper

Trade Union lines. As yet it seems to be still greatly imbued with the spirit of racialism, and its ranks are open to non-working class elements, even a native bishop being included in them. Two tendencies make themselves felt within it, one which says "Let us secure national independence first and then we shall get our freedom", and the other which says, "Freedom first and national independence will come afterwards".

Between the native and the white worker there is a bitter racial hatred, which becomes in certain parts of the country more intense as the cheap-paid native displaces the white worker from industry.

In the Cape Province (formerly known as Cape Colony), where a large section of the workers are coloured, this feeling has to a big extent been overcome. Here one finds the Trade Unions admitting natives and coloured workers into their ranks as a consequence of the sheer driving force of economic necessity. In the Transvaal and Natal the exact opposite is the case, the aristocratic white worker standing aloof and refusing the native admittance. In this part of the country of course, there is no great section of coloured workers as in the Cape Province. The coloured worker in the Cape Province, owing to various reasons, acts more or less as a factor which helps to bridge the gulf between white and black. In Cape Town docks however, due to the work put in by the **I. C. U.** we find native and coloured on an equal footing and both very little below the level of the white. Wage rates for dock workers run as follows:

White workers 6 6d per day.

Native and Coloured workers from 4'6d to 5.- per day.

Just about a year ago an attempt was made to link the various unions close together. For this purpose what is termed the **S. A. A. E. O. (South African Association of Employees' Organisation)** was brought into existence to link them up on lines similar to the British Trade Union Congress. The General Council of this body has been making pretty good headway so far, and at the moment has an affiliated membership of approximately 15,000. It has left the question of including native unions in its ranks open at the moment, but there is every likelihood that before long it will probably take these inside also. There is one other body which links the Trade Unions up (now affiliated to the **S. A. A. E. O.**), but only on a local scale. This is called the **Cape Federation of Trade Unions**, and comprises a membership of about 4,000. The **S. A. A. E. O.** is affiliated to the International Federation of Trade Unions and had a delegate representing them at the last Geneva Conference of the body.

With regard to the breaking down of the colour bar in the Transvaal, the thin end of the wedge has been inserted into two Unions, viz. the Furniture Workers Industrial Union, and the Witwatersrand Tailors Association, by the inclusion of a few coloured workers. This latter body, by the way, is made up of small merchant-tailors and wage workers, and it states that the present number of coloured workers (seven Malays) now within its ranks must not be exceeded. This development, however, forecasts what is likely to happen in the future.

The great need of the moment is the active propagation in the different unions, by the class conscious elements, of the necessity for unity between black and white workers, and turning of those workers' attention into class channels instead of along lines of racial hatred.

More and more as the economic factors make themselves felt will the realisation be borne in upon the white worker that the native must be organised in the Trade Unions so as to prevent the boss class playing one section off against the other. Only when the need for this is thoroughly grasped will a class outlook be pushed to the fore, and proper working class Trade Union organisation come into existence in South Africa embracing the unity of all toilers on the industrial field.

## FOR THE UNITY OF THE TRADE UNION MOVEMENT

The Movement for Unity is Growing.

By A. Lozovsky.

Along with the intensification of the economic crisis there is growing up among the masses the will to unity. This will to unity is breaking through all reformist barriers and bears witness to the fact that the Communist International, the Red Inter-

national of Labour Unions and all organisations affiliated to them, have adopted in this question a correct line which has been justified by events. The last few weeks are especially rich in facts in this connection. It suffices to enumerate these facts when it becomes clear that we have before us an international phenomenon.

In Sweden there was recently held the Congress of the supporters of unity, at which communists, social democrats and non-party workers pronounced in favour of a united front for the class line both nationally and internationally. The Swedish social democracy and the leaders of the Swedish trade unions breeze fire and sword against this Conference. As, however, about a third of the trade union organised workers were represented at it, the social democratic attacks encountered serious resistance on the part of the masses.

In Czechoslovakia there was concluded on the 29th January the Congress of the revolutionary trade unions which pronounced in favour of carrying out the line of the Communist International and the Red International of Labour Unions in regard to unity. When one takes into consideration the divided condition of the Czechoslovakian trade union movement and its differentiation according to Parties, it is evident that this decision is of very great importance. This is all the more so as within the reformist trade unions, the Czechish as well as the Germans, and also within the Czechish national-socialist trade unions a very serious and growing Left wing is making its appearance. The Left tendencies in the reformist trade unions made themselves very evident at the recent parliamentary elections. The Communist Party has 104,000 members, while the Red Trade unions have 200,000 members, but the Party polled 1,000,000 votes. When one deducts from this figure a portion of the peasant votes, it becomes evident that a very considerable percentage of the workers who are in the reformist trade unions, voted for the Communist Party.

In Germany the Communist Party has succeeded in breaking through the social democratic front. The leaders of the reformist A. D. G. B. (Allgemeiner Deutscher Gewerkschaftsbund - German General Federation of Trade Unions) who a few weeks ago had not even given a thought to the expropriation of property of the royal houses and was still less minded to enter into a united front with the Communist Party, were compelled as a result of the pressure of the masses, to agree to both. In the German trade unions a revolutionary wave is making its appearance, for the first time since 1923, based upon the united front.

Both in Germany and in Czechoslovakia a very great role is played by the workers delegations who have returned from Soviet Russia and who form crystallising points for all supporters of unity in the reformist organisations of the national and international labour movement.

In far-off Japan there has just taken place the Congress of the Left trade unions which had made its chief task to unite the divided trade union movement of Japan. The Japanese workers have become convinced by their experiences in struggle of the absolute necessity of a firmly welded, united organisation. The voices which were recently to be heard in Left circles of the Japanese trade union movement in favour of a split have become silent. All are for unity the opponents of which, as in Europe, are the reformists.

In France, this classic land of splits in the labour movement, there is growing within the reformist trade unions the will to unity and for the fighting solidarity of the workers. Although the reformist trade union federation (C. G. T.) and the professional unions affiliated to it, categorically reject the united front with the unitarian (revolutionary) trade unions, this united front is being established between the trade unions of the various tendencies in the different localities in the fight for improving economic conditions. Thus even in France, where extraordinary difficulties exist, where the organisatory split has to be overcome, the will to unity is forcing its way through all obstacles.

In England where the trade union movement is united, the fight for unity is assuming the form of a fight for the rallying of all forces and mobilising the masses for the great collision between capital and labour which is expected to break out in May 1926. The attempt of the English bourgeoisie to throttle the Communist Party and the Minority movement in the trade unions has had the exact opposite result: the government and the reformists are incapable of holding back the workers from joining the Minority Movement and the Conference of Action to be held

in March 1926 summoned by the Minority Movement for organising the defence against the attack of capital will show how great the sympathies of the masses have grown for the consistent class struggle.

In the Balkans, in Poland and in a whole number of similar police democracies the unity of the working class is being prevented by the savage attacks on the part of the police, by wholesale arrests and by the united front of the police and the reformists.

In far-off Australia the government and the reformist part of the Labour Party are occupying themselves with the terrible "Moscow danger", with the result that the first blow has been aimed at the trade union council of New South Wales, embracing 250,000 workers and which already in the year 1922 had affiliated to the Red International of Labour Unions.

One can review the remaining countries one after another and prove by a number of facts the close connection between the growing crisis and the fight for unity, between the intensification of the persecutions on account of the growing sympathy for unity and the growth of new forms for uniting the workers of various tendencies. All this shows that capitalism and international reformism have entered on a new phase in their downward developments, the chief features of which are: the ideological and political breaking away of broad masses from the second and the Amsterdam Internationals and the eager desire to organise a real class defence of their positions. The necessity for an effectively organised self-defence is compelling the members of all reformist organisations to join in a united front with the supporters of the Communist International and the R. I. L. U. But the most effective defence is the attack and therefore we are faced with a whole number of fights not only for defence but also for attack, in the fire of which the real brotherly solidarity and the unity of the national and international trade union movement will be forged.

## IN THE COLONIES

### Labour Struggles in Indonesia.

By P. Bergsma.

It is very interesting to hear from time to time from the bourgeoisie that all the Government measures for combating Communism have been of no avail. Something of this sort is said by the bourgeois Press which has always urged on the Government to take more forcible measures.

The sugar syndicate commanded that communists should be dismissed from all the factories. As soon as it becomes known that a worker is carrying on propaganda or sympathises with the communists, he is turned into the street. Other works propose doing the same.

In practice these measures will have disastrous results for the bourgeoisie. For, the more workers dismissed, the more strikes will break out and the more it will become evident that at least 90% of the workers sympathise with Communism.

A striking example of this is offered by the metal workers' strike in Soerabaya. In this town about 8000 metal workers are employed. They were all organised in small groups. This year all the groups have been united into one organisation and a movement started demanding higher wages. This of course met with resistance on the part of the capitalists, who proceeded to dismiss the leaders. The workers answered by a sympathetic strike. In the "Industry" engine-works they were immediately victorious.

The employers however continued their provocation. With the help of the judicial authorities, some of the leaders were arrested. The workers realised that their position was very much strengthened by the united front they had formed; they persisted in the strike. An ultimatum was issued to the employers demanding that they should agree to twenty different points by December 14th. As they did not comply with this demand, 2000 workers went on strike on that day; in a short time the strike extended to 3000 workers.

The bourgeoisie, having realised that no measures of force are of any avail, is attempting to harness the intellectuals of Indonesia to its chariot. It reproaches them with their passivity and reminds them that it is their duty to warn the workers of the "dangers" of Communism.



Even the intellectuals, however, are protesting against the prohibition of public meetings. The Government has prohibited meetings of all revolutionary associations and parties. No meeting of members may be held without consent having been obtained a week previously from the police who have the right of entry to all such meetings.

Great unrest can be noticed among the ruling class. The causes of this condition however are far from being removed. The shameful oppression and exploitation in the State mines has roused the victims of forced labour and the contract coolies to combined resistance. Investigation has brought to light that workers have been beaten to death with whips.

In 1924, 2779 sentences were passed on about 5000 contract workers, all for transgressing the coolie regulations. The punishments consist of breaking stones, imprisonment and whippings which are carried out with birch rods. According to official figures, in one mine 16 persons are beaten every day with 10 to 20 strokes each. The workers are bound to a post and their hands tied above their heads so that their bodies are stretched. Their trousers are drawn down and the blows are given in slow succession, one, two, three . . . up to twenty, with a brutality which is hardly conceivable. Blood is usually drawn at the first stroke. There is not always a doctor present to say whether the person sentenced is strong enough for the punishment.

An eye-witness related that a young man working under compulsion was punished with a hundred strokes of the rod, because he called out that he was innocent. After twenty strokes he was in such a condition that he had to be taken to hospital. But with his battered body he had first to sit on a stone and watch others being punished. He was discharged from hospital cured in five weeks. The director of the prison remembered that 30 strokes were still due to him. The unfortunate man knowing what was in store for him, begged for mercy and to have the punishment postponed until he was strong enough to receive it; but in vain. Under the curses of the director, a brute in human form, he was seized and bound. The victim screamed with pain, at first loudly, then less and less vigorously, until at last he could make no sound. He was beaten to death. The cause of death was given as *beri beri* (a form of dropsy).

The Government excused itself on the grounds that in 1922 the production of the mines had suddenly to be increased. Thousands of new workers had been brought to the mines from Java, while nothing had been prepared for such a large gang of miners. Workers ran away every day; they were caught and, for want of prison cells, were punished with strokes of the rod. All this to increase production! One thing and another has filtered through from the official report which is kept secret. The truth however is even worse. The whippings are much more frequent than is officially admitted. In the mines, the workers who are incapable of working because of illness are beaten by the overseers until they fall down dead.

When we take into consideration the great efforts of capital to open up new districts in which there is a lack of workers, and to which large numbers of contract coolies are sent from Java (to Borneo, Celebes, Sumatra etc.) it is easy to understand that the bourgeoisie is far from thinking of abolishing the present mediaeval laws.

American capital also is eagerly trying to invest new capital in Indonesia, especially in the rubber plantations in Sumatra. The natives live entirely on what they find in the woods and on some cultivation of rice and do not voluntarily work as slaves for foreign capital. The bourgeoisie however cannot get on without workers. It therefore has workers sent from Java which is thickly populated and has a surplus of workers. In order to keep the workers for some years, they are bound by law to work for six or seven years for one employer. When they are once there, capital knows how to keep them there with the help of the Government. The facts however, that the forced labourers and contract coolies struck together in 1925, that a miners' union has been founded, that they have a newspaper, prove that even in this most oppressed category of workers a revolutionary spirit exists which forces the bourgeoisie to make concessions.

Above all the formation of communist parties on the islands of Sumatra, Borneo and Celebes and the organisation of the workers in trade unions has resulted in 300,000 contract workers developing class-consciousness. This explains the inhuman Terror practised against the leaders of the movement, for the bourgeoisie hates strikes more than death.

## ENLARGED EXECUTIVE

### The Agenda and the Preparation of the Enlarged Executive of the C. I.

Moscow, 4th February 1926.

At the end of January there took place the session of the Presidium of the E. C. C. I., at which the questions of the preparation for the Enlarged Executive, the German question and the French question were discussed.

The following provisional agenda for the Enlarged Executive was approved:

1. Report of the Presidium of the E. C. C. I. and the new political tasks (Reporter: Comrade Zinoviev).
2. Trade Union Question (Reporters: Comrade Tomski and Lozovsky).
3. Report of the Communist Party of Great Britain on the experiences of its work among the broad masses.
4. Questions of individual sections.
5. Control over the carrying out of the previous Comintern decisions and plan of work of the Executive for the period up to the VI. World Congress.

It is intended to set up the following commissions: a political, trade union, oriental, English, German, Polish, Czechoslovakian, Italian, French, American, Scandinavian, and a commission for preparing the 5th point of the agenda. In addition to this the secretariat of the E. C. C. I. has been instructed to set up a commission for the study and collection of material regarding the question of the methods for establishing political and organisatory contact with the broad masses.

With regard to the German question the Presidium on the initiative of the German delegation has thoroughly discussed the political, economic and inner party situation in Germany and adopted two resolutions proposed by the German delegation, the first dealing with the next tasks of the C. P. of Germany and the second dealing with the fight against the ultra-left.

As regards the question of Maslov the Presidium has adopted a decision which endorses the estimation of Maslov's behaviour before the court by the International Control Commission.

After discussing the situation in the C. P. of France the Presidium approved the decision of the Central Committee of the C. P. France that a broad discussion in the Party press regarding the existing differences of opinion be opened, but at the same time declared to be impermissible for the Party members to conduct a discussion in such organs as are not party organs and which conduct a direct fight against the Party. The Presidium expressly demanded that all Party members should immediately cease collaborating or participating in the "Revolution Proletarienne" or in the "Bulletin Communiste". With regards the question of Souvarine who had made application for his readmission into the Party, it was decided to reject this application on the following reasons: 1. Souvarine has not kept his promise to refrain from fighting against the C. P. of France and the Comintern. 2. After his return to Paris he formed a faction within the Party along with the right elements. 3. He conducted, first in the "Revolution Proletarienne" and afterwards in the "Bulletin Communiste" an unworthy counter-revolutionary and anti-communist campaign against the Party and the leadership of the Comintern. The Presidium called upon all Party members who directly or indirectly supported Souvarine, to sever all connection with him.

The Presidium confirmed the following composition of the editorial staff of the "Communist International!":

Zinoviev, Bucharin, Mannilski, Pepper, Roy, Martynov.

## THE PEASANTS' MOVEMENT

### The First National Congress of Peasants in France.

By T. Dombal.

The first National Congress of Peasants in France which took place in Paris recently, is an event of the greatest importance. This Congress is also of great significance for the peasant movement in other countries, especially those which are under the influence of France.

The situation of the French peasants is becoming very much worse. The whole burden of the post-war crisis is weighing heavily on the broad masses of the peasants, and France's imperialist policy is squeezing the last drop of blood from the peasants and increasing the discontent and fermentation among them.

There can be no doubt that there is an ever increasing pauperization of the French peasantry and, in connection with it, a gradual though fairly slow emancipation of the peasants from the influence of the bourgeois agrarian reaction.

The Congress is evidence of an intensification of this process not only in political but also in organisational respect which will finally lead to an alteration of the relations of political forces within the country.

Up to the present the French peasantry has had no economic and political organisations of its own in which it felt it was master. It associated itself with the various parties, from the royalist to the communist.

The chief tool of the bourgeois agrarian reaction, with the help of which it exercised its rule over the peasants, was the "Confédération Générale Agricole" (C. G. A., "General Agricultural Federation"), which actually consists of three separate organisations: 1. Société des Agriculteurs de France (Association of French Agriculturalists), 2. "Union Centrale des Agriculteurs de France" (Central Union of French Agriculturalists) and 3. the "National Peasants' Union." The first of these organisations is the ideological centre, the headquarters of the Union. At its head is the Marquis de Vogüe, leader of the "Black Agrarian International." De Vogüe is closely connected with railway companies and the agricultural industry.

The second organisation (the Central Union) is a powerful economic organisation consisting of about 5000 syndicates with Cooperatives, Credit Banks etc. and having about one million members. Its leaders are well-known royalists, one of whom is General Castelnau, the head of French clerical Fascism, who uses the apparatus of the Union to spread Fascism in the villages.

The third of the organisations which belong to the Confederation, the "National Peasants' Union", is a political tool for preparing for elections and for exercising a permanent influence in Parliament, in the apparatus of State and on the peasantry in the interest of bourgeois agrarian reaction! This organisation works under the control of the "National Union for the Promotion of Agriculture", and like it is under the guidance of a handful of pseudo-democrats and demagogues. The "National Peasants' Union" is closely connected with the "Comité de Forges" (Iron-Foundries Committee) and with the Loucheur group in Parliament as well as with the "League for Agricultural Interests" which is also in close touch with the latter and which has been convicted several times of bribing individual politicians and whole groups of different parties to carry through various plans of the rich bourgeoisie in Parliament and in the apparatus of State. This "National Peasants' Union" is endeavouring to oppose the whole peasantry to the proletariat and to break up the existing bloc of workers and peasants.

As it is easy to understand from the above, the "General Agricultural Federation" is as a whole at bottom an agent of the warlike financial capital, the most important deadly enemy of both the workers and the broad masses of the working peasantry.

In 1924, the Left Bloc tried to make use of the growing discontent of the working peasants who form the basis of this union, by creating a counter-organisation under the sounding name of "Confédération Nationale des Associations Agricoles"

(National Confederation of Agricultural Associations), which however became nothing more than a central Press bureau of the Left Bloc for the agrarian circles.

As long ago however as in 1922, the first attempts of the advanced strata of the working peasantry to free themselves from the leadership of the rich agrarians and the bourgeoisie became evident. The "Federation of Working Peasants" (Federation des Paysans Travailleurs), affiliated to the Peasant International since 1923) which was created at that time on the initiative of Comrade Vazeilles, is at present a small organisation numbering but few members. Its influence, however, is steadily growing. At the same time a considerable number of independent organisations and cooperatives were founded in all parts of France and later the "French Peasant Council", a leading centre of the French peasant movement was formed.

This fermentation among the peasants grew as a result of the intensification of the financial crisis, the colonial wars in Morocco and Syria, the new inflation etc. in connection with the increase of the burden of taxation which arose through them.

There was a time when it seemed as though the depreciation of the currency and the increase of prices (the growing demand of the army etc. for agricultural products and the possibility of forcing up prices) were even an advantage to the peasants; but these illusions were soon dispersed. Although the first inflation resulting from the imperialist war, gave the peasants the opportunity of paying off their mortgage debts with paper money and, in many cases, of even buying the land they had leased, the present inflation means nothing more nor less than a gradual pauperization of the peasantry, for it is a tool in the hands of the bourgeoisie for transferring the burden of the financial crisis, of the mad rise in the cost of industrial production accompanied by an ever increasing load of taxation; on to the workers and peasants. This makes the new inflation and the phenomena which accompany it one of the most important stimuli for the spread of the revolutionary movement among the peasantry.

The Right Press and that of the Left Bloc are unanimously demanding a fresh increase of taxes for the peasantry who, as it is, are suffering from various unbearable indirect taxes.

The imperialist policy of France has already brought about the result that, as deputy Renaud Jean, President of the Peasant Council of France, remarked in Parliament, the estimates of the national expenses for the administration of agriculture only amount to a one hundred and twentyfifth part of the estimate of the "budget of death", i. e. of the total expenditure for military purposes.

The new inflation, the phenomena which accompany it and its consequences are creating the preliminary conditions for the formation of a united front of the working peasants (from the poor to the middle peasants), for the creation of an effective worker and peasant Bloc to combat the threat of a military Fascist dictatorship, for restoring healthy conditions in the economic situation of the country and for a worker and peasant government.

The Congress issued the slogan of a fight against the increase of taxation and against the rise of prices and also a number of concrete demands the purpose of which is to gather the broad masses of the peasants round the Peasant Council of France; it also indicated the main lines of work for extending the influence of the working peasants in the existing agricultural organisations and for driving out the exploiters who are at present at their head. In these ways it has constructed a firm foundation for the formation of a real revolutionary union of the masses of peasants in a not too distant future.

Simultaneously with the strengthening of the revolutionary attitude in the villages, transition groups may arise in Parliament which claim to belong to the peasants and profess peasant slogans and thus, even against their own will, hasten the day when the peasantry will recognise that its interests are opposed to those of the bourgeoisie.

The unanimous resolution of the Congress that the Peasant Council of France and all the organisations affiliated to it should join the Peasant International indicates better than anything else which path the working peasantry of France will take.

## THE WHITE TERROR

### New Persecutions of the Working Youth in Roumania.

On the 15th of January of this year there took place before the Klausenburg Tribunal a trial against Communist juvenile workers which aroused the indignation of the working population and even partly of the bourgeois. There stood before the tribunal 16 juvenile workers between 16 and 19 years, whose chief crime consisted in the fact that they were members of the Communist Youth and had read communist literature. The Council for the Defence pointed out that these young workers were pure enthusiasts and idealists who had never overstepped the boundaries of theoretical communism. This estimation of the accused was shared also by the entire oppositional press.

In spite of this public opinion the military court pronounced a sentence that in brutality and cruelty did not stand behind the judgment in the Tartarbanar case.

Berdinean, a young worker of 18 years and Janka Salomon, a girl worker of 17 years, each received five years hard labour. Birtas and Mitrovici were each condemned to three years, Ladislaus Cseperas to two years, Ladislaus Lipik, Josef Takacs, Ladislaus Matocsi each to one year, five of the accused were each condemned to half a year.

After these sentences there commenced a campaign against and mass arrests of members of the Communist Party, in which 32 juvenile workers from Grosswardein were arrested and imprisoned. In connection with the arrests the most brutal and inhuman cruelties are reported about the treatment of these youthful workers. Some finger nails were torn out by cruel police and further, lead was pressed between their fingers and their bones broken. In order to extort the desired confession, the accused were forced to tread on hot coal.

Yesterday before the military court in Cluj (Klausenburg) the proceeding took place against Josef Marzon and Leken Mühlberg, who were accused of having taken part in the Communist movement and in the distribution of communist leaflets. Both the accused declared themselves innocent. As no proofs could be produced the judge had to pass a "mild" sentence: four months for Marzon, three months for Mühlberg.

A storm of protest against these cruel persecutions of the working youth is necessary.

## ORGANISATION

### The First Org Conference of the Workers Party of America.

By Jay Lovestone (Chicago).

On December 29th 1925 the Party held its first organisation conference. The sessions were devoted strictly to a discussion and a consideration of the various problems arising in the different districts in the campaign to reorganise the Party on the basis of shop and street nuclei.

In addition to the members of the Central Executive Committee attending the full session of the C. E. C. there were also present all district organisers except those from Seattle and California. The different district organisers placed before the conference their experiences and problems of reorganisation in their districts.

Reporting on the progress of reorganisation in District One, Comrade Ballam indicated the difficulties in the Boston district because of the small number of English speaking members and the character of the industries in which the Party membership was employed in his territory.

Because of the achievements of the Finnish national convention, the Finnish branches of District One constituting the overwhelming majority of the membership in this section, are now responding quite well to reorganisation.

Comrade Stachel, reporting for District Two, gave an elaborate and instructive report of the substantial progress and good results achieved by the New York district in the reorganisation campaign. 2800 members were registered in the city of New York alone. The language bureaus were drawn into close cooperation. The city has been divided into eleven sections.

More than half of the membership in the street nuclei consist of comrades working in the building trades. The shop nuclei are well distributed in the clothing, shoe, metal and other industries. Preparations are afoot to complete reorganisation in New Jersey and Connecticut.

In reporting as to the progress of reorganisation in District Three, Comrade Tallentire told of the opposition to reorganisation in one of the Lithuanian branches and of the extra difficulties incurred because of the anthracite strike. The city of Philadelphia is completely registered.

Comrade Sullivan reported that Buffalo is through with registration. Erie, Utica and Syracuse are completely reorganised. There are several sections of the district which are really companyowned towns and this accounts for one source of opposition to reorganisation. The terrorism of the employers is feared by some of our members.

In the Pittsburgh district Comrade Jakira reported practically complete reorganisation. Good shop nuclei have been organised in the steel mills and coal mines. Comrades are meeting with difficulty in working in the shop nuclei without being interfered with by the employers because in this district the industrial spy system is the most vicious and the best developed.

The change of employment, such as the transfer from mine to mine, or even the transfer from industry to industry and moving out of the state, have proved a source of interference in the reorganisation campaign in this district.

In instances where nuclei are composed of members of one nationality Comrade Jakira has adopted the correct practice of transferring comrades of another nationality into that nucleus so as to prevent that nucleus from functioning, in any respect at all, as a language group.

The Cleveland district, according to the report of Comrade Amter, the district organiser, is now completely registered and shop nuclei and street nuclei are being organised. The city of Cleveland is already completely reorganised.

In the Detroit district the problem of reorganisation is on the whole simpler than in other districts. Here we have one basic industry, the automobile industry, in which most of the members are employed. There are 15 well-functioning shop nuclei in the city of Detroit. Shop nuclei papers have been issued here and have brought good results. A central fund is being established for issuing shop nuclei papers. The South Slavic comrades have responded best to reorganisation. Comrade Owens, the district organiser, told of the intense interest being taken by our Party members in problems of unionizing the automobile workers.

Comrade Abern made a very instructive report on the experiences of the Chicago district which was the first to be completely reorganised on the basis of shop and street nuclei. The new Party units have already distinguished themselves in the "Daily Worker" campaign.

In the city of Chicago there are 28 shop nuclei and 40 street nuclei. There are now functioning shop nuclei in department stores, clothing factories, millinery factories, car building corporations, automobile factories, railroad shops, steel mills, city transport lines, and coal mines.

The Minneapolis district is, on the whole, not an industrial district. The overwhelming majority of the membership here is Finnish. There are at least 20 farm branches here. The cities of Minneapolis and St. Paul have already been reorganised and are now functioning on the shop and street nuclei basis.

The Org Department has been informed by the district organisers of Seattle and San Francisco that registration there is practically completed.

Comrade Darcy, national secretary of the Young Workers (Communist) League of America, stressed the necessity for closer cooperation between the League and the Party. He pointed out the need for the district organisers getting to work in the campaign to establish a League unit in every place where there is a Party unit.

Another Org Conference will be held soon.

It is now four months since the National Convention was held. It appears certain that the entire Party will be reorganised completely in less than the period provided for by the convention.

The reorganisation has been met with greater enthusiasm and energy than the most optimistic in our ranks have hoped for and our main task at this time is to activate, to enliven, the new shop and street nuclei, to make out of these units real living, fighting units of the Workers (Communist) Party.

## AGITPROP.

### The Proletarian Film in America.

By William F. Kruse.

The motion picture film is the most potent means of moulding mass opinion to be found in America. Every week more than 50,000,000 people visit the 20,000 regular movie theatres, to say nothing of the attendance in the 100,000 clubs, schools, church halls and other places equipped for showing films. The importance laid by the capitalist class on this means of propaganda is shown on the one hand by the strict censorship regulations, and on the other by the extreme skill with which master class ideology is woven into almost every product of the film trust. Organisational steps are taken to insinuate the film everywhere — for the children there are school showings and special Saturday morning shows in theatres, for the backwoods rural public there are State-operated travelling outfits that show in country school houses or even in open air, — the films are brought, at capitalist expense, into factories, clubs, churches and even into the prisons. The propaganda potency of the film in America outweighs the combined influence of newspapers, public libraries and lecture platforms.

Our movement has been forced to try to meet this new weapon of the master class, to try to turn it to its own service. To some measure we have met with success, as have also the comrades in other countries, but the further development of this work must be organised on a world-wide scale with the film industry of Soviet Russia as a basis. The terrific propaganda force of the bourgeois "Film News Weeklies" must be countered with a "Workers' Film News Weekly" to give the latest happenings in the world of labour, and especially in Soviet Russia. The subtle "tendency" films of the capitalists must be countered with those giving the working class ideology. The film in church and school must be countered with those giving the working class ideology. The film in church and school must be countered with the worker's film in the Labour Temple.

In the United States we were compelled to the use of motion pictures by the actual needs of our campaign for Russian relief in 1921. The American workers at that time were in a generally progressive trend, their sympathies were instinctively with Soviet Russia, but we had to find some means of bridging the gap that separated us from these essentially friendly but inaccessible masses. Our meetings were small and attended mainly by ourselves and our closest sympathisers. The first step, that of lectures illustrated by lantern slides, was soon followed by the second — the motion picture film.

Its success, from the very first, was tremendous. The largest theatres in the industrial centres could not hold our crowds, and even where our membership was infinitesimal, even in the smallest hamlets, the message of Soviet Russia was presented with the same uniform perfection to crowds that never before paid the slightest attention to our meetings, newspapers or literature. The first picture was also a distinct financial success, its gross receipts coming to \$40,000. Of course as the novelty of workers' film wore off, as in conformity with the general proletarian trend of that time the wave of revolutionary and humanitarian interest in Russia subsided among the American workers, the financial returns became progressively less, but actual financial loss has always been avoided. The financial gains are entirely dwarfed, however, by the tremendous propaganda value of this new medium, each of our five full film programmes has thus far played in 200 cities (in many of which we had no organisation whatever) and before 100,000 to 150,000 people and in addition our films deserve chief credit for the success of many meetings and demonstrations. The newspaper publicity attending the showings, the broad campaigns resulting from numerous cases of attempted suppression must be added to the direct propaganda results. There should be added also the subjective benefit to our movement, just then cautiously emerging into legality: the big halls, theatres, public buildings, that were requisite, the relatively enormous amount of advertising necessary, the whole compulsory mass approach that the film brought with it, was of inestimable value in encouraging and strengthening the young movement.

Our first picture, "Russia Through the Shadows", was made up from a fortuitous purchase of some 1917 revolutionary film,

and famine scenes from the Workers' International Relief, padded out with our own photography of our various relief activities in America and on our Ural tractor farm. Technically it was infantile, but its interest tremendous. "The Fifth Year" was made up out of about 40 Russian newsreels, including May Day demonstrations, S. R. trial, army manoeuvres, sport, industrial reconstruction and the overcoming of the after-effects of famine. Technically it was excellent, colour-photography and animated trick film being employed to dress it up on American technical standards. The propaganda possibilities of trick film — if technically well made — are unlimited. Then followed, among actual subjects, "Russia and Germany", contrasting the effects of revolutionary and reformist labour politics; "Russia in Overalls" showing industrial revival; "Russia Today", the social and industrial life of Russian asbestos miners; "Lenin", scenes from old films added to the funeral pictures; and finally, "Prisoners for Progress", a Mopra (International Class War Prisoners' Aid) film of direct propaganda nature. Of story films we had three, "Polikushka", "Soldier Ivan's Miracle", and "Kombrig Ivanov". We have supplied films to the Canadian movement, and negotiations are now under way to do the same for Mexico and Argentine.

In addition to these chiefly Russian subjects we produced several American labour news-reels on such subjects as the Paterson silk strike, the police brutality in the Chicago stockyards strike, the Herrin battle, meetings of unemployed returned soldiers. Labour Party conventions, Lanzutsky demonstrations before the Polish consulates, our Presidential candidates; most of these we photographed ourselves, a few we bought at very low prices. We now have a sufficient amount of material on war, imperialism, and American labour conditions to make an interesting American labour film but we lack the means to finish it off. These news-reels were issued in the form of "Film Editions of the Daily Worker", thus giving our organ greater publicity among the working masses as well as the honour of being the first Communist Daily to bring out its stories on celluloid.

This work has of course met with stiff opposition from the capitalist state. In about 8 states (of 48) and about 50 cities there are censorship provisions to be met, but thus far we have very seldom failed. Often it was necessary to roll up a mass protest movement to force the censors to withdraw hostile rulings, in such campaigns trade unions (in two cases State Federations of Labour) and many liberal organisations were enlisted, and appeals made to the highest instances. Wherever a film is temporarily banned it results in added success when it is finally shown. There were also a few cases of police closure of halls, and arrest of our committees, and some rare instances of extra-legal violence of Fascist type, as well as occasional projectionist sabotage. Opposition generally resulted in greater publicity gains than the loss it entailed.

The showings were mostly held in rented theatres, though in many cases schools and other public buildings were secured through liberal or labour aid. In small towns theatre owners dependant upon labour support rented our pictures as part of their regular programme, often, too, Labour Temples were used. An itinerant projection outfit is now being planned to work in the rural and small isolated mining districts, and consideration is being given to equipment that permits pictures to be shown in daylight.

Our work has now reached a temporary impasse for lack of new film material. Many of our locals demand new pictures for this season and it is expected to meet it by the Mezhrabpom film "Lenin's Call". Unfortunately the season will be practically over before it can be made available, thus a whole winter has passed minus film propaganda and revenue. The experiences of the American movement, as well as those of other countries where film has been employed with greater or less success, should lay the basis for a proletarian film service and exchange that is truly international in scope.

The Soviet Union must of course be the economic and ideological foundation for this work. By means of the film the truth about Communist Russia can be shown before the very eyes of the Western workers — we can show them the revolutionary past and present, as well as the news of our everyday rebuilding of Socialist society. Only a very few can come on the various Workers' Delegations and see for themselves with their own eyes, but by taking motion pictures of what these delegations see and do in Russia we can bring before the eyes of the masses the same sights that greeted and convinced their delegates.