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## The Fight against the Right and Ultra-Left Deviations.

By I. Stalin.

The two following speeches of Comrade Stalin were made at a meeting of the Presidium of the E. C. C. I. in January 1926. Editor.

I.

In my opinion, Comrades Hansen and Ruth Fischer look at things from a wrong standpoint. They demand that the fight against the Right and the ultra-Left should be carried on with equal energy, always, everywhere and in all circumstances, so to speak in a just way. This point of view as to the justice and uniformity of the blows against the Right and the ultra-Left, in all circumstances and under all conditions is a childish point of view. The politician cannot put the question in that way.

The question of the fights against the Right and the ultra-Left cannot be regarded from the point of view of justice, but

from the point of view of the demands of the political moment, from the point of view of the political needs of the party at any given moment. Why is it that at the present moment the immediate urgent task in the French party is the fight against the Right and in the German C. P. the fight against the ultra-Left? Because the situation is not the same in the Communist parties of France and Germany. Because the political needs of these two parties at the given moment are different.

Germany has only recently emerged from a deep revolutionary crisis in which the party carried on the fight by the method of immediate pressure. Now, the C. P. of Germany is passing through a period of gathering its forces and of preparing the masses for the future decisive fights. In the new conditions the method of direct pressure is no longer suitable for attaining the old aims. The C. P. of Germany is now demanding a transition to the method of turning the

enemy's flank with the object of winning over the majority of the working class in Germany.

It is natural that in these circumstances there should be a small ultra-Left group in Germany which, like schoolchildren goes on repeating old slogans, and either cannot or will not adapt itself to the new conditions of struggle which demand new ways of working. Hence the ultra-Left, which hinders the party in its policy of adapting itself to new conditions of fighting and of opening up for itself a new way to reach the broad masses of the German proletariat! The C. P. of Germany will either break the resistance of the ultra-Left and thus clear itself a path for the conquest of the majority of the working class, or it will not do so and then it will turn the present crisis into a chronic one which will be disastrous for the party. For this reason the fight against the ultra-Left in the C. P. of Germany is one of the tasks on the agenda of the party.

In France there is a different situation. In that country there has not yet been a deep-reaching revolutionary crisis. There the fight, with its exclusively or almost exclusively legal methods of fighting has proceeded within the limits of legality. Now however a crisis is to be noticed in France. I refer to the wars in Morocco and Syria and to France's financial difficulties. It is still difficult, however, to say how deeply this crisis is penetrating. It is nevertheless a crisis which demands that the party should combine legal and illegal conditions of fighting and these require of the party a maximum degree of bolshevisation.

It is natural that in such circumstances a group should have formed in the French party — I mean the group of the Right — which cannot or will not adapt itself to the new methods of fighting and which out of persistency clings to the old methods of fighting as being the only right ones. This circumstance must of course inhibit the bolshevisation of the French C. P. In the C. P. of France therefore, the Right danger is the one on the agenda. From this we see that the task of fighting the Right danger is an urgent duty of the C. P. of France.

A few examples from the history of the C. P. of the Soviet Union. After the revolution of 1905 an ultra-Left group under the name of "Otsovists" (persons in favour of recalling the members of the Duma. — Editor), formed in our party in the same way, which would not or could not adapt itself to the new conditions of fighting and did not recognise the method of making use of legal possibilities (Duma, working men's clubs, insurance associations etc.). It is well known that Lenin carried on a decisive fight against this group, and that the party succeeded in finding the right path after it had succeeded in overcoming this group. We experienced the same thing after the revolution of 1917, when an ultra-Left group opposed the peace of Brest-Litovsk. It is well known that our party, with Lenin at its head, smashed this group also.

What do these facts prove? They prove that the question of the fight against the Right and the Left must not be put in the abstract, but concretely in its connection with the political circumstances.

Is it a mere chance that the French come to the Presidium of the E. C. C. I. with a resolution against the Right elements in their party, whilst the Germans come with a resolution against the ultra-Left? Of course it is no mere chance. If anyone has a pain, he talks about it.

For this reason the point of view of justice and uniformity in striking the blows against the Right and the ultra-Left is impossible.

This is just the reason why I should propose that in the draft of the resolution about the ultra-Left in Germany the expression should be eliminated which says that the fight in the C. P. of Germany must be directed in equal measure against both the Right and the ultra-Left. I propose that this expression should be omitted for the same reason for which, in the

resolution regarding the Right in the C. P. of France the expression with regard to directing the fight against the ultra-Left was crossed out. It is undoubtedly true that we must always and everywhere fight against the Right and the ultra-Left. But at the moment this is not the most important thing, but rather on what the attention in France on the one hand and in Germany on the other hand should be concentrated. In my opinion, the C. P. of France should direct its attention to the question of the fight against the Right, for this is what political necessity demands at the present moment; in the C. P. of Germany however, efforts must be concentrated on the question of the fight against the ultra-Left, for this is what the political necessities of the moment demand of the C. P. of Germany.

What is the attitude of the intermediary group in the C. P. of Germany, the group Ruth Fischer-Maslov, if we consider the question from the point of view just expounded? My view of the matter is that this group diplomatically offers cover to the ultra-Left group of Comrade Scholem; the Ruth Fischer-Maslov group, though it does not openly express its solidarity with the Scholem group, still does everything in its power to weaken the blow aimed by the party against the Scholem group. In this way the Ruth Fischer-Maslov group prevents the C. C. of the C. P. of Germany from overcoming and liquidating the ultra-Left prejudices of the C. P. of Germany. The C. P. of Germany must therefore carry on a decisive fight against this group, against the Ruth Fischer-Maslov group. Either the Ruth Fischer-Maslov group will be defeated and it will then be possible for the party to overcome the present crisis in the fight against the Scholem group, or the C. P. of Germany will voluntarily yield to the diplomatic pretexts of the Ruth Fischer-Maslov group and then Scholem will win the day.

## II.

It seems to me that Comrade Hansen is preaching, with regard to the conflict of ideas within the party, some kind of clerical morals, which by no means become a Communist party. He is obviously not opposed to a conflict of ideas, but he would like to carry on this fight in such a way that the leaders of the opposition would be in no way discredited. Surely there is no such fight in the world. It seems to me that anyone who only approves of a fight under the condition that the leaders shall in no way be compromised, is actually disputing the possibility of any conflict of ideas within the party. Must we reveal the mistakes of one or another of the party leaders? Must we make these mistakes public, expose them to the eyes of the masses of the party so that the masses may learn from the mistakes? I think we must. I think there is no other way of setting mistakes right. In my opinion it is not our method to hush up mistakes. The consequence is, however, that a fight within the party and amendment of mistakes cannot take place without some leader or other being compromised in some way. This is perhaps regrettable but it cannot be helped, for we are powerless to fight against the inevitable.

What then is the gist of the matter? The fact is that we are not faced by an abstract question as to the fight against the Right and the ultra-Left in general, but by the concrete question of the immediate duties of the concrete German party at a given moment. The immediate task of the C. P. of Germany is that of overcoming the ultra-Left danger, just as the immediate task of the C. P. of France is that of overcoming the Right danger.

How for instance is the well-known fact to be explained that the Communist parties of Great Britain, France and Czechoslovakia are already firmly anchored in the trade union movement of the countries in question, that they have already found a path to the broad masses of the working class and are beginning to gain the confidence, if not of the majority in the Labour movement, at least of a large number, whereas in Germany only feeble efforts are being made in these respects?

This circumstance is chiefly to be explained by the fact that the ultra-Left is still strong in the C. P. of Germany, the ultra-Left which still looks with scepticism on the trade unions, on the slogan of the united front and on the slogan of winning over the trade unions. Everyone knows that only a short time ago the ultra-Lefts still advocated the slogan: "Let us leave the trade unions!" It is a matter of common knowledge that the remnants of this anti-proletarian slogan have not yet been completely eliminated from among the ultra-Lefts. One thing or the other! Either the C. P. of Germany will see its way to overcome the prejudices of the ultra-Left in the question of methods of work among the masses by finally vanquishing the Scholem group, i. e. dispersing it ideologically, or it will not be able to do this, and then the crisis in the C. P. of Germany will take an extremely dangerous turn.

It is said that there are honest and revolutionary workers in the ultra-Left who should not and must not be repulsed. Neither do we propose to repulse them. In view of this we shall not include in our draft resolution any proposals for cutting off or excluding any ultra-Lefts whatever from the party and certainly not any workers. But how are these workers to be raised to the level of consciousness of a Leninist party? How are they to be rescued from the illusions which now possess them thanks to the mistakes and prejudices of their ultra-Left leaders? There is only one remedy for this, that of political disavowal of the ultra-Left, that of exposing some ultra-Left ignoramus or other who confuses the honest and revolutionary workers and prevents them finding the right path. Are we, in the question of the conflict of ideas within the party and of the political education of the masses to consent to lame diplomatic tricks, to mistakes being hushed up? No, we cannot do this. It would be a breach of faith with the workers. What is the issue from such a dilemma? There is only one way of escape; the mistakes of the ultra-Left leaders must be exposed, and in this way the honest, revolutionary workers must be helped to find the right path.

It is said that the attack on the ultra-Left may lead to the C. P. of Germany being accused of having veered to the Right. This is all nonsense, comrades. When in 1908, at the all-Russian Party Conference, Lenin led the fight against the Russian ultra-Left and vanquished it, there were, among us also, those who accused Lenin of an inclination towards the Right, of developing towards the Right. Now however the whole world knows that Lenin was in the right at that time and that his point of view was the only revolutionary one, whilst the standpoint of the Russian ultra-Left who at that time flourished around with their "revolutionary" phrases, was actually an opportunist one.

It should not be forgotten that the Right and the ultra-Left are at bottom closely related, that both take an opportunist point of view, with the distinction that the Right does not always reveal its opportunism, whilst the Left masks its opportunism with "revolutionary" phrases. Our policy must not be determined by what any babbler or petty bourgeois says about us. We must pursue our path with determination and conviction regardless of what newest nonsense the idlers may prattle about us. The Russians have a good proverb, "The dogs bark, the caravan passes on." It would be good to remember this proverb, it may help us in more ways than one.

Ruth Fischer says that in the C. P. of Germany a Right danger may, in the future, become a standing question on the agenda of the party. This is extremely possible and even probable. What is the consequence? Ruth Fischer draws the strange conclusion that the attack against the ultra-Left in Germany which is **already** a real danger, should be weakened and the attack against the Right, which **may**, in the future, become a serious danger, should be reinforced at once.

It is not difficult to understand that this way of putting the question is rather ridiculous and fundamentally wrong. Only a mediocre diplomatic group could talk itself into such a ridiculous attitude, the Ruth Fischer-Maslov group, which is

endeavouring to weaken the fight of the party against the ultra-Left and thus to save the Scholem group and protect it from the attack. This is the one and only meaning of Comrade Ruth Fischer's proposal. I imagine there must be a similar diplomatic intermediate group in France which is trying to provide cover for the Right elements of the C. P. of France by seductive speeches. For this reason the fight against the diplomatic intermediate groups is an urgent task of the day in both the German and the French parties.

Comrade Ruth Fischer asseverates that the passing of the resolution against the ultra-Left in Germany can only aggravate the situation within the party. It seems to me that Comrade Ruth Fischer wants the crisis in the C. P. of Germany to drag on, she wants to make it of longer duration, to turn it into a chronic one. We cannot therefore follow the same path as Comrade Ruth Fischer in spite of all her diplomacy and her seductive words about peace within the party.

Comrades, I believe that some earnest Marxist elements have already crystallised in the German party. I believe that the present nucleus of workers in the German C. C. is just that Marxist nucleus which the C. P. of Germany needs. It is the duty of the Presidium of the E. C. C. I. to support this nucleus and to assist it in the fight against deviations of any kind, above all against deviations to the ultra-Left. We must therefore pass the resolution against the ultra-Left in Germany.

## POLITICS

### The Anglo-Turkish Conflict.

By B. Ferdi.

England, by dictating an arbitrary decision to the League of Nations, has just obtained the possession of the petroleum field of Mosul finally adjudicated to her. This burning injustice has again roused the nationalist Turkish bourgeoisie, at whose cost it happened, against the imperialist Powers, against England and her lackays, the League of Nations. This attitude of public opinion which is only a reflection of the views of the official circles of the Nationalist party, indicates a radical change in the foreign policy of the young Republic.

Immediately after the military successes of the Turkish masses of the peoples of Asia Minor and after the diplomatic success of Lausanne, the political adherents of Kemal Pasha considered themselves strong enough to overcome all resistance by diplomatic measures and by resorting to a court of arbitration. The nationalist leaders first of all undertook to wean the Turks and their State from the demands of the Moslun religion both with regard to the customs and mode of living of the population and to social relations. The nationalist bourgeoisie naively hoped by these means to distract the capitalist Powers from their desire to colonise Turkey and to ensure their disinterested co-operation in the efforts of the Turkish nation towards an economic rise.

The Mosul affair helped to wake them from this sweet dream. Their claims had not even been very grasping. It appears from the statements of a previous Prime Minister, who is now Ambassador in Paris, that Kemal's adherents had given their consent to the cession of the South of Mosul to the English and only keeping the North, and even de-militarising both parts if the English demanded it. It was in vain for them to go so far in the spirit of reconciliation. The English wanted the whole Vilayet of Mosul, and the League of Nations did not even dare to give any satisfaction to Turkey.

To-day Kemal's adherents seem to have got rid completely of their illusions, as regards the possibility of enjoying co-operation with international capitalism and at the same time maintaining national independence. Their Press is unanimously revealing the predatory spirit which lies hidden behind the hypocrisy of the political and economic organs of imperialist capitalism and is declaring that the object of the latter is to enslave the States which, like Turkey are still in a primitive stage of economic development. And they came to the conclusion that they will call upon the Oriental nations to unite with one another and to get rid once for all of this insatiable monster, imperialism. Never has the Turkish Press used such offensive language

against the Great Powers, the League of Nations, and especially against England.

Up to quite recent times, the political circles of the Turkish bourgeoisie had maintained an attitude of reserve and mistrust towards the Soviet Union. Only a few weeks ago the revelations of the "Chicago Tribune" as to an alleged agreement between Italy and Russia against Turkey, called forth a certain amount of irritation in public opinion. The news, however, of the conclusion of a treaty of neutrality between the Soviet Union and Turkey immediately roused great enthusiasm in favour of the Soviet Union. All eyes are turned sympathetically towards the Soviet Union. In some quarters the proposal is made to create a real League of Nations with the participation of the Soviet Union and all oppressed peoples. The adherents of Kemal are therefore becoming more eager to fight from day to day, with the result that the danger of an Anglo-Turkish war for the Mosul district is constantly growing.

It is therefore urgently necessary that the point of view of the revolutionary proletariat in view of the possibility of an armed conflict between English imperialism and Turkish nationalism should be clearly stated. How do they see the Mosul question and what action do they recommend to the workers and peasants of Turkey? Above all it is necessary to state whether they recognise the justification of a war over a frontier question at the present moment.

It is hardly a year since Turkey entered on a period of economic development. Her productive forces are beginning to boom. Only through persistent and uninterrupted efforts can the country be extricated from its present condition of stagnation and take its place among the States which enjoy a certain amount of economic prosperity. History has shown that every time when Turkey has entered on a period of renovation and development, the Powers in their lust for expansion have in one way or another thrown such difficulties in her path, that her rise was interrupted. The attempts to make use of the ignorance and fanaticism of some of the tribes in order to stir them to revolt against the anti-clerical reforms of Kemal's adherents have failed miserably.

Thus only one way was left to the British imperialists, that of the cruel thrust of the League of Nations against Turkey which wounded at the same time both its vital interests and its reputation. The English are convinced that in the present conditions a war — whatever its issue — would be disastrous for the prospects of development of the Turkish Republic. Let the Kemalists decide whether or not to resort to force. In the opinion of the English such a piece of folly would be the signal for the collapse of their work which offers so annoying an example to the peoples who are subjected to the rule of British imperialism.

In a conflict of this sort, the Turkish people would risk losing its sovereignty and independence which it gained at the cost of so much sacrifice. If it were possible to detach this question from all its preliminaries we should be tempted to associate ourselves with this reservation, which would result in sacrificing Mosul in the interest of undisturbed progress of the politics, of the economic construction and of the reorganisation of the country. But nothing is less certain than that the capitulation of Turkey to the decision of the League of Nations would ensure her a long breathing space in which to continue in peace the tasks of reconstruction which she has set herself. Quite the contrary! An action of this sort would undoubtedly immediately be interpreted as a sign of weakness and decay both by the English and by the counter-revolutionary sections in Turkey. The internal and external foes of the Republic would make the best of this vacillation of courage and of national pride to discredit the Kemalists in the eyes of their own adherents.

On the other hand we must not disregard the fact that the oppressed peoples, whilst fighting for their independence, watch with passionate interest the slightest actions and gestures of the young Republic. The subjection of the Turkish Government would immediately be felt as a fateful recoil on the national movements for liberation, especially in Syria, Mesopotamia, with the Riffs etc. These peoples, who have revolted against the imperialist colonisers, would experience a painful disillusionment, were they to see that the British executioners enforce their will even against victorious Turkey and cut away, with impunity, pieces of her living flesh.

As a matter of fact, it must be remarked that a retreat on the part of Turkey before Great Britain's diplomatic offensive

and the recognition by Turkey of the annexation of Mosul, would, to a certain extent, restore the shaken reputation of imperialist Great Britain and give her the possibility of subjugating the peoples of the East more easily and with more energy.

These considerations prove unmistakably that a policy of forbearance and conciliation will not bring Turkey a hand's breadth nearer its goal, that of banishing the threats and disturbances which are incompatible with a fruitful political and economic activity. Should the Turkish Nationalists yield to Great Britain's demands, they would not only estrange the sympathies of the Oriental peoples but also put themselves in an untenable position with regard to their political opponents and the Kurd separatists. Constant difficulties would prevent them from carrying out their plans of reconstruction to the end.

In any case it would be rash to conclude that, if it came to an armed conflict, Turkey would necessarily be smashed by the powerful war apparatus of Great Britain. The relation of forces is not as simple as it seems at first. The moment the London Government were to order an expedition against Turkey, a whole number of questions, which affect the existence of the British Empire, would at once arise. These questions, of which each is more important than the last, if they did not completely paralyse military action, would at least cause it insuperable difficulties. First of all there would be attempts to break the bonds which bind the colonies to the mother country — especially in Egypt and India. It is unthinkable that these oppressed peoples would not make use of this splendid opportunity to escape from the claws of John Bull and in doing so to support, indirectly, their brothers in the faith. In the second place, everything points to the fact that, after the tragic experiences of the last war, it would not be so easy to lead the industrial proletariat to the slaughter. It is not even possible to guarantee that this class, whose revolutionary spirit is growing daily, would not consider the moment opportune for overthrowing the rule of the industrial magnates.

On the other hand so many capitalist interests clash in this district, which seems destined to play a chief part in the future development of world economics, that it is more than likely that it might be impossible to localise the conflict to Turkey and Great Britain. A general war conflagration would be inevitable. Without wasting time over discovering whether the clashing interests of the existing imperialisms might lead, we can maintain that in such a situation the Soviet Union and all the Eastern peoples would be found in the Turkish camp.

It can be seen from this exposition that republican Turkey would have comparatively little to lose and much to gain should she continue her policy of resistance to the imperialist attempts at intimidation. This policy however demands, in view of all eventualities, that great watchfulness should be observed and that a number of preventive measures should be taken. These measures can be summed up as follows:

1. Close alliance with the neighbouring peoples which have risen against their oppressors.
2. A law, empowering the peasants who have little or no land to take possession of the domains which belong to the feudal Beys and the large landed proprietors in the Eastern provinces of Turkey, including Mosul.
3. A final alliance with the Soviet Union.
4. A law for the protection of the workers drawn up on generous lines, which makes it possible effectively to protect the interests of the workers in town and country and guarantees them full freedom for the organisation of trade unions and for publishing newspapers.

5. An official proclamation promising to the broad masses of the people of Kurdistan the right to determine their own form of government as soon as the country is freed from the oppression of the English and their feudal and clerical tools.

It would be an unsurmountable task to ensure the free and voluntary participation of the working masses in a military undertaking without giving them concessions on the above lines. The workers would never understand that the anti-imperialist action of the Government is in keeping with their class interests as long as the same Government uses all means in its power to oppose the claims of the workers.

On the other hand it would be unpardonable of the Kemalists to undertake an enterprise of such importance without previously coming to an agreement with the countries bordering on Turkey. The most elementary intelligence demands that measures of precaution of this kind should be taken.

We must now ask ourselves, what attitude the Kemalists would actually take. Our observations lead us to think that they would not carry resistance as far as a complete breaking off of relations and to a declaration of a state of war. Instead of embarking on a military campaign which may always bring surprises, they would prefer a compromise which would spare their feelings of national pride. A small concession on the part of Great Britain, for instance a middle line between the Brussels line laid down by the League of Nations and that which they demand, a concession which would at least leave Turkey the town of Mosul, would suffice to content them. The essential thing for the Kemalists seems to be, not the possession of the Vilayet of Mosul, but the fear of deviating from the attitude of the unswerving defender of the country and thus giving their opponents a very effective argument to their discredit. It can be regarded as certain that they would accept a boundary which would leave Turkey a small zone in the North of Mosul.

The conflict would only be inevitable if the English were obstinately to insist on observing the frontiers decided on by the League of Nations. The Turkish Government has expressed itself so categorically on this point that it has, so to speak, burnt its boats and made retreat impossible. In the worst case, should it lack the energy to enter on a decisive fight, it would maintain its claims to the disputed territory and try to preserve its hold over the people by an inflexibility consisting of mere words. We are convinced that the most far-sighted Kemalists will not fail to recognise the brittleness of such a policy of weakness which is quite contradictory to their usual determination, and will force the Government to take a more manly attitude. Thus, unless during the next six months, Great Britain proves rather more accommodating, a decisive encounter may be expected between British imperialism and the Oriental world.

## The Crisis and Counter-Revolutionary Unity in Hungary.

Letter from Buda Pest.

By Molnar.

The crisis in which the Hungarian counter-revolution found itself in consequence of the franc forgery scandal, roused, from the beginning, a desire among all parties to create a united front on the basis of the "liquidation" of the franc forgery affair. The idea of this united front was to be that of preserving the system of the counter-revolution. At the beginning of the crisis, in the midst of the first concussions which the scandal caused in internal and external politics, when it still seemed impossible to foresee the consequences of the revelation of the deeds of the Fascist band, and when the attitude of all the parties was determined by fear of an immediate outbreak of indignation on the part of the masses, the counter-revolutionary system was identical with the rule of the Bethlen Government.

The Government of Count Bethlen had to be supported and rescued in both its internal and foreign politics by the bourgeoisie and their accomplices. The united front, which had come into being on this basis, found expression in the **Parliamentary Investigation Commission**, the admitted object of which was to "deal with the affair dispassionately in the cool air of a secret committee instead of in the hot atmosphere of publicity" — as it was expressed by the liberal deputy Johann Baross. At the moment when Count Bethlen's rule of blood and filth was acutely shaken and compromised, all the parties, from the Fascists and Legitimists down to the Social Democrats, sprang to his assistance.

Later, when the first shock was over and the crisis began to pass from the acute to a latent phase, attempts were made to construct the counter-revolutionary united front on a new basis. There was a split in the uppermost head of the counter-revolution. The Prime Minister Count Bethlen was publicly shown to be guilty of knowledge of and complicity in the forgery affair and was not able to prove his innocence; he was personally compromised in such a way that it seemed advisable to separate his cause from the cause of the counter-revolution.

The new slogan is: **Unity of the Conservative Front**. Count Bethlen, being a compromised accomplice of the forgers and an obstacle to the formation of a "true united front", was to resign his post to the best representative of the Legitimists,

Count Johann Zichy, or to the present Minister for Public Welfare, the prelate Johann Vass, who was to act as a link between the Legitimists and Horthy. Expression was given to this united front on a new basis, in that open homage was now paid to Horthy, that both the Liberal opposition and the Legitimists asserted at every opportunity with truly servile zeal that Horthy was as pure as an angel, as innocent as a lamb in the affair, and that he should be honoured and revered not only as "Vice-Regent", as symbol of the State, but also as a private person; that Bethlen however was guilty both personally and as head of the Government and must be removed.

This "turn of affairs" first found expression in a declaration composed by the **Liberal Bloc** (with the participation of the **Social Democrats**) on January 29th, in which it is said:

"The Bethlen Government can be nothing but an obstacle in the life of the Nation, for it is the chief hindrance to the formation of a completely united front which embraces all parties in the National Assembly with regard to the bank note forgery affair."

It is further stated that the Liberal Bloc has no desire to seize the power, on the contrary it is prepared to support any government formed out of the centre of the Government party and that it is "ready to guarantee Parliamentary peace to such a government and to establish the unity of the Hungarian front."

The tactical significance of this turn of affairs was only fully revealed when the Deputy Vaszonyi, leader of the Bloc, a Legitimist, a Jew and a secret councillor of "King" Karl, published an article in which he tried to prove that not Bethlen but Horthy is the true rock on which the counter-revolution is built and that it is a swindle on Bethlen's part to represent himself as an indispensable support of Horthy's, for the whole opposition is prepared to support Horthy, whose position would only be strengthened by Bethlen's resignation. The opposition had not the least desire to "veer towards the Left", but only to form a broad "Conservative front!"

The significance of the "turn of affairs" became completely clear when Count Emmerich Karolyi, a reactionary Magnate who maintained equally good relations with Horthy and with the Legitimists, published an article in which he established the political responsibility, complicity and omissions of Bethlen and called upon him to resign.

This attack on Bethlen contains the following elements: 1) an attack of the Legitimists to strengthen their position; 2) an attempt to bring about a compromise between Horthy and the Legitimists against Bethlen, instead of the alliance between the Legitimists and Bethlen against Horthy which had existed hitherto; 3) confusion of the ruling classes with regard to the future policy of the counter-revolution and to an issue from the crisis.

The cause of the Legitimist attitude in favour of Horthy and against Bethlen is as follows: The present crisis must be prevented from developing into a crisis of State; Horthy's being compromised in the forgery affair and his fall would result in the whole counter-revolutionary system being shaken to its foundations, the ball would start rolling and the working masses would rise. In the present situation, an attack on Horthy would mean undermining the very foundations of Legitimism (although Horthy was undoubtedly the immediate leader and head of the band of forgers — in Hungary every child knows that where Nadossy and Bishop Zadravec, chaplain-general of the army, are involved, their most intimate friend Horthy is certain to be included).

So it is to be a Government crisis instead of a State crisis! Bethlen is to go so that the basis of the counter-revolution can be extended while at the same time the hegemony of the Legitimist upper classes is strengthened! This extension is said to be an urgent necessity both from the narrow standpoint of the restoration of the Habsburgs and from the wider standpoint of the creation of a stable and strong power of the State in the form of a monarchy. Bethlen served the ruling classes but led Legitimism itself by the nose, exploited it and often betrayed it. Horthy on the other hand, if Bethlen fell, would be a puppet in the hands of a "conservative government".

Bethlen however did not surrender his position. His public reply to Count Karolyi was that not Horthy but he was the pillar of the system. Not after Horthy, but after him would be the deluge. His fall would imply the beginning of the dissolution of the counter-revolution; for his resignation would inevitably result in the disintegration of the Government party, causing

chaos and the shattering of the whole power of the State, i. e. revolution! At the same time he let Horthy know that he was at least as good a support for Horthy as Horthy for him, and that Horthy would be well advised to take up an attitude of reserve towards the "wooing of the Conservative Legitimists and the Liberal opposition".

Bethlen, by taking this attitude against this "Conservative united front" and defending his post, came nearer than ever to the national chauvinists (Race Protectors), and even in his own party he had to lean more on the Fascist petty bourgeois, and the large peasants' wings than on that of the capitalist Liberals. The Race Protectors are even planning a great mass demonstration for Bethlen. Next Sunday the whole provincial branches of the fascists are called upon to march on to Budapest, the government itself issued the order that all the civil servants, railwaymen, post office employees etc. of Budapest and in the province have to participate in this "national" demonstration of confidence.

It would nevertheless be wrong to think that Bethlen has now fallen from the position of a trusted representative of the large landed proprietors and of the large bourgeoisie to that of a mere tool of the Fascists. That is of course not the case. Legitimism is indeed the class movement of the classes of landowners and big capitalists, but the extreme and radical Legitimist partisans by no means represent the whole of these classes. Important leaders both of the rich agrarians (Count Hadik, President of the Union of Large Landed Proprietors: O. M. G. E.) and of financial capital (Ladislaus Beöthy, Minister of Commerce in the Tisza Cabinet) sided with Bethlen against Count Karolyi's attack. It is a case of a rupture within the ruling classes, of dissensions with regard to the methods of protecting the counter-revolution and of meeting the revolutionary assault of the working masses.

The crisis is becoming more acute. It is due to the fact that the cliques of the two Counts have come to close quarters, that it is now the turn of those "high" personalities, whose names were before the public when the forgeries were first discovered, though hitherto no hair of their heads has been touched thanks to the "zeal" of the Hungarian police and the public prosecutor.

Count Emmerich Karolyi practically denounced Count Teleky, Bethlen's brother-in-law, in an "open letter", as one of the chief originators of the forgeries. He it was who brought Major Gerö (the technical director and an official of the Cartographical Institute) and Windischgrätz together. Teleky, who was already regarded as a possible successor to Bethlen and who had formally joined the Government party for this purpose, had to be examined by the police. His denials were ingenuous and silly; for he had to admit that as long ago as 1921, when he was Prime Minister, he had been initiated into the forgery plan; he had however "dissuaded" Windischgrätz, as "the plates were not a success" and, "in order to convince Windischgrätz" he introduced him to a "first class expert", the said Gerö. This stammering shows that the worthy Counts are beginning to lose their heads. As for Teleky, it is further generally known that he was the middleman between the forgers and the German Fascists, that he had carried on personal negotiations with the notorious Schultze in Berlin. Count Pallavicini also accused Bethlen publicly of having consciously co-operated in the affair.

A further symptom of the desperate position of the Government is the attempt on the life of one of the leaders of the "Conservative United Front", on Vazsonyi. No one in Hungary doubts for a moment that the Government itself hired the assassins who are notorious and "experienced" murderers of workers from the guard of the Hejjas.

The Hungarian crisis is beginning to reach its zenith. The next days may bring the moment when the working masses "interfere" in the crisis.

## British Imperialism and Fascist Plans in Poland.

By Axel (Warsaw).

The times are past when the French ambassador in Warsaw was "King" of the Polish Republic. His place is being taken more and more by his British colleague.

The British Ambassador in Poland strives indefatigably to make Poland a blind tool of British imperialism in its anti-Soviet policy. For this purpose he cleverly makes use of the catastrophic financial and economic position of Poland, plays

on the dissensions between her and Germany and chooses persons who may serve as decorative Polish shop-signs for the wretched designs of English capital.

In recent times, the British Ambassador has, without much ado, meddled in the affairs of the Polish army. As is well known, militarism is one of the causes of the financial bankruptcy of Poland, for no country can exist in which the expenses on armaments amount to or even exceed 50% of the whole State expenditure. It has at last been generally realised that the restriction of these expenses is an indispensable preliminary not only for the restoration of Polish finances but for the existence of the State altogether, for the population is not in a position to bear the burden of the unbridled militarism which prevailed in the first years of independent Poland.

The restriction of military expenditure was also part of the programme of the present coalition Government; it turns out however that this was only the case in words. In December 1925 — the first month of its life — the Government of Count Skrzynski allowed the Minister for War to expend 76 million zloty in place of the 39 millions provided for in the Budget, i. e. almost twice as much. This figure alone gives us every reason to put faith in the recent revelations of the "Manchester Guardian". This paper pointed to the English Government's resistance to the reduction of the Polish army, and surely no one would believe the English and Polish "dementis" which followed the communications of the "Manchester Guardian".

The English Government is stronger than the sound judgment which is awakening among the ruling classes of Poland. It has at present two means of exercising pressure on Poland. One is a loan which the London bankers would undoubtedly refuse the Polish Government, if it does not follow the political "advice" of England; the second is a seat in the Council of the League of Nations which Poland is trying so obstinately to obtain, in order to parry the influence of Germany, the newest member of the League of Nations, in Geneva.

The politician on whom the British Ambassador stakes his card in the "anti-Soviet" game in Poland, is Pilsudski. The latter, having during the war been in the service of German imperialism, is now, in just the same way, England's agent. The British Ambassador, who counts on the "Marshall" still enjoying great popularity with a large part of the army, with some of the leaders of the S. P. of Poland and of the leaders of such peasant parties as the "Wizwolenie" (liberation), and also with a certain number of the intelligentsia, is in close connection with Pilsudski and holds out alluring prospects to him. This pensioned-off "valiant hero" still dreams of a triumphant return to the army, if not of even greater things. It is not for nothing that Deputy Cviakovski, the most faithful adherent of Pilsudski, formerly a legionary, later a member of the Polish secret police and — under orders from the "Marshall" — a member of the "Wizwolenie" party, recently left that party, founded a Fascist "Monarchist Peasant Party" and preaches in his weekly journal "Glos Monarchista" ("The Voice of the Monarchist"), a "People's Monarchy", of course with Pilsudski at its head.

Needless to say, Poland is nevertheless not Persia. Even with England's help, Pilsudski will find it more difficult to mount the throne than was the case with Riza Khan. Recently, however, he achieved a great success. Thanks to the help of Zeligovski, the Minister for War, Pilsudski succeeded in getting the Government to stop the passing through Parliament of the draft of the organisation of the army. As is well known, this draft was, in its time, worked out by the Marshall's rival, General Sikorski. In this he was supported by all the opponents of Pilsudski, who had a draft of his own. According to this latter scheme, the army was to be a State within a State with, at its head, as Inspector General and, in case of war, as Commander in Chief, Pilsudski himself, who in time might become a Polish Primo de Rivera.

In Poland, a new battle of the parties is raging round the person of Pilsudski. The camp of his opponents is led by the National Democrats. These latter, as the most realistic politicians of the Polish bourgeoisie, are endeavouring to come to an understanding with the Soviet Union and do not therefore wish Poland to become a tool of the anti-Soviet policy of England. On the other hand, the National Democrats are also always dreaming of a Fascist revolution in Poland, but they desire it for themselves.

## THE BALKANS

### The Crisis in Jugoslavia.

By Josef Kowatsch (Zagreb).

Since the end of the war, there has been a new "sick man" in the Balkans, a new State, which passes from one crisis into another and which has never issued from the state of crisis since it was created in 1918. We refer to the "Kingdom of Serbs, Croats and Slovenes". The focus of disease is in Belgrade, the spot where the Save enters the Danube.

On December 1st 1918, Serbia announced her union with the "liberated" provinces of the former Austro-Hungarian Monarchy and, in four days from that time, the Serbian army was firing machine-guns on Zagreb, the Croatian capital, on Croatian soldiers and citizens who were demonstrating in favour of the republican federation of the Jugoslavian peoples.

In 1919, Stephan Raditch had to atone by six months' imprisonment for merely having demanded a Croatian peasant republic.

At the end of 1920 and the beginning of 1921, the Greater Serbian Government of Pashitch-Davidovitch annulled the 59 mandates of the Communist Party not only with the object of annihilating the political and economic achievements of the working class but also to create by these artificial and brutal methods the majority necessary for carrying through the hegemonistic, centralistic "Vidovdan" Constitution of Greater Serbia.

The struggle between the Greater Serbian bourgeoisie and the oppressed peoples lasted for another four years (1921—1924). When they found that even 300,000 troops and gendarmerie were not enough to master the movement of the oppressed peoples, Pashitch and King Alexander resolved to resort to extreme measures, to arrest Raditch and the other leaders of the Croatian peasant party and to exercise pressure on them in prison. The trick was successful; Raditch capitulated. Raditch became a monarchist and a minister, Raditch praises Pashitch.

The partisans and paid advocates of the present system in the Balkans proclaimed their victory with a flourish of trumpets. They assured the whole world that the chronic crisis of the Belgrade Government, of the regime of Greater Serbia and of the present S. H. S. State was at an end. For this purpose they even dragged Raditch to Geneva in order to exhibit him to the League of Nations as the dancing bear of Greater Serbia. The masquerade did not fail to produce the desired effect.

All this however did not cure the sick man on the Save. The regime of the coalition between the Radicals and Raditch, called the Government of "national understanding" and of "the peasants democracy", passes through several cataclysms, several crises every month.

In the beginning of February this year, Raditch made a propaganda journey through Bosnia, Herzegovina and Dalmatia, organised a dozen large meetings, more than 50 discussions and made more than 60 speeches. He succeeded in making his journey through these provinces a "triumphal procession". Raditch' propaganda journey and his speeches caused at first a sensation and then a crisis in Belgrade. The Government Press declared that it was absolutely necessary for Raditch to resign, the radical Minister Siminovitch demonstratively handed in his resignation, as he declined to take the responsibility for Raditch' actions. What had Raditch actually said on his agitation tour? Nothing to justify the alarm of the Belgrade Press.

Raditch, it is true, touched on the distress and needs of the peasantry, he criticised violently (although himself a Minister) the working of the Ministry for Finance and Internal Affairs, but at the same time he paid homage not only to "the Peasant" King but also to the old and experienced Pashitch and laid particular emphasis, wherever he went, on the necessity of a coalition between the Radicals and the Raditch party. The real causes of the great tumult were, firstly the point of view of the

Serbian bourgeoisie that Bosnia was their "sphere of interests"; secondly that Pashitch was trying to turn Raditch out of the Government and in this way to strengthen his own position at Court. The Court wing of the Radical party (Liuba Ivanovitch and Nintchitch) attacked Raditch as a demagogue but at the same time accused Pashitch and his environment of incorrectness in their actions. The Court circles immediately spread the rumour of the necessity of "a new man". Pashitch felt that, if the Cabinet resigned, his power would be shaken, so did not let things go so far as to produce a crisis, but contented himself with evasive explanations from Raditch. The crisis has now become latent; the patient is incurable.

It would be wrong to regard Raditch' speeches to the peasantry as merely an expression of shallow demagoguery. His speeches are in keeping with the precarious situation of his party. The peasantry has been driven to despair in the last few years by the aggravated economic crisis and the high-taxation. Telegrams and deputations reach Belgrade every day. Raditch tried to appease this discontent. It was not enough however to write newspaper articles as he had done liberally up to that time; it was necessary to visit the peasantry personally. This alone characterises the weakening of Raditch' position. As no deeds will follow his words so radical and full of promises, the pressure of the people must strengthen the opposition against the Coalition which is hostile to the people.

The discontent and readiness to fight which has recently seized hold of the country, became evident in the recent persecutions of workers and Communists. The working class opposed these persecutions without panic, with determination and power of resistance. Although the whole central body of the independent trade unions and the most esteemed political leaders were arrested, the activities of organisation and agitation were not held up for a moment. Under the pressure of the attitude of the masses, the opposition bourgeois Press — for the first time in the last five years — expressed its decided disapproval of the persecutions. The conservative, pro-Government Zagreb "Obzor" even demanded the legalisation of the Communist Party.

The energetic action of the international proletariat had the greatest effect upon the government. The Belgrade Government was accustomed that its crimes remained unknown to the international public. The detailed information and articles of the international Communist Press and the protest meetings in numerous towns, the general action of the Red International of Labour Unions and of the International Red Aid forced the Jugoslavian Government to draw back. The authorities had no material to justify the persecutions; the Government itself had to contradict the rumours of deeds of violence, punches etc.; the thrashings in the prisons were of no avail in extorting "confessions"; the workers and the opposition in the country raised determined protests; the international public is beginning to concern itself with this country, its Government and its eight years of crime. Thus, the majority of the persons under arrest had to be set free. The released General Secretary of the Independent trade unions, Milivoie Kalievitch, published in the Belgrade daily paper "Novosti", the organ of the Serbian Peasant League (No. 1535 of February 11th this year) gruesome reports of the tortures to which he and other persons under arrest had been subjected.

The Belgrade Government is now resorting to the arrest of individuals. Kosta Novakovitch, a former communist deputy, was arrested again, also Dr. Otto Krstanovitch, a journalist, and Liubomir Mitich, a functionary of the Woodworkers Union.

The international proletarian public must demand the liberation of all the arrested persons and complete freedom of action for all trade union and political organisations of the working class and must prove to the powerful Belgrade regime that the proletariat of Jugoslavia will always find an ally and a helpmate in the mighty and organised international revolutionary proletariat.

## CHINA

### The Misery of the Rickshaw Coolies in Peking:

By Prof. Chen Han Sun (Member of Kuomintang).

Peking is full of misery and suffering. A kind of suffering easily passed unnoticed by those who have grown callous by their long residence among the natives, but to say the least it is a real suffering. The poor class with own eyes cannot escape the glaring contrast between the luxurious life of the Anglo-Saxon and Franco-Italian merchants in the city and the pitiful, uncertain and almost inhuman life of their own.

Certainly most of the suffering in Peking can be traced back to its origin; and eight or nine out of ten, poverty is the usual origin. I am now not talking about the poverty of the school and college teachers, who receive only three percent on the average of their already low scaled pay, nor am I trying to tell of the misery of thousands of poor office seekers now packed full in those so-called hotels, ten times smaller than the Parisian small lodgings. Poverty with them is too general to admit exact survey.

Peking has a population of about eight hundred thousand within the city wall, and a total population of perhaps one million and three hundred thousand. Nearly one tenth of the total have pulled "Jenrickshaw". Jenrickshaw is originally a Japanese word, meaning "man — power — cart" or a two wheeled cart pulled by a man. The man who pulls the cart runs for the other who sits in the cart. This is a means of transportation of human beings by human muscular power, introduced into China not more than a few tens years ago. Only seven years ago Peking had then very few "Jenrickshaws". Most of the two wheeled carts were pulled by donkeys. As the number of "Jenrickshaws" increased, that of the donkey carts decreased, till now there are very few of the latter to be seen in Peking. Such a change in the means of communication, has brought in a vast number of "Jenrickshaw" men.

Since the commence of electric street car in Peking last January, the number of Jenrickshaw" men reduced to seventy thousand. These seventy thousand ragged men and boy, anywhere from fifteen to sixty-two years old, pull forty thousand Jenrickshaws in Peking. In the streets Jenrickshaws still stream, a moving line of two distinct classes: one the rider and the other runner. To run miles and miles in the sand and heat, or over the ice and through the flooded streets, is extremely dangerous to health. The famous Peking dust flies in the face of every Jenrickshaw runner and injures his lungs day by day. The Jenrickshaw men themselves know that after two years of running they would be good for nothing. Disabled labourers thus increased by the year, hence increased poverty.

I have in hand a tabular result of the minute and careful study of one thousand cases of Jenrickshaw men. They are quite typical of the seventy thousand. From their life one can easily judge the poverty of Peking, and this is judgment based upon honest statistics. First of all we must know that only sixty out of the thousand men own their Jenrickshaws. The rest of them use rented carts.

There are very few of the Jenrickshaw men who earn enough to live upon. The average of their daily gross income is one hundred and thirty two coppers (one hundred coppers are only one third of a Mexican silver dollar). Out of this gross sum, the poor man has to pay twenty two coppers for the Jenrickshaw rent, sixty coppers for the food — usually wheat and barley cakes and corn meal with vegetable soup but without any oil or fat — in addition to three coppers for lodging daily and about five and half Mexican dollars every year for clothing. Thus the daily net income of the poor Jenrickshaw puller is only about forty three coppers, or 14% of a Mexican dollar, not more than eight cents in the U. S. A. currency:

How can most of these Jenrickshaw people manage to support their parents and children! When they are asked what to do next if they should have to abandon the Jenrickshaw business, most of them would surely answer that they will go to selling wheat cakes or corn meal. They little realize that

the chief market of these articles, is to be found among the Jenrickshaw men themselves. In this way poverty inevitably breeds itself.

Poverty has been rapidly spread, now there are at least one hundred and seventy thousand poor people in Peking who to-day do not know anything about tomorrow. Several of them freeze to death below the city wall nearly every windy night. And no less than three hundred such deaths have occurred this winter. These poor citizens, every one of them the pitiful victim of foreign imperialist exploitation, will in the near future rise and struggle for their existence. They will hasten the coming revolution.

## ECONOMICS

### Economics and Economic Policy in the Fourth Quarter of 1925.

By Eugen Varga.

III.

Special Section\*).

#### Germany.

At the present time Germany is passing through an exceedingly acute economic crisis, and is experiencing the greatest difficulty in finding markets. We append a few figures giving a qualitative idea of the character of the crisis.

#### Unemployment.

Beginning of month	Unemployed in receipt of dole in 1000 at beginning of month	Percentage of unemployed in the trade unions	Percentage of part timers in the trade unions
1924 Dec. . . . .	529	8,1	6,5
1925 June . . . . .	214	3,5	5,2
1925 Sept. . . . .	231	4,5	8,5
1925 Oct. . . . .	266	5,8	12,4
1925 Nov. . . . .	364	10,7	16,0
1925 Dec. . . . .	669	18,7	18,7
1925 Dec. 15. . . . .	1057	—	—
1926 January . . . . .	1466	—	—
1926 January 15. . . . .	1762	—	—

The actual number of unemployed probably amounts to about 2,5 to 3 millions.

#### Waggons in use on the Reichs railways.

	No. of waggons in use	Number in use per working day
25. to 31. October . . . . .	810,635	135,106
1. " 7. November . . . . .	790,729	131,788
8. " 14. " . . . . .	776,424	129,404
15. " 21. " . . . . .	828,684	138,114
22. " 28. " . . . . .	763,260	127,210
29. Nov. to 5. Dec. . . . .	723,366	120,561
6. to 12. December . . . . .	677,538	112,923
13. " 19. " . . . . .	692,016	115,336
20. " 26. " . . . . .	659,298	109,883

These figures show the decline in the goods service; it should however be taken into account that the beginning winter season signifies in any case a standstill in the transport of certain categories of goods, as potatoes, building materials, etc.

The crisis extends to every branch of German industry, and appears to effect with particular severity the industries working up metal. Here it must be emphasised that though the coal industry has discharged more than 100,000 workers in the course of the year, the monthly output of coal has not decreased. In the case of iron and steel, on the other hand, production has steadily decreased.

\* ) See "Inprecorr" No. 12 and 14.



## Coal, iron, and steel production.

	Coal	Lignite	Coke	Iron	Steel
	Millions		1000 tons		
1925 I. quart. monthly average . . .	11,3	11,9	2370	925	1182
1925 II. " " " . . .	10,2	10,5	2293	932	1096
1925 III. " " " . . .	11,2	11,7	2120	814	937
1925 October . . . . .	12,0	12,8	2140	742	929
1925 November . . . . .	11,2	11,9	2087	760	876
1925 December . . . . .	11,2	12,3	2143	717	763

The coal output has somewhat increased during the last few months, whilst the production of iron and steel has fallen off greatly — it is less by more than one quarter than at the beginning of the year. The iron and steel industry suffers severely from French competition.

In the industries producing finished goods, business is in general exceedingly bad. Even the chemical industry, generally showing the greatest powers of resistance against economic depression, is this time affected. The economic reports are a monotonous repetition of stagnating markets, closings down, and reductions of staff.

The disparity between the prices for agricultural and industrial products is at the present time exceedingly depressing in its effect upon the position of agriculture. The lack of capital places agriculture at a further disadvantage. Despite this, it appears to us that for some time to come agriculture will be the soundest element in German economic life. Considering the low wages, the cheap fertilisers and the protected markets, the large landowners are bound to make progress in the course of time. For the small holders the matter is certainly not so favourable, the high taxation and dear loans weighing heavily upon the latter.

The difficulty in finding markets is expressed in the ever increasing number bankruptcies, as follows:

## Number of bankruptcies.

	1924	1925	
I. quarter . . . . .	140	2210	
II. " . . . . .	1034	2140	
III. " . . . . .	2845	2402	
October } . . . . .		1164	4167
November } . . . . .	1691	1343	
December } . . . . .		1660	
	5710	10,919	

To these we must add the number of undertakings placed under control, and the many thousands of cases of simple insolvency, in which no bankruptcy is declared for the simple reason that there is no property. During the first half of January 1926 there were 928 bankruptcies and 693 firms placed under control. The majority of these failures have been in the textile, shoe, and leather industry. The shortage of capital in German economics is expressed in the fact that the sphere of circulation is capable of absorbing only a comparatively small quantity of goods!

It is conspicuous that the price movement does not mirror the acuteness of the crisis. This is explained by the simple fact that the price index figures are based upon the official cartel prices. These prices are however undercut everywhere by the individual undertakings. The price movement has been as follows:

Wholesale trade index figures  
(Reichs Statistics Office).

	Total index figure	Agrarian products	Grain and potatoes	Industrial material
1925 January . . . . .	138	137	133	140
1925 June . . . . .	134	—	—	—
1925 September . . . . .	126	118	106	135
1925 October . . . . .	124	—	—	—
1925 November . . . . .	121	114	98	133
1925 Decemb. 30. . . . .	121,2	116	103	131

This table shows a great discrepancy between the prices of agricultural and industrial products. In the autumn the grain offered was in excess of the running consumption, and since the dealers and mills lack money to lay in reserves, the price sank beneath the world, market price, in the case of rye even beneath the pre-war price. (The index figure given by the "Frankfurter Zeitung" does not show this.)

The share market again mirrors the unfavourable situation in German economics. The index figures published by the "Frankfurter Zeitung" show the following developments:

## Rate per 100 mark nominal value.

	7. Feb. 1925	3. July 1925	3. Oct. 1925	2. Jan. 1926
Mines . . . . .	105,86	70,74	58,54	50,13
Potash . . . . .	100,49	74,93	74,13	49,83
Chemical . . . . .	89,16	64,79	58,66	47,52
Electric . . . . .	93,90	79,09	67,29	59,75
Machinery . . . . .	100,87	63,08	45,31	31,36
Motor cars . . . . .	130,53	96,00	68,26	42,48
Waggons . . . . .	104,67	55,64	36,92	20,05
Textile . . . . .	112,56	95,71	88,93	70,61
Leather . . . . .	106,77	67,93	51,49	36,83
Paper . . . . .	102,06	78,92	75,06	57,88
Building trade . . . . .	106,99	76,56	60,68	52,42
Beverages . . . . .	109,25	91,91	90,85	81,39
Sugar . . . . .	99,90	66,87	57,26	43,25
Flour Mills . . . . .	99,47	72,64	64,99	47,45
Shipping . . . . .	103,84	66,08	62,97	83,41
Railways . . . . .	127,80	109,78	98,12	101,99
Banks . . . . .	105,73	89,02	82,87	83,41
Insurance . . . . .	130,35	93,32	87,61	80,26

The tendency of these varying rates — more than their actual figures, which are greatly dependent on the manner in which the reduction to the gold balance is carried out — is a fair mirror of the state of prosperity in the various branches of industry. The waggon manufacturers' shares have dropped most: from 105 to 20; machinery from 101 to 31; mines from 106 to 50. The decline is much less in the railways and banks.

The development of foreign trade has not been unfavourable. Under the pressure of the crisis exports have been obviously forced, and imports restricted, so that the balance is less adverse. For the last few months the figures are as follows:

Import	September	October	November	January to Nov.
(Million Gold marks)				
Total . . . . .	1089,06	1118,94	894,33	12403
Consisting of:				
Foods and beverages	402,33	355,70	250,89	3791,2
Raw materials and semi-finished goods	454,53	506,71	465,88	5882,5
Finished goods . . . . .	185,48	201,98	132,61	1901,9
Gold and silver . . . . .	34,54	44,86	39,79	711,0
Export	September	October	November	January to Nov.
(Million Gold marks)				
Total . . . . .	780,18	851,43	792,09	8033,3
Consisting of:				
Foods and beverages	24,02	43,53	50,81	444,5
Raw materials and semi-finished goods	149,49	155,54	167,10	1478,8
Finished goods . . . . .	602,43	646,30	571,62	6060,5
Gold and Silver . . . . .	3,62	4,95	5,12	35,1

The foreign trade balance, adverse to the amount of 300 million gold marks in September, had improved to only 100 million by November, or, if we omit the gold and silver, 70 millions. This is however not due to increased exports, but to a decrease in the import of foods and finished manufactures, obviously a result of the diminished foreign credits.

The Reichsbank and the state finances are prosperous. The danger of a fresh depreciation of the currency, which appeared to threaten in the summer, has passed over. There is even a contrary tendency, for the shrinkage in the goods turnover has released money capital, and the rates of interest paid on short term "call money" have sunk considerably down to 6% during the last few weeks. The Reichsbank discount rate has also fallen

to 8%, but without any loss of status; the rate of interest for long term loans is however still 12 to 20% annually.

The finances of the Reich have continued to develop favourably on the whole. Indeed, the Reich itself, the municipalities, the railways, the post office, the Reichsbank, the Bank of Prussia all these have become reservoirs for the receipt of money. These institutions are now financing the banks and industrial undertakings out of their surpluses.

#### German undertakings run by foreign capital.

During the last few months the penetration of foreign capital into German economics has again made great advances, many foreign credits having been obtained and shares in undertakings sold abroad. More shares are bought than credits granted by foreign capitalists, so that foreign capital is penetrating into the management of the undertakings themselves. The following are a few of the most important transactions:

Rhenisch Westphalian Electric Works . . .	10	mill. dollars
Nuremberg, Heidelberg, Düsseldorf, Duisburg, Württemberg (20 towns), Oldenburg (free state), towns of Baden, total . . . . .	33	" "
Osrani incandescent lamp factory (not from America) . . . . .	5	" "
Hapag . . . . .	6.5	" "
Bank for the textile industry, 1 mill. pounds	5	" "
Potash loan (excluding America) . . . . .	30	" "

Among important sales of shares the transaction between Harriman and Giesches Erben should be mentioned, as this signifies a decisive influence gained by American capital over the German-Polish zinc production in Upper Silesia. The sale of a number of shares of the Dresdner Bank to an American banking group has placed a fourth German bank under American influence. The other German banks which have already come under American influence in the same manner are the Deutsche Bank, the Diskonto Gesellschaft, and the Kommerz und Privatbank.

The Great West German mining trust now in course of formation, after its final establishment, will receive a great loan from or accord a correspondingly great participation (25 million dollars) to the well known American bankers of Dillon Read & Co.; these bankers will then be represented in the board of control.

During the last few days two special undertakings have been founded in America, and participated in by German banking firms, for the purchase of German shares:

**European Shares Inc.** Joint stock capital 5 mill. dollars. This institution, after having invested its capital in German shares, will probably issue bonds, buy further shares from the proceeds, and repeat this process frequently.

**German Credit and Invest. Comp.** Joint stock capital 12 mill. dollars. Participated in by Dillon Read & Co. German partners: Diskonto Gesellschaft and Mendelssohn. The object is again the purchase of German securities.

We see that the process of foreignisation of German economics is proceeding rapidly. German economics are becoming more and more dependent on foreign capital. The German proletariat has to create surplus value for both the German and the foreign capitalists. It is being doubly exploited.

#### Poland.

The economic and financial crisis in Poland has increased in acuteness during the last few months.

The depreciation of the zloty continued until the end of December, reaching a lowest point of 15 zloty to the dollar, or a depreciation of 66%. The situation has since improved. At the present time the rate of exchange is 6.5 zloty to the dollar. The prime Minister and minister of finance, Grabsky, was obliged to resign, and his successor is now attempting to overcome the crisis by inviting the participation of English capital in the bank of emission, by pledging the monopolies, etc.

The crisis in the currency is chiefly attributable to the shortage of foreign valuta. By the end of November the reserve

foreign valuta of the bank of Poland were completely exhausted; the debts owed in foreign valuta by the bank exceeded by 16 millions the remaining reserve of 60 millions). In order to keep up the formal appearance of the existence of sufficient covering funds, the issue of banknotes was replaced by small state notes to the amount of 400 million zloty, so that the gold cover after the deduction of the pledged 70 millions is only 10%. The gold reserves of the bank of emission, scratched together with so much patriotic flourish, has proved inadequate; the shares of the bank are quoted at 50% of their nominal value only.

The cause of the depreciation of the currency has been the adverse foreign trade balance. As follows:

	Export	Import	Surplus Import	Surplus Export
January to June . . .	610	1038	428	
July . . . . .	87	173	86	
August . . . . .	104	116	12	
September . . . . .	109	73		36
October . . . . .	131	80		51

To this it must be observed that where the foreign trade balance has been favourable, this has not been caused by any economic change except, perhaps, in the case of good crops but has been due to a forced restriction of imports and a forced extension of exports (by means of the inflation).

The cause of the adverse foreign trade balance is the circumstance that foreign goods could be imported at lower prices than those demanded for home products.

"The tobacco monopoly has bought 140 waggonloads of cardboard containers in Finland, whilst the home paper factories are unemployed. The Posen electric railway has ordered 100 waggonloads of rails in Belgium... Even Polish books are printed abroad, as they can be produced better and cheaper there...")

The situation of the industries is hopeless! In Upper Silesia only one half of the workers are employed.

"The number of unemployed must amount to about 400,000; and if we add to these the short timers working less than three days a week, the total number of unemployed must be about one half of the total number of workers")

"How exceedingly difficult the situation is in Lodz may be seen from the fact that up to now 17 cloth factories, mostly with their workers, have recently emigrated from Lodz to Roumania, and further emigration as a result of bad conditions are in contemplation. Numerous undertakings have become insolvent and apply for control. A number of other textile factories have had to be laid idle, as it was not possible to raise the money to pay the wages of the workers")

The bottommost reason for the adverse foreign trade balance, that is, of the high prices causing it, is the military political superstructure, which is much too expensive for its economic basis. On this point there is universal agreement among the foreign experts who have been called to Poland. Young designated a budget of 600 to 700 million zloty as likely to correspond with Poland's economic conditions; but in 1925 the budget exceeded two milliards, requiring the taxes to be collected with the utmost ruthlessness.

What conditions are thus caused may be seen from the following letter to the "Frankfurter Zeitung"):

"For the country itself the efforts are perfectly frightful. The shortage of money has reached its uttermost limits. As Grabsky was determined to collect the taxes at any price, he had even the smallest working implements, sewing machines, etc., distrained for small taxes, with the result that he has destroyed the greater part of the small handicrafts.

2) "Wirtschaftsdienst". 8. January 1926.

3) "Frankfurter Zeitung". 9. December 1925.

4) "Frankfurter Zeitung". 30. December 1925.

5) 20. November 1925.

1) "Economist". 10. December 1925.

The large undertakings too are unable to pay their workers, and one factory after another closes its doors, leaving its workers in the street. Innumerable officials employed in private institutions share this same fate with the workers. The effect of these despairing conditions is seen in the forty to fifty suicides which every large town has to record every week. The taxes come in but scantily, and it is becoming difficult and even impossible to pay salaries of the civil servants.

On 17. October Grabsky announced in a secret circular that payment was going to cease for goods supplied to the state; this again means that numerous large works are unable to pay their workers. Thus the number of destitute grows from day to day. Poland is confronted by state bankruptcy; indeed, to a certain extent it is already bankrupt. Grabsky's work has been in vain, and we see today that the situation is worse than it was when he took up office, for it is now completely hopeless, and all credit is exhausted."

How is the crisis to be solved? Separation from the French power, abandonment of the great power policy, restriction of the military political apparatus<sup>6)</sup>, submission to the dictatorship of Anglo-Saxon capital; then a new financial basis, Dawes plan, pledged monopolies, railways, etc. In a word, Germany's fate, but on an even lower level, as is proper for a country actually poor. Or proletarian revolution!

### Italy.

In so far as can be judged from the current news available, the economic situation in Italy is better than in any other European state at the present time. The crops were excellent, better than Italy has ever known. The industries are well supplied with orders. The number of unemployed is given at 100,000 only, a very small number in a population of over 40 millions. Foreign trade is developing rapidly; the export of textile goods, above all of silk and artificial silk goods, as also of motor cars, etc. tends to increase. The foreign trade balance is however still extremely adverse; during the first ten months to the extent of almost 7 milliard lire, or almost half of the export. However, the payment balance does not appear to show any great deficit.

This is chiefly due to the many tourists, and to the money sent by the Italian emigrants working abroad. The Italian official returns show 835,000 tourists to have visited Italy in 1924. If we assume an expenditure of 200 dollars per tourist, this means over 4 milliard lire. In 1924/25 the budget was able to close with a surplus of 417 million lire, and an even more favourable result is hoped for in this year, since the first four months, which showed a deficit last year, yielded a surplus this year. The currency has improved during the last six months. In a word, if we are to believe the Italian official reports, or the English ones, everything in Italy is flourishing...

However, as soon as it is a question of payment of debts, the Italians are not slow in throwing adequate light upon the poverty of the country. This we mentioned in the general section. And as a matter of fact the country is in itself very poor; it has no iron, no coal, no wood, no textile raw materials; it is dependent on the import of foodstuffs. It has to exist by means of either exporting labour or industrial goods, and this in face of a lack of the most necessary raw materials, and with a rapidly increasing population.

Under these circumstances it is only natural that the Italian bourgeoisie dreams of imperialist expansion, in order to secure markets for the goods which it produces at a high objective cost. (We use the term of high objective cost because the present conditions, in which strikes are prohibited, and the Fascist trade unions are in monopolist possession of the field, cannot last for ever!) There is, however, a shortage of the capital required for imperialist expansion, but the extreme obligingness of the United States justifies the hope that this leak may be stopped by American capital. As a matter of fact, much American capital has already found its way into Italy since the successful consolidation of the war debt. Thus Italy is developing a capital export in a manner similar to Germany. On the other hand, from the military standpoint it is brilliantly equipped for an imperialist policy. As an "official" Fascist calendar announces, the whole area of

<sup>6)</sup> In the middle of December it was decided to discharge 200 active officers. ("Deutsche Allgemeine Zeitung". 15. December 1925.)

Italy is not in Italian hands. Lacking are Corsica and Nizza (France), Malta (England), Tessin and Graubünden (Switzerland), Dalmatia (Jugoslavia)<sup>7)</sup>. Besides this, Italy wants Albania and various colonial mandates.

The economic fate of Italy depends, like that of France, chiefly upon the extent to which its industry will prove capable of competition in the markets of the world after the stabilisation, and on whether Italy, economically weak, will be able to bear the continuous drain of the extremely high expenditure for the army, police, Fascist militia, etc.

The Anglo-Italian war debt payments are being settled at the present time. Italy's debts, with interest, amount to 553 million pounds sterling, 25% more than Italy's debt to America. The Italians hope that England will grant them terms similar to the favourable ones already obtained from America.

### France.

The struggle for financial reform and for the stabilisation of the franc, which has filled the inner political history of France for the last few months, is in its final issues a struggle for power between the big bourgeoisie and the petty bourgeoisie which is politically allied with the peasantry and sections of the working class. In the Left cartel the petty bourgeoisie had created for itself a parliamentary majority, and had taken over the government. The big bourgeoisie, whose various strata are all interested in the continuation of the slow inflation, which gives it special opportunities of export at the expense of the petty bourgeoisie, allowed the petty bourgeois government to continue quietly on its way, so long as it left the road free for the inflation. But as soon as the government of the petty bourgeoisie showed an inclination to bring order into the state finances and stabilise the franc at the expense of the big bourgeoisie, then the latter overthrew every government set up by the petty bourgeoisie, using every available method: sabotage of the state finances, senate influence, drawing over of the right group in the Left cartel, already possessing something in common with the big bourgeoisie. If the currency is to be stabilised, then at least it must be done by a government entirely at the service of the big bourgeoisie. This is the purport of French inner policy during the past year.

In France the inflation is approaching the point of reversal. Four fifths of the property owned by the pensioners, petty bourgeoisie, and lower middle class, have already been expropriated by the big bourgeoisie. An effort is being made to save the rest by a transition to gold prices, by taking resort to "real values", by demanding gold wages, etc. The moment approaches when the inland prices, despite the inflation, rise above the prices demanded abroad. With this moment the inflation loses its object for the bourgeoisie, and as soon as this moment arrives the big bourgeoisie is sincerely and not only apparently advocating stabilisation, though, as need scarcely be emphasised, at the cost of the working class. For this object it requires a government completely subservient to it. To this end the big bourgeoisie is striving by means of parliamentary manoeuvres, by means of support lent to the Fascist movement, and by the deliberate discrediting of the petty bourgeois governments and parties.

The Briand-Doumer government forms the transition to a decisively big bourgeois government, to an open dictatorship of the big bourgeoisie. The establishment of this dictatorship will most likely be preceded, as in Germany, by severe class struggles. Should the lead of the resistance remain in the hands of the petty bourgeoisie and the social democrats, and be carried on with parliamentary democratic methods only, then the victory of the big bourgeoisie is certain. Nothing but a revolutionary resistance of the working class under the leadership of the Communist Party could direct events into another course.

Should the stabilisation of the franc succeed, then economics will develop in France in a similar manner as in Germany: stabilisation crisis, unemployment (alleviated by the emigration of the two million foreign workers), foreign loans, foreignisation of French undertakings, dependence on American capital; and then either a war of despair or resignation to the rôle of a second class power, the rôle of an object of imperialist world politics.

<sup>7)</sup> "Frankfurter Zeitung". 30. October 1925.

### The development of productive forces in France.

In France productive forces developed decidedly less rapidly before the war than was the case in either Germany or England, or even in Belgium or Switzerland. There existed a peculiar contradiction between accumulation in the form of money and accumulation in the form of means of production. If a comparison had been made, before the war, below, on and above the surface of the earth, in Germany and in France, then France's backwardness with respect to the development of productive forces would have become at once apparent. In Germany agriculture, conducted as an industry, with a soil thoroughly worked up and cultivated, with great industrial works, a close network of railways, great seaports, a great mercantile fleet, etc. In France an agriculture yielding comparatively little, adapted to cover the needs of the country itself, with fewer industrial works, deficient railways, small mercantile fleet, etc.

The French peasant and the French petty citizen are extraordinarily saving. A part of their yearly income has invariably been withdrawn from immediate consumption and invested as interest bearing capital. And yet there has been no corresponding expansion of the actual apparatus of production.

### What has become of the savings of the French people?

A great part of these savings were invested in state papers. Socially considered, this is no accumulation, when the money is employed for covering the budget deficit. The money saved by the French savers flowed into the state treasury, was invested as annuities, and spent unproductively. That is, from the economic standpoint. The means of consumption not consumed directly by the savers were consumed by other people, with the intermediation of the State treasury. Saved capital has exchanged for the right to future interest. In this manner a national debt of 33 milliard francs accumulated during the half century before the war, double as much as in Great Britain, five times as much as in Germany. These 33 milliards, which from the individual standpoint of every owner of an annuity signified actual capital, since they brought in interest, not only failed to serve for the extension of the productive apparatus, but had the further economic effect of burdening production with the interest on this amount, and of creating a strata of non-working and lazy pensioners.

Another rather considerable portion of the savings went abroad. Instead of helping to develop production at home, up to the outbreak of the war the gross sum of 45 milliard francs, net 38 milliards after deduction of the foreign capital invested in French papers, were exported to foreign countries<sup>11)</sup>. Russian annuities, South American state loans, Turkish lottery loans, and exotic securities of every description found a ready sale in France. These investments were greatly influenced on all occasions by the foreign political requirements of the government, the intermediaries being the large banks and their thousands of branches.

These 33 milliards of inner national debt and 38 milliards of foreign investments have withdrawn the greater part of the savings of the French people from actual inner accumulation. The result has been retarded development of the productive forces. France became a country of pensioners.

What were the causes of this peculiar development? The reason is not to be sought in the activity of the large banks, nor in a shortage of labour caused by the slow increase of the population, but in the obviously unfavourable local conditions. That is, given like technical equipment, the competing countries are enabled, by means of cheaper raw materials or fuel, shorter transport distances, lower wages, etc., to keep their costs of production per unit produced lower than in France.

During and after the war the apparatus of production of the big industrialists has been extended on a large scale. After the conquest of the Northern departments, an entirely new industry sprang up in Paris, Bordeaux and Lyons. After the war the devastated districts in the North were restored at the expense of the state (that is with the money expropriated from the pensioners, peasantry, and lower middle class, by means of the inflation), and equipped with all the latest technical achievements.

<sup>11)</sup> See H. G. Moulton, Cleona Lewis: *The French Debt Problem*. New York 1925. p. 18. This is one of the very few good books on France.

The present problem is: Have the local conditions improved for French industry since the war? In other words: Is French industry, as now developed, capable of competing in the world's markets — given a stable currency? The experience gained up to now gives us no satisfactory answer to this question, for the present French industry has developed under the conditions afforded by war and inflation! But we scarcely believe that French industry has become competitive! There have been no fundamental technical changes in any way revolutionising the local conditions as existing before the war. One factor of actual improvement is the greater exploitation of natural water power for electricity works, but this in itself will scarcely suffice to enable French industry to compete successfully with the advantages of its competitors the United States, England, Germany. We are thus of the opinion that after the stabilisation the newly established productive apparatus will fall into disuse even more rapidly than in Germany, the stabilisation crisis will cut even deeper, and the class struggle will be severer.

With regard to agriculture, this has always been considerably less intense than in the neighbouring countries (with the exception of Spain). The average yield of wheat per hectare in the decade 1905/14 was as follows<sup>12)</sup>:

	Double cwt.
France . . . . .	13,5
Germany . . . . .	20,6
Great Britain . . . . .	21,8
Denmark . . . . .	30,2
Belgium . . . . .	24,5

The French yield is about 10 double cwt. per hectare, if we take an average excluding the North Eastern provinces, where the intenser Belgian method of cultivation is practised, bringing yields up to 25 double cwt. per hectare.

The amount of live stock, cattle and pigs, has also been comparatively less per hectare than in the neighbouring countries.

During the war there was a decline all round. Crops and live stock lessened. The maximum price system was the means of reducing the area under wheat cultivation to 64% of the pre-war area by 1917. The shortage of labour was severely felt. Approximately 1,5 million men fell in the war or were rendered incapable of working. It is scarcely possible to speak of any increase in productive forces in agriculture in the sense in which we can speak of increased industrial production, but still there has been a certain improvement in agriculture since the war. Although there is a constant shortage of labour, the people continue to desert the country for the towns. Whole villages are dying out, the younger generation having gone over to industrial professions<sup>13)</sup>.

### Cultivated area (1000 hectares)

	Yearly average	
	1909/1913	1925
Wheat . . . . .	6787	5566
Rye . . . . .	1253	880
Barley . . . . .	804	717
Oats . . . . .	3978	3501
Maize . . . . .	467	331
Potatoes . . . . .	1646	1455
Sugar beets . . . . .	246	195
Grapes . . . . .	1626	1549

To summarize, we may state that in agriculture the backwardness of the productive apparatus continues as before. In industry it has been overcome by the extraordinary conditions created by the war and the post-war period. But whether this sudden extension of the industrial productive apparatus will be lasting or not, whether this expansion actually represents an accumulation of capital or not, are questions which only the stabilisation will decide. We doubt it.

<sup>12)</sup> Angée Laribé: *"L'agriculture pendant la guerre"*. Paris. Published by the Carnegie institution. p. 42.

<sup>13)</sup> Moulton's opinion of the situation in French agriculture is the same. p. 154. *passim*.

### The financial problems.

The French financial problem contains four sets of questions:

1. The budget problem: Measures must be taken for balancing the revenues and expenditure of the state finances, which have been piling deficit upon deficit for 11 years.
2. The treasury problem: The deficits have been covered for the most part by means of short term loans. Even should the state finances be balanced, still the state treasury may go bankrupt, if it cannot replace these loans on their expiration.
3. The currency problem: The process of inflation is approaching the reversal point; the currency must be stabilised.
4. The war debt problem: France must consolidate her debts, since she will otherwise receive no fresh loans enabling her to stabilise her currency.

These four sets of questions are closely bound up with one another. Until the state finances are balanced there can be no stabilisation of the currency, for the deficit forces a resort to the inflation as soon as the inland loans fail to raise money. Until the currency is stabilised there can be no balance of state finances, since the taxes are collected in depreciated money. And without balanced state finances and stabilisation of the currency the treasury problem is insoluble, for so long as the currency is depreciating, everyone endeavours to invest his money in "real values" instead of in state securities of sinking value. Without foreign credits there can be no stabilisation of the currency, therefore the first step is the funding of the war debts. The French bourgeoisie is thus confronted with the task of solving all these four problems altogether.

#### 1. The budget problem.

The deficits in French state finances have been as follows<sup>14)</sup>:  
(In milliard francs)

	Cahill's statement page 22	Moulton's statement page 84
1914—1918	144	144
1919	44	43
1920	40	38
1921	31	28
1922	27	25
1923	18	22
1924	14	17
	<u>318</u>	<u>317</u>
1925		3,51 <sup>14)</sup>

Similar results may be seen for earlier years. The peculiar system on which French state bookkeeping is carried on, prevents a clear idea being gained until a certain number of years have elapsed.

As yet no figures are available for 1925. The revenues from taxes appear however to be far behind those estimated in the budget. The revenues were originally estimated at 33,14 milliards. Those actually collected have been as follows<sup>15)</sup>.

	Milliards of paper francs
From inland revenues . . . . .	29,49
From reparations, approximately	1,28
	<u>30,77</u>
Estimated expenditure with supplementary credits . . . . .	34,25
Approximate deficit . . . . .	4,50

Officially, the deficit is given at 3.5 milliards only, but in actual fact it will amount to over 5 milliards when the war costs have been calculated.

At the present time the budget for 1926 is being dealt with. Now that the absurdity of excluding the expenditure for war pensions and restoration from the normal budget (in the assumption that this was going to be paid by Germany) has at last been stopped, the necessity arises of raising a round sum of 40 milliard francs by means of taxes, without the interest for the war debts. At the rate of exchange obtaining at the end of the year 40 milliard francs means about 6 milliard gold francs. In 1913 France's budget, in round figures was 5 milliards. At the present time 6 milliards are less — in

consequence of the depreciation in the value of gold — than 5 milliards in 1913. All authorities are fairly agreed in estimating France's national income before the war at 36 milliard francs, the taxation imposed thus amounting to about 16% of the national income. When we take into account that France's territory has been enlarged by that of Alsace Lorraine, and that industry has greatly developed, then we may assume with certainty the possibility of raising the necessary sum of 40 milliards by taxation! The point of contention is the class upon which the burden is to fall.

#### 2. The treasury problem.

After the currency has been stabilised, and confidence has been restored in the solvency of the state, the treasury problem will solve itself. England has a floating debt in the form of Treasury Bonds to the value of almost 500 million pounds — in round figure 60 milliard paper francs — and continues to renew these without the slightest difficulty. Here the sole problem of interest is a theoretical one; does the payment of the due bonds by means of the issue of fresh paper money mean a new inflation or not? A problem which is being widely discussed in France at the present time.

Here the qualitative relations decide. At the end of the year the notes in circulation amounted to a value of approximately 51 milliard francs. Of this sum about 10 milliards are estimated to be abroad<sup>16)</sup>. The sum circulating at home is thus, in round figures, 40 milliards or 6,8 milliard gold francs. Before the war the value of the notes in circulation was 6,8 milliards, supplemented by a considerable amount in gold coins. But when we take into consideration that at the present time the speed of circulation of the banknotes is much greater than before the war, it appears certain that a redemption of the bonds on a large scale by newly issued banknotes would certainly cause a fresh depreciation, and a fresh wave of higher prices.

It is a most remarkable phenomenon that the French owners of these bonds, although the value of the bonds sinks automatically with the depreciation of the franc, continue to renew them, instead of investing the money in foreign securities of stable value, or in real values! A great part certainly lies secure in the form of cash reserves in the great banks and undertakings. This fact places a powerful weapon in the hands of the leading clique of the big bourgeoisie, for it can produce a panic at any moment by throwing these bonds on the market, and can place the government into a most difficult position.

#### 3. The currency problem.

Up to the end of 1918 the rate of exchange of the franc, in relation to the dollar and the pound, was fixed by means of agreement with the bank of issue of the Anglo Saxon powers. But even during the war the real purchasing power of the franc had greatly sunk. We append a table of the most important data:

Yearly average	Yearly average		Rate of exchange in New York, cents per franc	Outer buying power of franc <sup>17)</sup>	End of year
	Wholesale trade price index	Inner buying power of franc			
	Statistique Générale	Parity 1930			
1913	100	100	19,3	100	—
1914	103	97	19,9	103	10,042,9
1915	141	71	18,2	94	13,309,9
1916	190	53	17,0	88	16,678,8
1917	263	38	17,4	90	22,336,8
1918	341	29	17,8	92	30,249,6
1919	357	28	13,7	72	37,274,5
1920	510	20	7,0	36	37,901,6
1921	345	29	7,5	39	36,487,4
1922	327	31	8,2	43	36,359,3
1923	419	24	8,1	32	37,905,4
1924	499	20	5,2	26	40,604,0
1925	561	18	4,7	24	43,053,8 (June) 51,085,2 (Dec.)

<sup>14)</sup> Descamp's estimate; Moulton pp 361/362, for end of 1923: 15 milliards; 5 milliards estimated to have streamed back in 1924.

<sup>17)</sup> Economically, the French banknotes are for the most part not banknotes at all, but genuine state paper money, pressed into circulation to cover the deficit.

<sup>14)</sup> All these figures are only reliable to a certain extent, as may be seen from a comparison of the two columns, although these two authors appear to us to be the most trustworthy.

<sup>15)</sup> "Le Temps". 5 January 1926.

Monthly average (March, June, Sept., Dec.)	cost of living index (Paris)	Purchasing power of the franc %
1914	100	—
1920	342	29.2
1921	309	32.3
1922	296	33.7
1923	334	30.0
1924	369	27.1
1925	(402)	(24.8)

If we compare these figures with the wholesale trade index figures, we see that the purchasing power of the franc has been considerably greater in the retail trade than in the wholesale trade. As the wages depend upon the retail trade prices, the capitalists are deriving a great profit at the expense of the petty bourgeoisie, who with every turnover, can only buy a very small quantity of goods out of the yield of the preceding sale.

If the currency is to be stabilised, then not only must the deficit, as source of inflation, disappear, but France must have a favourable payment balance with relation to abroad. Moulton has been able to ascertain, by means of a careful calculation, that the net amount of 38 milliards invested by France abroad (this sum remaining after the foreign capital invested in French securities had been deducted) has not merely disappeared, but that when a balance is drawn of all international state obligations, France has a net debt to abroad of 25 milliards; without counting the interstate obligations, but taking into account the commercial investments, there is a net French debt of 2 to 3 milliard gold marks!

This means that France has become a capital importing country. If France is to have a favourable payment balance, her foreign trade balance must not be adverse! For since she has to pay interest on its foreign debts, and the foreign workers living in the country send a large amount abroad (an amount balanced only by the revenues won by the state from tourist traffic), and since the stabilisation demands fresh foreign loans upon which interest must again be paid, France is in the same position as Germany, and can only meet her obligations by means of a favourable trade balance. The choice remains between a favourable trade balance influencing the payment balance, or a payment balance artificially galvanised by borrowing, that is, by unending foreign loans, foreignisation of industrial undertakings, degeneration into the position of a colony. This is the road being pursued by France.

#### The interallied debt problem.

We may assume that the course taken by the negotiations up to the present is known to our readers. Neither the negotiations with England nor with the United States have led to any definite result as yet. The coming into force of the agreement with England is bound up with the arrival at an agreement with America. With respect to this last agreement the last we heard, was Mellon's offer that France should pay 5 milliards a year for the present, to which suggestion France has made no reply. The present situation is thus: France does not pay her debts and thus cannot obtain any loans. Without loans no stabilisation is possible. We see that the four problems must all be solved altogether.

#### Plans for solving the financial crisis.

We shall next endeavour to analyse, from the viewpoint as to how the interests of the various classes are represented, the most important of the innumerable financial plans which have been mooted, but not carried out, during the last few months.

#### The principles of the programme of the Left cartel.

**Principle:** Solution of the problem at the expense of the capitalists.

Laid down in resolutions passed at congresses held by the two main parties belonging to the cartel: the social democrats and the radical socialists.

#### Main points:

- a) No further inflation,
- b) Balancing of the budget by means of a capital levy and by the increase of direct taxation;
- c) No increase of indirect taxation.

This is a plain petty bourgeois programme. Although the Herriot government held office for a year with this programme and maintained a strong parliamentary majority with it, it failed to carry out any part of the programme. Although a limit was fixed for the inflation, this was soon exceeded by means of the increased circulation of banknotes. The capital levy was not carried out, nor the increase of direct taxation. Diffident attempts at these measures were shipwrecked, formally by the resistance of the Senate, in reality by the resistance of the big bourgeoisie, at that time interested in the continuance of the inflation.

#### Principles of the big bourgeois programme.

**Principle:** Solution of the problem at the expense of the working and lower middle class.

The programme of this class is laid down in three open letters sent to the president of the republic by the largest economic organisations conducted by the big bourgeoisie as follows:

1. No capital levy,
2. No increase of direct taxation,
3. Balancing of the budget by means of increased indirect taxation,
4. Saving in state expenditure,
5. Sale of state monopolies to private capitalists.

The financial reform to be achieved by means of indirect taxation is expressed most delicately: "The government plan throws the whole burden upon production and upon saving capital, instead of appealing to the help and good will of all."

If we examine, in historical succession, the most important programmes which have been issued by the governments, we find that these represent a steady withdrawal from the principles of the petty bourgeois programme, and an ever closer rapprochement to the programme of the big bourgeoisie.

#### Caillaux's financial plans.

1. No levy on capital: The budget to be balanced by increasing the present direct taxes, and especially by the taxation of the income derived from state annuities (hitherto free from taxation).
2. Redemption of bonds falling due by a fresh issue of banknotes.
3. The creation of an amortisation fund for amortising short term loans, in order that confidence may be restored (treasury problem).
4. Consolidation of the interallied debts, in order to obtain credits for the stabilisation of the currency.

Caillaux's plan is a first intermediation between the principles of the Right and Left programmes. After Caillaux's once enormous prestige was shaken by his failure in the American debt negotiations, he was overthrown at the end of October — under pressure exercised by the Herriot-Blum group, this apparently from the Left, and on the question of the capital levy. In reality his position had been successfully undermined by an influential group of the big bourgeoisie, the Banque de Paris et des Pays Bas and its connections in the export industry, by transactions aiming at the depreciation of the rate of exchange of the franc<sup>18</sup>).

#### Painlevé's financial plans.

1. Balancing of the budget by means of direct taxation.
2. A capital levy (?) for the purpose of raising means for the amortisation fund.

<sup>18</sup>) "Times". 27. October 1925. The French Right press states that a close connection exists between Blum, the socialist leader, and Finlay, the director of the Banque de Paris et des Pays Bas.

3. A fresh issue of banknotes to the amount of 2,5 milliards, to cover the deficit of 1925.

Painlevé's plan, which would throw a somewhat heavier burden on capital than Caillaux's, was naturally not at all agreeable to the big bourgeoisie, and was subjected to the severest demagogic criticism at the hands of the capitalist press, led by the "Bulletin Quotidien". At the end of November the ministry itself was overthrown by a general attack made by the Right, under the leadership of Bokanovsky, minister of finance in Poincaré's cabinet, during a debate on the plan in Parliament. This was made possible by the fact that the Loucheur group, the extreme right of the Left cartel, went over to the Right.

#### Loucheur's financial plans.

When Loucheur took over the Ministry of finances at the end of December, he found the state treasury completely empty. On 8. December 8 milliards of floating debt were due. The deficit for the current year amounted to some milliards (In Painlevé's estimation 3 milliards, in Loucheur's 5 to 6 milliards).

In this situation the sole possible refuge was the bank note press.

The momentary financial crisis having been overcome by a fresh inflation, Loucheur came forward with his final plans for financial reform. The most important features of this are the following:

1. Increase of direct and indirect taxation; the increased amount thus raised is to be 5 to 6 milliards.

2. Increased revenues from existing taxes, the collection of these taxes to be more sharply controlled; about 3 milliards.

3. The creation of an amortisation fund (as already projected by Painlevé), to receive 4 milliards yearly from the increased revenues, and to be employed for the decrease of the short term debts.

This plan of Loucheur encountered the most decided rejection on the part of the big bourgeoisie, which maintained that the tax paying powers of French economics could not possibly bear an amortisation of 4 milliards. This sealed Loucheur's fate. The big bourgeoisie arranged a sharp decline of the franc. The press sounded the alarm. On 14 December Loucheur was overthrown in the Finance Commission by the acceptance of a motion put by Renaudel (thus again from the Left!). Briand let Loucheur go and chose the openly big capitalist finance minister Doumer, an old "expert" who had already been minister of finance three times — the first time in 1894.

#### Doumer's financial plans.

Doumer's plan is comparatively simple. Above all, the deficit in state finances is to be wiped out and an amortisation fund formed! What is new in his plan is the doubling of the turnover tax. But since the radical ministers still sitting in the cabinet had promised their constituents at the elections that they would abolish the turnover tax altogether, the measure has been rechristened as a "tax on payments".

A most peculiar situation resulted: The radical ministers, after hearing Briand's threats to replace them by ministers of the Right, accepted Doumer's plan! This was now brought in as draft emanating from the collective cabinet! But the Radical Party to which these ministers belong, rejects this plan and has worked out a counterdraft in conjunction with the other parties of the Left bloc. Thus the ministers are in favour of Doumer's plan in their capacity as ministers but are opposed to it as members of the Radical party! A cynical comedy!

#### Two fresh attacks on the part of the big bourgeoisie.

In the meanwhile the big bourgeoisie has prepared two fresh attacks. On 17. December, immediately after Doumer's appointment to the post of minister of finance, delegates of the Northern French textile industry demanded an audience of Briand and proposed to raise a loan of 10 milliard francs by means of pledging the textile undertakings, with the object of making it possible for the government to stabilise the franc.

This magnificent offer on the part of the textile industry has its economic basis in the fact that this industry not only works up foreign raw materials — and is therefore interested in a stable currency, but also employs many Belgian workers who now demand payment in Belgian francs, because the French franc has dropped so greatly in value<sup>19)</sup>. However, the heavy industries

working up inland raw materials were not particularly pleased by this proposal. They are obviously still of the opinion that an inflation is still possible and advantageous.

On 23. December the leading organisations of the big bourgeoisie issued a proclamation on the "conditions of financial salvation", which was published in almost all bourgeois newspapers. The "French producers" are ready to offer further sacrifices in the form of the payment of further taxes. But only on the following conditions:

#### a) Budget questions.

1. "The burden of fresh taxation is not to be thrust upon the already overburdened shoulders of a minority of taxpayers. The fresh effort must be borne by the whole nation.

2. The new taxes must contain a considerable share of consumption taxes.

3. The new taxes are to be temporary only; the final equilibration is to be attained by restriction of expenditure."

#### b) State treasury questions.

The floating debt does not form a source of danger when confidence has been restored. An amortisation for this purpose is unnecessary, and at the present time impossible.

#### c) Inflation and external debts.

Interventions do not stop the depreciation of the franc. This requires a sound financial policy. For this purpose we need:

1. An acceptable settlement of the interallied debts,

2. Foreign loans, for which purpose the state monopolies must be given, when required, the forms of enterprises capable of working with foreign credits.

#### d) Increased work and discipline.

For this purpose it is necessary:

1. "The law referring to the eight hour day is to be interpreted in an exceedingly liberal spirit."

2. The "spirit of saving" is to be encouraged by a reduction of taxes on heritage!

3. Discipline is to be restored in public service (that is, the state apparatus of force is to be held firmly in the hands of the big bourgeoisie).

#### e) The necessity of a super party government!

The only financial reform desired by the big bourgeoisie is one which delivers all power into its hands, and enables finance to be reformed solely at the expense of the working class — by means of abolition of the eight hour day, imposition of consumption taxes, etc.

#### France's economic situation

is excellent at the present time. A typical picture of inflation prosperity. No unemployment worth mentioning. The output figures for coal, iron, and steel rise steadily. The export of iron and iron goods increases, as these are cheaper than similar goods of German or English origin.

But when we examine the foreign trade data for France during the last few months, we find distinct signs of the impending reversal in the inflation boom. Thus we see:

#### Foreign trade<sup>20)</sup>

	Import	Export	Export surplus	Import surplus
	in million francs			
Monthly average 1924 . . . . .	3344	3455	111	
December 1924 . . . . .	3037	4104	167	
August 1925 . . . . .	3297	3258		30
September 1925 . . . . .	4317	3850		467
October 1925 . . . . .	4476	4375		101
November 1925 . . . . .	4574	4193		381
December 1925 . . . . .	5446	4627		819

<sup>19)</sup> "Times". Paris correspondent. 18 December.

<sup>20)</sup> "Le Temps". 22. January 1925.

The export no longer keeps pace with the depreciation of the franc. The export in December 1925, reduced to dollars, is considerably less than the export in December 1924.

The flight of capital is beginning. Numerous Holding Companies have been founded in Switzerland, for the administration of capital taking flight from France. In Switzerland the French capital thus brought across the frontier is already estimated at several milliard francs. ("Magazin der Wirtschaft", 7. January 1926.)

The basis of all inflation prosperity is the higher purchasing power of the currency at home than abroad. In France this difference is at the vanishing point. The moment of reversal is approaching. During the last few months the rise in home prices has followed the rise in the rate of exchange of foreign values with ever increasing promptness. The wholesale index figures have been as follows:

September . . . . .	567
October . . . . .	584
November . . . . .	618
December . . . . .	646

The difference lessens and lessens. The inflation offers no further advantages to the bourgeoisie. And it is only after the stabilisation of the currency, and after the stabilisation crisis, that it will be possible to ascertain whether the development of France's productive forces has been based on a fundamental improvement of local conditions or not. Whether France will be capable of competition in the world's markets after the stabilisation or not. It is not the financial crisis which renders France's economic future problematical, but the question of the favourable or unfavourable conditions obtaining for the French industries.

## THE WHITE TERROR

### The Terror under the Dictatorship of Pangalos.

By D. Prekas (Athens).

On the 4th of January General Pangalos proclaimed in Greece the military dictatorship by order of England to whom at the same time he pledged himself not only to throttle the Communist Party but all organisations of the workers, peasants and ex-service men. From the setting up of this dictatorship until the 9th of February more than 60 workers and peasants were arrested or exiled. The arrests continue and according to the last decree all those shall be arrested indiscriminately who have, in any way, taken part, during the last two years, in the labour and peasant movement.

At the present time 145 comrades are in prison and 39 have been exiled. A half of the imprisoned men receive only one oka (about 1,25 kg) of bread daily, the other half receive for their mid-day meal only miserable peas and in the evening nothing but olives. The exiled receive nothing at all, although according to the law they should receive 5 Drachmas a day. Those exiled for other reasons, as for example theft etc. receive, however, these 5 Drachmas daily.

Sixteen comrades from Athens recently arrested have been terribly flogged; comrade G. Nikolis, chief editor of the central organ of the Communist Party, the "Risospastis" was flogged for a whole hour.

On the 22nd of February the trial against the Central Committee of the Communist Party and 10 other comrades is to take place. These comrades have been accused on account of the slogan of the C. P. for a "United and independent Macedonia". According to reliable information the prominent military circles have resolved in a committee meeting to condemn to death two of the leading members of the C.C. of the C.P. Also the trial against 10 ex-service men from Levadia is fixed, for the 25th of February, among them is also the secretary of the Federation of ex-service men. The indictment is based upon an accu-

sation of rebellion committed on the occasion of the liberation, enforced by means of a demonstration, of the above mentioned secretary, who had been arrested on a speaking tour. This affair has already been quite forgotten. Only when the old ex-service men had achieved a great success at the municipal elections in Levadia and had taken over the whole municipal administration, the trial was put on the agenda.

After the setting up of the dictatorship the communist newspapers "Phoni tu Ergatu" (the Voice of the worker) and "Avanti" were officially suspended. The new newspapers "Information" which appeared after the suspension of "Avanti" was also suspended, although it was simply a workman's paper.

And, according to the decree issued, every paper, whatever the contents, is forbidden, if "proofs are to be had" that it has any connection at all with a paper which has already been forbidden. By this act Pangalos has even surpassed Zankov, because, as is known, in Bulgaria still under Zankov the new newspaper "Unity" could be freely distributed, which had the same character as the forbidden "Information".

The central organ of the Communist Party, "Risospastis", which was forbidden for six months, after the end of its suspension, is now making every effort to ensure its re-appearance. But it is certain, that it will share the fate of the newspapers of Salonika. Certainly the arrest of the chief editor of "Risospastis" was made with the intention of making its re-appearance as difficult as possible.

In Salonika the most important Communist town councillors were arrested; it is even intended to exclude all communists from the town council. Of the 30 members of the town council 20 belong to the workers', peasants' and refugee coalition and only 10 to the government coalition. By the annulment of the communist mandates, however, the present majority would be converted into a minority. By this means 9000 electors of the workers', peasants' and refugees' coalition would have less, or at least as many representatives as the 4000 electors of the government coalition, which has come about only through a tenfold voting of every elector.

The correspondence of the exiled is strictly censored and almost no letter succeeds in reaching its place of destination. In the prison of Larissa all discussion of workers' questions is forbidden.

Pangalos even tries to place hindrances in the way of the All-Greek Congress of the General Trade Union Federation which is to take place shortly; for instance, he arrested the secretary and held him a prisoner for some days. On the same day the secretary of the Federation of Food Workers was also sentenced to ten days arrest but has not been set free up to the present time.

## UNION OF SOVIET REPUBLICS.

### Industrial Construction and Economic Difficulties in the Soviet Union.

Speech of Comrade Dzershinsky, Chairman of the Supreme National Economic Council of the Soviet Union at the Plenary Session of the Central Trade Union Council of the Soviet Union on February 9th, 1926.

Comrades!

In the economic year 1925/26 we have entered on the period of the completion of the process of reconstruction of our industry. This process has had a very tempestuous course. Thus, the last economic year 1924/25 had a record increase of production of 64%, whilst the figures for the increase in the previous economic years are as follows: 1921/22 50%; 1922/23 45%; 1923/24 30%. Expressed in absolute figures, the production in the economic year 1924/25 has increased by more than a milliard roubles. Thus we have experienced a rate of increase which has never been known before in history, and that not only in the history of our own reconstruction but also in the history of the economic reconstruction of other States since the war.



### The Fundamental Disproportion in National Economy.

This frantically rapid increase in our industry was accompanied by a no less intense growth of the demand for goods in the course of the whole of least year.

The most fundamental and important factor which determined in advance the demand for goods, is the disproportion between the ability to pay on the part of agriculture and the extent of production of our industry which has hitherto been built up on the pre-war basis and the pre-war equipment. According to the calculation of Comrade Preobrazhensky it appears that the rural population in the territory of the Soviet Union paid in the economic year 1924/25 800 million roubles less in taxes than in the pre-war time, i. e. in present roubles 1400 million less. Furthermore, the peasants now no longer have to pay ground rent to the landowners which, according to a minimum calculation, amounted to 200 million pre-war roubles.

This makes altogether about two milliards of present roubles which the peasants now do not have to pay as compared with pre-war times. This income which was formerly devoured by the parasitic Czarism and the big landed proprietors, now remains to the peasantry as material value, and the extent of our industry does not correspond to this material value.

In the control figures which the State Commission for Planned Economics has worked out, the following figures are quoted. In the past year, the peasants, in the period between July 1st and January 1st sold corn to the amount of 200 million roubles, in this year to the amount of 415 million roubles. In 1924 in the same period, the agricultural taxation amounted to 238 million roubles, in this year to 118 million. If these figures are compared, we see that in the previous year the peasants did not get from the sale of corn as much as they had to pay in taxation and that they had to add 38 million roubles from the sale of other products in order to pay the taxes. This year they have from the corn alone a surplus of 297 million roubles.

### The Programme of the Development of Industry.

Our programme for the year 1925/26 was on the one hand built up from the point of view of this unsatisfied demand of the population and on the other hand in consideration of the supposition that we are approaching the end of the period of reconstruction.

The fact is that, had we wanted to extend our programme once more by 64% in the economic year 1925/26, it would have been impossible to realise it because of the lack of technical possibilities. The programme and the plan for the economic year 1925/26 provide for an increase of altogether 49% as compared with the past economic year 1924/25. Thus for instance the increase of production of pig-iron amounts to 92%, of copper 92%, of cotton textiles however only 31%, of paper 16.5%. Altogether the percentage of increase in heavy industry will amount to 55%, in light industry to 45%, whereas in the previous year the proportion was exactly reversed, in the former group the increase amounted to 53% and in the latter to 75%. This difference is chiefly due to the fact that, especially in light industry we have got so far as using almost 100% of the existing equipment, which equipment is fairly worn out. Secondly, the increased demand for metal has promoted the growth of metallurgy and at the same time an increased demand for fuel, which also is a requirement of heavy industry. At the same time, transport gave heavy industry twice as large orders as in the previous year. Thus we see that the more extensive development of heavy industry as compared with light industry, correctly corresponds with the actual needs of the development of our industry.

### The Balance of Fuel.

Both in the previous year and in the year before that we had a certain surplus of production which at that time caused us no little difficulty. Just this circumstance however was of use to us in the present year and will be so in the coming year. With the development of industry and the increased demand for fuel it was necessary this year to develop to the utmost the industry which supplies fuel. This year's programme for wood is increased by 53%, for peat by 42%, for coal by 52% (its output amounts this year to 1.5 milliard lbs), for naphtha by 18%. The unsatisfactory development of the output of naphtha as

compared with the other fuel materials is explained by the technical conditions which make it impossible to increase the output of naphtha in the same degree as that of the other fuel materials.

The programme for mineral fuel materials has been carried out to 100% in the first quarter, but we have to anticipate great difficulties in the coming year in connection with the insufficient carrying out of the supply of wood for fuel in the current year. The front of wood for fuel is one of our weakest sections. The difficulties with fuel which we are now passing through, are connected on the one hand with transport and on the other hand are due to delay in consequence of the excessive demand for fuel.

The carrying out of the programmes of the separate branches of industry in the first quarter has on the whole reached the anticipated measure, with naphtha 100%, in the production of coal 97%, cotton textiles 100% and even more, in the wood industry 120%, in the metal industry 85%, in the tobacco industry 112%. Compared with the average level of industry in the previous year, the increase of production in the first quarter of this economic year is 26%. Thus, if our industry were to remain at the level which it reached in the first quarter, the total growth of industry in the economic year would only amount to 26%.

### Industry and the Scheme for Imports and Exports.

In the meantime, industry has already met with enormous difficulties in the first quarter. These difficulties which did not immediately find expression in the course of production but were noticed in the first place by the functionaries who direct industry, are difficulties of export and import. It became evident that in the course of our exports, especially of agricultural products, we cannot rely on those imports, which were taken for granted and provided for by the Council for Labour and Defence on July 31st 1925, i. e. those imports on the amount of which our industry had reckoned in making plans for its development in the economic year 1925/26. Even in November 1925 this plan had to be revised in connection with the poor amount of corn raised. The programme of imports had to be restricted. This was necessary because we did not get sufficient currency from exports, because we had not the means in hand with which to meet purchases for import.

In our plans for the export of corn we had underestimated the demand in the country itself and had not paid sufficient attention to provisioning our own country. The demand for corn in the country had, however, considerably grown in this period, on the one hand in connection with the raising of wages and on the other hand through the increased demand for corn of the peasants themselves. The insufficient consideration of the supply for the home market therefore brought about an increase of prices for agricultural products.

The next mistake was that provision had been made for carrying through 70% of the whole raising of corn by January 1926. This was done on the supposition that the prices for corn in the foreign market would be most favourable during this period. With this object in view, much means had been put at the disposal of the organisations for raising corn without the market being sufficiently supplied with industrial products. The purchase of goods was delayed, the goods did not arrive at the appointed time, and then proved to be of inferior quality and too expensive, and were worse in quality than the goods we have in the country. The result was that we could not raise the corn, that there was too much money in the country which could not be met with a sufficient quantity of goods. The situation which developed in the agricultural market was necessarily a blow to our financial calculations. Even in the first quarter it was impossible to realise our financial plan and the financing of our industry with short period credits and by the loan for agricultural reconstruction.

There are further considerable difficulties connected with the rise of retail prices for industrial products and the prices for corn and raw materials produced in the country. As a result of the insufficient financing of the organisations for raw materials, a number of difficulties occur in connection with the raising of raw materials. Thus, the raising of cotton, leather, wool and oil-seeds is by no means satisfactory. At the same time,

thanks to the high prices, speculation in raw materials has developed.

For all these reasons we had to revise our programme of production. The total value of our production had to be restricted by the amount of 450 million roubles, of which 253 millions alone fell on the cotton industry (for want of cotton), 92 millions on the metal industry etc. Altogether there was a restriction by 7%.

Our exports were not only limited as regards agricultural products, but also as regards naphtha, wood and other articles of industrial export. This results in the fact that export is now becoming unprofitable in view of the special prices which can be obtained in the home market. We are compelled to resort to artificial measures to reinforce exports.

There is not the slightest doubt that in the interest of our whole national economy the stability of our Czervonetz must be preserved. Consequently the position of our exporters will be less favourable than that of our importers. The Government, the Council for Labour and Defence, and our leading party bodies have adopted the principle that, in case exports prove unprofitable, means must be found within the country — from income, from imports or by allocations from the general Budget — to support exports.

If we mobilise all the forces of the Soviets, the party, the trade unions and the co-operatives, we shall be able to abolish the discrepancy between wholesale and retail prices and to achieve a reduction of retail prices. When we have succeeded in reducing the retail prices for industrial products, we shall be able to bring about a decrease in the prices of agricultural products, to increase exports, to make them profitable and to create a basis for the import from abroad of the necessary raw materials.

#### Investment of Capital and the Financial Situation.

According to the first plan, our programme had provided for the following ways of investing capital: works of restoration, new equipment etc., new works and dwelling houses, altogether to the amount of 931 millions. Of this, 669 millions were allocated to the first named works, 170 millions to new works and 97 millions to houses. Now the plan which has been brought into harmony with the new control figures of the State Commission for Planned Economics, amounts to 746 million roubles, thus by 185 million i.e. 20% less. Of these 746 millions, 550 millions fall to the first group, 110 millions to new works and 89 millions to housing. At the same time negotiations are being carried on with Germany with regard to a loan of 300 million marks, which are to be paid for by our orders. When this loan comes to a conclusion it is to be realised by products, machinery and equipment for our naphtha, metal, ore and paper industries and for the coal mining industry of the Donetz district. If we succeed in obtaining this credit, our expenditure for the investment of capital will be increased by 75 million roubles.

The chief sources of our finances on which we at present rely are the following. Above all the question of profit and loss, i.e. of the socialist accumulation of our industry. In the year 1923/24, the profits from our total industry amounted to 175 million roubles, the loss to 69, the clear profit thus being 106 million roubles. In the year 1924/25, profits 76, loss 30, thus clear profit of 46 million roubles. This year we expect a profit of 494, a loss of 14 millions, i.e. a clear profit of 480 million roubles.

A second source of our finances is the State Budget. In 1923/24, industry gave the Treasury 65 millions and received from it 77 millions, thus 12 million roubles more. In 1924/25 industry gave 142 millions, received 109 millions, thus handed over 33 million roubles.

This year industry will hand over 214 million roubles and will receive 155 million from the State Budget, besides this 30 million from the Central Communal Bank and 2 million from the State credit, thus altogether 187 millions, so that it will hand over 27 million more than it receives. Besides this, the State is constantly receiving from industry more in the form of taxes (indirect taxation, excise, customs duties etc.).

A further source is the loan for economic reconstruction which is to provide industry with 144 millions. Apart from this, we anticipate a short period loan. To this must be added the increase of short period bank credits. We hope this year, to have an increase, from this source, of 450 million roubles.

#### Questions of Labour.

According to the data at present at our disposal, we must divide the past period into two halves: 1. from October to May inclusive and 2. from May up to the present time. I make this division into two periods because May was the culminating point of the progressive movement which began last year. The productivity of Labour had increased from October to May inclusive by 31%, wages were almost stable and reached an increase of only 3% in Moscow convention roubles. Expressed in Czervonetz roubles, the increase was more considerable because, as is well known, 1924 was the year of the failure of harvests and the increase of prices had reached its zenith in May and June 1925 in consequence of the failure of harvests in 1924. For this reason the increase of wages in Czervonetz roubles amounted not to 3 but to 14%. In the second period, from May to December inclusive, the production per worker decreased by 5.2%, i.e. it represented 94.8%. The production graph shows the following figures:

May 6.13, June 6.4, July 5.81, August 5.81, September 5.8, October 6.6, November 5.96, December 5.81. As we see, in no single month does it reach the height of May.

Wages rose in the same period in Moscow convention roubles by 16%, in Czervonetz roubles by 14%, while there was a decrease of productivity of labour by 5%. Last year the yield of production apparently increased. It must not however be forgotten that between May and December the number of workers increased by almost 400,000. We had in May in the key great industries 1,488,000 workers and in December 1,862,000. If we compare the yield of production and the total number of workers with the amount of wages received, we arrive at the following characteristic figures. On a day in May the workers produced something over 9 millions, in December 10,800,000, i.e. by 1,700,000 more and received instead of 2,869,000, 4,097,000. Why? Because there were 400,000 new workers, the total yield of production had increased by 16%, but the number of workers by 25% and the total sum of wages by 45%.

This means an enormous financial strain on industry and a decrease of its accumulation.

There is however a second factor for which we alone are not responsible. According to the programme of production the average wage in the economic year 1925/26, was in Czervonetz roubles 47.62, by October however it had already reached 50.75. The September figures, according to the data of the Trade Union Council of the Soviet Union show, throughout the whole of industry, an average of 100.4% as compared with 1913.

#### Monthly Wages of Workers in September to October 1925 in Percentage of the Wages of 1913 (Data of the Central Trade Union Council of the Soviet Union).

Branches of Industry	Wages in Sept. 1925	
	without charges	with charges
In industry as a whole	100.4	without charges
charges, in detail		
Textile industry . . . . .	123.1	154.5
Metal industry . . . . .	83.1	96.5
Chemical industry . . . . .	122.9	153.9
Leather industry . . . . .	136.1	156.0
Polygraphic trade . . . . .	111.8	138.3
Paper industry . . . . .	135.6	171.5
Foodstuffs industry . . . . .	157.6	188.1
Wood-working industry . . . . .	125.9	151.8
Mining . . . . .	72.0	—

We must draw attention to another side of the question which is likely to increase actual wages. This is the struggle to improve retail trade, to improve our co-operatives and to increase the productivity of Labour.

The productivity of Labour can on the whole only be raised by technical equipment being improved and by an improvement in the organisation of production. In order, however, to import new equipment, money is necessary.

We must mobilise all the forces of the Soviets in order to inspire the peasant with confidence in our loans and our savings banks, so that he may advance us the means which are in his possession, but for which we are not at present able to supply him with goods. The forces of our Soviet Union, the forces of

the working class and those of the material values which we possess, convinces me that we shall find a way out of this congestion and make further progress along the path of industrialisation. We are learning how to make plans, we are learning how to carry out the resolutions of our Party Conference which has given us instructions to liberate ourselves from dependence on foreign countries. We are learning how to tie more closely the economic alliance with the peasant masses and, with unweakened energy, we shall attain to freedom in the future and establish a socialist order of society. (Applause.)

## IN THE INTERNATIONAL

### The Fourth Conference of the C.P. of Poland.

By J. Leszczyński.

The Fourth Conference of the Communist Party of Poland took place in December 1925. There is no doubt that it is one of the most important events in the revolutionary movement in Poland.

The Conference dealt, above all, with the liquidation of the ultra-Left crisis which the Communist Party of Poland went through last year. In this connection two opinions among the delegates were expressed: one, asserting that the ultra-Left deviations of the C.P. of Poland were only a series of incidents, and the others who pointed out that these deviations were the result of an ultra-Left policy with comrade Domski as its leader.

This policy resulted in the fact that the C.P.P. was placed in opposition to the Comintern. This was most sharply expressed in the resolution of the C.C. of the C.P.P. of June 1925 in which the tactics conducted by the C.P. of France in the municipal elections (understanding with the socialists against the reactionary block) as well as the "manoeuvres" of the C.P. of Germany against the social democracy (united front and support in the fight against monarchist reaction) have been condemned as a move to the Right. Even the C.P. of Bulgaria which just at that time underwent the heaviest sacrifices in the difficult and heroic fight against the hangmen's government of Zankov, has been accused of opportunism.

The accusations which the C.C. of the C.P.P. had raised against the brother parties were so unfounded that the originators of these accusations were later compelled to withdraw a good deal. As a whole however, the attitude of the C.C. of the C.P.P. in June 1925 constituted an attempt to create an ultra-Left platform, and clearly and plainly to support the ultra-Left groupings in other sections of the Comintern, especially in the Communist Party of Germany.

Of course the E.C.C.I. repudiated these attempts in a decided manner. It ruthlessly criticised the ultra-Left views and the fractional methods of the C.C. of the C.P.P.

This criticism found the support of the overwhelming majority of the delegates of the Fourth Conference of the C.P.P. Through the experiences in their work and in the course of a lengthy discussion they became convinced that the ultra-Left policy threatened the Party with the isolation from the masses, and weakened its ability to conquer the mass organisations of the proletariat. This was the result of the carrying through of the tactics of the united front only from below, the interpretation of the independence of the Party as a separation from the workers (for instance from the workers of the P.P.S. on the occasion of the demonstration on the 1st of May 1925) the purely mechanical connection of the partial demands with the final aims.

The development of the ultra-Left deviations has been advanced by the atmosphere which had created a passive and downcast mood among the proletariat. These feelings had penetrated into the Party and had produced a tendency in favour of a "tail" policy. Thus the Party was, for instance, convinced of the necessity to conquer the trade unions. This is proved by the resolutions of their Party Conferences. But in fact they followed in the track of the masses disappointed by the trade unions and were not sufficiently persistent in the fight for the conquest of the trade unions.

As one factor which strengthened the ultra-Left deviations we must consider also the difficult conditions of the illegal existence of the Party which created a doctrinar, inflexible and phrasological treatment of the daily tasks of the Party. These conditions make it difficult for the rank and file to become acquaint-

ted with the ideological achievements and the tactical experiences of the Comintern. Finally the ultra-Left deviations were a reaction of a peculiar kind to the opportunism of the "Right policy" which formerly had ruled in the Party and had been condemned by the V. Congress of the Comintern and the III. Party Conference of the C.P.P.

The overwhelming majority of the Conference condemned the ultra-Left deviations, as they threatened the Party with the isolation from the masses. The Conference adjusted the tactical line of the Party in pointing out the necessity of applying the tactics of the united front (from below and above) as the best means of mobilising the masses for the fight for their daily needs, in the course of which it is best possible to expose the reformist leaders and to win them over to our side. The political independence of the Party ought not to consist in isolated actions but in keeping the political initiative and the leadership in the mass struggles. Always with the masses and at the head of the masses, that is the unchangeable slogan of the Party.

The Conference which thus armed the Party against the ultra-Left danger and at the present time has placed this fight in the centre, has at the same time emphasised the necessity to overcome completely the Right deviations in order to guard the Party against the possibility of a reversal.

Besides the liquidation of the ultra-Left deviations the Conference also stated the chief tasks of the Party in connection with the Polish crisis and especially in the sphere of the trade union and peasant movements.

In the first question the Conference set up a large-scaled programme for the overcoming of this crisis by revolutionary means. For the realisation of this programme the Party proposed a revolutionary alliance of workers and peasants for the purpose of the daily struggle for their most urgent needs. The uniting of the fight of the working class, the peasantry and the suppressed nationalities is the way which leads to the victorious fight for the power, for the workers' and peasants' government in Poland.

In the sphere of the trade union movement the Conference resolved to conduct an energetic campaign for increasing the membership of the trade unions and for their unity on a national and international scale. In addition to this the Conference worked out a broad programme of demands that touches the burning needs of the working masses. The Conference devoted special attention to unemployment and the methods for linking up the unemployed organisations with the trade unions for the purpose of uniting the actions of the whole working class. Based on the general tactics of the united front the Conference determined the tactics of drawing the trade unions into the fight and conquering them. As the best means for this the formation of a Left mass opposition in the trade unions was considered. The daily growing discontent of the masses with the compromising attitude of the reformist leaders, for which even the last Party Conference of the P.P.S. serves as a proof is good soil for this mass opposition.

In the sphere of the peasant question the Party Conference furnished a thorough analysis of those economic and political processes which had gone on in recent times among the peasantry and laid down the tasks which confront the Party as a result of this.

Through the resolutions and the whole course of the discussion the Conference proved that, in spite of some tendencies to deviations in the ranks of the Party, the C.P.P. contains a healthy, revolutionary body which will carry out the correct policy of the Comintern. This also explains the fact that, in opposition to the ultra-Left policy of the former C.C., the Party had conducted a series of mass campaigns and strikes during the last year, which have increased confidence in the Party among the working class and the peasantry. It suffices to point to the mass strike of metal workers in Warsaw, in the course of which the Party even succeeded in leading the workers from the National Workers' Party and from the Christian democrats; to the mass campaign against the reactionary agrarian "reform", a campaign which has created the basis for the revolutionary alliance of workers and peasants; to the fight against the white terror etc.

The C.P.P. which has laid down its immediate tasks and has strengthened the unity of its ranks can encounter the approaching fights full of confidence as the conscious advance guard of the proletariat of Poland.

## INTERNATIONAL WOMEN'S DAY

### For the International Women's Day.

By Hertha Sturm.

This Women's Day falls at a time full of tensions, crises and unrest in the whole world. Clearer than a year ago it is evident that capitalism is neither capable of giving peace to humanity nor to guarantee even a half secure existence to the working class.

Over the whole of Europe there lies a severe economic crisis and enormous unemployment. Besides England, with its chronic unemployment since the end of the war, we must now include Germany, Austria, the Balkans, Scandinavia and Italy. France is experiencing a period of inflation.

All countries are trying to restore their wayward finances through loading heavy burdens upon the shoulders of the broad masses of workers and small peasants in the form of wage and income taxes, of food taxes and customs duties, of rent taxes. A great "rationalisation" and purging process is going on, by which all superfluous officials and employees are thrown upon the street in masses. "Unproductive expenditure" for war victims, disabled workmen, sick people, and mother and child are ruthlessly cut down, the burdens of unemployment are put upon the working class by the introduction of the "workers' unemployment insurance".

The world is not pacified. Openly and secretly all countries are arming for the next war. The sons of France are falling on the battle fields of Morocco and Syria. In all colonial countries we see wars and rebellions of the oppressed slaves against their exploiters and tormentors. Locarno is the war Pact of all the exploiter States of the world against Soviet Russia, the pillar of all the exploited.

And in the interior of every country there is war — the class war.

The ruling classes feel the critical situation, the more brutal they are fighting to secure their profits and to maintain their power. The customs tariffs of the agrarians, the enormous profits of the food rings, the direct and indirect reduction of wages in all countries is only outdone by the insolent extortions of the German ex-princes from their already poverty-stricken people. Every attempt of the oppressed to resist these attacks is answered by the police and military, with "feme" justice and fascist terror, with prison and gallows. In the whole world of capitalism there reigns the white terror.

**What is the outcome of this situation for the millions of working women?**

Every one of them feels the hard lot of the working class and on most of them it presses heavier than upon their male class comrades. The woman as worker, as house keeper or as mother must, under more unfavourable conditions, achieve more than the man. Every wage cut and every lengthening of the working day begins with the working women who are in any case more exploited than the men. In every reduction of officials the women are the first victims — in spite of their "well-earned rights". Every increase in price on bread, milk and sugar tears a rent in the household money of the housekeeper. Hundreds and thousands of unemployed, who are not in receipt of unemployment benefit, mean so many starving families, desperate mothers, destitute children. Every revolutionary fighter in prison leaves behind a family in need.

And in spite of this the women in their masses have not yet found the means to give a united and effectful expression to their will.

**On the International Women's Day we must say clearly to the women masses the way they must take in order to come out of their misery. This way is called "united front"!**

We must show them that every single one of them is too weak to do anything against powerful capital and the bourgeoisie but that together as a mass they are stronger than the enemy. We must show them how all workers and employees, small peasants and the small middle class are all exploited by capital; no matter whether they are non-party, communist, or social

democratic, clerical or nationalist, that they all have the same interests and must stand together; that women must exert solidarity with men, when and wherever they are engaged in fight, today for wages, to-morrow against dismissal; here for the workers' rights in the factories, there against tax robbery or a verdict of class justice. We must show them how in the whole world the working people live in misery and need, but that in all countries, above all in England, the working class has already begun to understand the meaning of the united front, how a strong Left wing is being formed in the international proletariat which is prepared to take the decisive fight against the capitalist offensive.

**Working women of all countries! Collaborate in the establishment and strengthening of the international united front of all the exploited and suppressed, by leading your masses as fighting troops to this front! That is the central slogan of the International Women's Day.**

In the foreground stands the fight for international trade union unity.

If we do not succeed in convincing the working women and proletarian housewives of the fact that in the trade unions lies the main strength of the working class in their fight against capital, then the Women's Day has failed in its mission. The last accessible working woman must feel that she must join the trade union, that she needs the trade union, and that the trade union needs her, that there a great task must be achieved in order to forge the trade unions into a sword of the working class.

But the proletarian women must join and collaborate with all their energy in all other proletarian class organisations, such as trade unions, war-victims and tenants' organisations, International Class War prisoners Aid, Workers' International Relief, in the factories, unemployed committees, in all actions and unity committees of the working class against war or for the expropriation of princes, against increase of prices or tax oppression, in wage and working hours fights.

The result of the International Women's Day must be that hundreds and thousands of hitherto unorganised women are brought in some way to the organised ranks of the proletariat.

In the solution of this task it will be easy for us to show in every demand, in every fight of the women masses that the Communists are the most decided representatives of the interests of the working women. We will break the influence of social democracy, of the clerical and nationalist parties upon the broad masses.

**And the aim of the united front?**

This year's Women's Day proclaims with greater conviction than before: Fight for the setting up of a workers' and peasants' State according to the model of Soviet Russia!

**Only the Soviet power liberates the woman!**

The veil of lies which the bourgeoisie and their lackeys, the social democratic leaders, have drawn round Soviet Russia, is torn down through the numerous workers delegations to this country. Today millions of workers have already learnt from oral and written reports of these delegates the truth about Russia, where the worker rules, where things go better without capitalism than before under Tsarism, better than in the technically more advanced, highly cultivated countries of the West. But now we must go to the women's masses, who do not come to us of their own accord, to bring them the message of the liberation of women. No other country in the world can boast of achieving in centuries what the Soviet power achieved in seven years: in granting full equal rights to women in public as also in family and marriage laws, in attracting women to all tasks of public life — beginning with the village soviet and going up to the position of people's commissars, in the organising of women in all spheres, in raising their qualification for work and their state of culture, with regard to the protection of working women, in social welfare, but above all in the care for mother and child.

A comparison with her own position will convince every woman of the fact that this aim, which is being realised in Russia, is worth fighting for.

## The Eighth of March in the Soviet Union.

By S. Hopner.

Full of joyful expectations the woman worker of the U.S.S.R. is looking forward to her international fête day on March 8th.

It is not only the advanced women workers, the delegates, the Communists, who wish on this day to draw up a summary of their achievements and of the deficiencies which have come to light in their struggle, they are followed by the whole mass of women workers and wives of workers, and even the peasant women are joining them.

This year, March 8th will be in the truest sense of the word a general Labour day, a people's fête, not only a women's day.

The advanced workers know that Comrade Lenin regarded the victory of socialism as impossible unless the broadest masses of the workers were included in the work of socialist reconstruction. He attributed special importance to the participation of the broadest masses of women in the fight for liberty.

The progress of national economy and the improvement of the situation of the workers form the foundation for a mighty growth of the work of culture and education as well as for the increase of the activity of the broadest masses of workers.

The activity of the Soviets, the trade unions, the co-operatives, has received a strong impulse. A great influx of new members to the Communist party is also to be noticed.

Not only the workers and peasants but the women workers and the wives of workers and peasants are being employed to an increasing degree in public political life and in the work of political construction.

The following figures give us a picture of the increasing activity of the working women in the Soviet Union.

The total number of the women delegates (both female workers and peasant women), was 172,855 in 1923/24, of whom 51,344 were women workers and 121,500 peasants.

In the next year, 1924/25, the total number of women delegates had almost doubled and amounted to 314,000, among them 67,298 workers and 246,702 peasants.

By how many women were these 314,000 delegates elected?

They are the representatives of a mighty army of working women, an army of 8,530,588 women.

If we include the number of women of the Soviet East, who have awakened to political life, the number will be still more gigantic.

At the end of 1925 there were in the East 57,578 women delegates of the working women. The number of female electors is not exactly established, but at any rate it is not less than half a million. If we add these two figures together, we may say that we have in the Soviet Union, in round figures, 10 million women who are striving for a new life.

The number of women electors to the Soviets and the trade unions has considerably increased. The number of female collaborators in the co-operatives and the relief-funds is also growing, though not in the same measure. In the same way their participation in voluntary associations is growing, the number of female correspondents for working women and for the country, the number of women taking a part in schools and circles, the number of books and papers published for women, finally the number of women joining the C.P. of the Soviet Union are increasing.

The way in which women participate in public political life has, however, greatly changed in character. The women who take part in discussions, congresses etc. no longer sit silent, no longer look on with indifference. At all the congresses and conferences of last year, women came forward with practical proposals, and consideration was given to their point of view.

Special emphasis deserves to be laid on the determined and conscious participation shown by the women delegates of the female workers and peasants at the Soviet elections and at the recent Soviet Congresses — from the district Congresses up to the national congress of the Soviets.

These results are so successful that they cannot fail to strike every unprejudiced observer. Work enough still awaits us, however, in our great Soviet Republic.

There is a need for special attention to be devoted to the low technical level of the women workers. As long as the qualifications of the woman worker do not equal those of the male

worker, she cannot be put on an equality with him as regards wages.

The 14th Congress of our Communist Party pointed out that in consequence of the growth of our industry, numerous young workers of both sexes from the villages have found their way into our factories and works. They are completely inexperienced in the organisation and participation in trade unions and are altogether still unaccustomed to organised procedures.

We must not forget that among these strata the women workers are the most backward. For this reason the work of education and training among them must be taken in hand with particular thoroughness.

The alliance between working and peasant women must be promoted in a still higher degree than hitherto, still more attention must be paid to rousing the peasant woman who plays so prominent a part in agriculture and who is of so great importance in the construction of new forms of life.

The women must be attracted more than ever into the co-operatives. Far too little attention has been given to gaining the interest of the women workers on the land in the trade union for agricultural workers and foresters.

The work of education must be intensified, illiteracy among the broad masses of women must be overcome. Ignorance and the low level of development are the reasons why so few women join the party. The work of political education must also be intensified.

The chief task however which we shall set ourselves on March 8th, is that of "interesting the working women more than ever in the work of socialist construction".

We must see that on March 8th as many crèches, schools, public dining halls and wash houses, medical consultation centres etc. as possible are opened. In short, as many as possible of those institutions without great numbers of which woman will never cease to be a slave. Last year on this day, thanks to the self-activities of the women, a good piece of work was done, but we must never forget that in our vast country this is only a drop in the ocean.

Our working women are only a portion of the united front of the working women of all countries. Through the International Women's Secretariat, the Comintern and the International Red Aid our women workers and peasants are most closely allied with their sisters and brothers in other countries and support them in their fights.

This year, on the 8th of March, the female workers and peasants of our Union must, in common with the working women of all countries, write on their banners:

"Long live the united front of the European proletariat, of the workers of our Union and of the oppressed peoples of the East against all imperialist conspiracies!"

"Down with imperialist war! Long live the U.S.S.R., the only pillar of peace for the workers of all countries!"

"Long live the fight and the victory of the Soviet Power in all bourgeois countries!"

"Down with the imperialist world robbers! Long live the liberation of the colonial peoples from foreign rule!"

"Long live the liberation of the women of the whole world from the fetters of economic and political oppression, from oppression by their families!"

"Long live the International Women's Day, the 8th of March!"

"Long live the Communist International!"

## Working Women in Ireland.

By Anne Curran (Dublin).

Ireland is an agricultural country. It is well to bear this in mind when dealing with the relationship of women towards the revolutionary movement in Ireland. The population of Ireland is approximately four and a half millions, equally divided between the sexes.

The classification of women engaged in earning their own living is as follows:

Professional (approximate) . . . . .	28,000
Domestic service . . . . .	144,918
Industrial . . . . .	178,698
Agriculture . . . . .	59,198
Commercial . . . . .	9,747

The professional section includes teachers, civil service, nurses and midwives. Domestic service includes the usual type of domestic workers. Agriculture deals with women employed on or around farms. Commercial includes working in offices. The Industrial section deals with women employed mainly in the large cities, such as Belfast, Dublin, Cork etc. There are 50,000 women workers employed in millinery, dressmaking and staymaking. Over thirty thousand are also employed in the manufacture of shirts and nearly thirteen thousand are employed in the various shops. There are many more engaged in undefined work, mainly those who have no fixed occupation. The above classification is sufficient to show the distribution of women workers in Irish industry...

There is very little organisation among these women workers. In the pre-war days and during the war the women of the linen industry were fairly well organised, but the decline in this particular industry reflected itself in the women's trade unions. There are 3,000 women organised in the Irish Women Workers' Union. This organisation caters for all classes of women workers and is confined to the Irish Free State. It includes the Irish Nurses' Union. There are two or three thousand women organised in the Irish Teachers' Union and the Irish Union of Distributive Workers and Clerks. It is safe to say that there are not more than 10,000 organised women workers in Ireland.

The Irish Labour Party and Trade Union Congress, which is a combination of the political and industrial sections of the working class movement, has not made any real effort towards organising the women or even giving them an opportunity to take their real place in the movement. It is true that candidates have been run in local elections, but they have not been real workingclass women, rather of the pseudo-intellectual type, "educated" women so to speak. The leaders of the labour movement create the impression that their attitude towards women is purely one of lip-service and the feeling remains that they consider women more of a nuisance than an asset.

Women played a great part in the life of the Irish Labour movement. In the early days, 1911-13, in Belfast and Dublin women did good work in strikes. Their conditions of employment, especially in the city of Belfast, are very badly accentuated by serious unemployment. Prior to the war there was an agitation which led to an investigation of the conditions of employment of the women engaged in the linen industry. It was disclosed that women were embroidering over 300 dots on handkerchiefs and in return were paid the small sum of one penny. Some found that after a hard day's work they were only able to earn sixpence. The conditions under which they worked found many of them victims of tuberculosis. In order that the flax might not get too dry and snap, steam is injected into the linen factories so that the heat is wellnigh unbearable, the result being that when the women step out into the cold atmosphere they soon, together with lack of real nourishment, contract tuberculosis. Some idea, of the housing conditions may be gained from the fact that despite the terrible conditions under which women worked, the chances of contracting tuberculosis were greater in the home than in the factory. An inquiry into the tuberculosis evil disclosed the following information:

"...the class of persons most attacked were housewives (280), the next in order being labourers (170), mill workers (162), children (117), warehouse workers (107), factory workers (50), and clerks (54)."

There is a great deal of work done by women in their homes. A pre-war investigation brought out the terrible conditions under which these women worked. They worked from the early hours of the morning until late at night. Their wages were as follows: finishing one dozen shirts, sixpence; women's chemises, 7½d. per dozen. These conditions, due to the war, were remedied a little, but unemployment following the conclusion of the war found these women workers drifting back to the old pre-war standards.

The lot of the woman engaged in agriculture is the lot of the "slave of slaves". As has been humorously said, they have an eight-hour job twice a day. Their hours of labour are not regulated. They work from early morning until late at night. They rise before the animals and go to bed after the animals are asleep. In some cases marriage offers a little relief for some women, but to these women marriage means only the addition of caring for a family. It was because of these conditions that many emigrated to America and other places. Now that the immigration to America is restricted even that avenue of escape is closed to them.

These women workers' have made no protest. They have been forever counselled to accept their lot without question. The Church plays its part in the subjection of these women. Any sign of protest or attempt to escape from the drudgery and monotony of their existence meets with the strong opposition of the Church. Possibly the Church feels that if women engage in too much pleasure they might in time demand more time to play and less to work.

During the recent revolutions in Ireland women played an heroic part. Their deeds of heroism, in face of a brutal military power, did much to frustrate many of the plans of the British Government. Many times, under a hail of bullets, they stood and placarded their protests against imperialistic rule. They also took part in the actual fighting. It seemed as if the oppression of the years had at last flared into revolt as these women were so passionately devoted to the ideals of the revolution. Home ties were smashed, friendship broken, when these women sallied forth to smash the power that held the country in subjection. It is to be regretted that the movement that produced such women has only created an organisation of women who lack the necessary political intelligence to translate their heroic spirit into a well-organised political and industrial campaign against the powers-that-be. The leadership of these women, organised in the Irish Republican movement, is deplorably weak. It engages in negative attacks on the government but fails to understand that political freedom is but the outside shell with economic freedom the kernel. Republican women like Mary MacSwiney even go out of their way to laud Mussolini, thus finding a common ground with the ruling class of Ireland. This state of affairs will not last forever. Already there is a growing move within the ranks of the Irish Republicans for a more concrete programme and less flowery speeches.

The future of the working of Ireland is one that offers much promise. Within the immediate future a Workers' and Peasants' Party will be organised under the leadership of Comrade James Larkin. This party will make a direct appeal to the women, not alone to those engaged direct in industry, but to housewives and domestics. The women of Ireland will be given their place in the sun and in the unity of the sexes there will be created a virile labour movement.

International Women's Day will not mean much to the Irish women in these days. That is to be regretted, but out of the chaos and uncertainty of to-day there will come a movement that will find the women of Ireland marching beneath the banner of the Communist International and celebrating International Women's Day with the women workers of the world.

## THE PEASANTS' MOVEMENT

### The Land and the Peasant in South Africa.

By James Shields (Johannesburg).

In a country such as South Africa where agriculture forms the main source of the country's wealth the peasant question must inevitably play a big part in the conduct of working class policy. No working class political party can afford to neglect the securing of allies for the workers in order to assist them in their task of capturing power and especially is this so with regard to South Africa placed as she is in the position of being a colonial country. It has been correctly stated that the national and colonial questions affecting the workers' parties in a large measure resolve themselves into the peasant question.

In South Africa the task of winning over the peasantry has hardly yet been put to a preliminary survey although big scope exists for sowing real working class propaganda in this connection on an extremely fertile field. We find, for instance, that the value of agricultural and pastoral production in the Union of South Africa in 1923 amounted in value to £ 73,833,000 or almost one half the total wealth production of the whole country. This big sum and the resulting profit therefrom was wrung from the merciless exploitation of the agricultural workers who number close on half a million. The last census of farm employees taken in 1918 shewed a total of 486,062 excluding native locations, reserves, etc. Since that period much more acreage has been put under cultivation, the year 1922/23 alone witnessing an addition of about 3,000,000 acres. This increased cultivation must naturally have resulted in an increase of employees since the

amount added represents roughly an increase of 33 per cent. The exact figures are as follows:

Acres under cultivation in 1922 = 10,691,278  
Acres under cultivation in 1923 = 13,193,674

Of the total number of farm employees engaged in agriculture about 74 per cent are natives belonging to the Bantu races, the remaining 26 per cent being made up of Europeans, Asiatics, and other coloured people. What are termed the Cape coloured people by the way, are originally descended from the early Dutch settlers and British soldiers who co-habited with the native women. They number about half a million all told in the whole Union, and range in colour from the almost white type to practically the colour of the Bantu. All these sections are unmercifully exploited on the land, the heaviest burden of all generally falling on the natives.

Quite apart from this total there are also a big number of small farmers whose lot is little better than that of the employe who works for wages. A certain system known as the bywoner system is in vogue whereby the middleclass farmer lets out a part of his land to another to the extent of a half or one third of his whole farm. This tenant to whom the land is let out is known by the name of bywoner. The Bywoner uses his own stock and farm implements, and also hires his own labour. When the harvest is gathered he has to hand over a half or one third as the case might be or his total harvest to the land owner, and consequently if no harvest accrues as a result of his labour it means that he therefore pays no rent. The landowner is the gainer from this transaction, losing nothing even if the harvest turns out bad: but a bad harvest means bankruptcy for the Bywoner (landless farmer).

According to the law the Bywoner is not allowed to employ more than two natives with their families, but this number is very often exceeded. The natives so employed generally find that their only return after six months' work amounts to little more than a few shillings, whilst their employer himself in many cases is little the richer except for a few bags of oats, maize and potatoes. Very often after the harvest season hundreds of these small farmers find themselves in a state of insolvency, and since the insolvency charges are generally high the native farm worker often gets nothing at all for the work he has put in. There is a rule laid down which states that in cases of insolvency wages become a preference claim. The poor native, however, finds the Courts almost wholly inaccessible to him and so is unable to put a claim forward.

After the harvest it's nothing unusual to find hundreds of land workers trekking around looking for work or trying to find some place where they can make a fresh start. Many of them are driven into the towns in despair at their failure, but the towns hold no prospect either.

Quite a big number of the small farmers who eke out a precarious livelihood year after year feel a distinct grievance against the white town worker, who earns on an average about twenty five pounds per month. This animosity between town and country is being deliberately fostered by the master class, and its dangerous consequences to the workers can be recognised when it is remembered that the burghers of the back veldt (farmers) were mobilised, rifle in hand, and arrayed against the striking miners of the Rand in 1913 and 1922. These land elements at that time were of the opinion that the town workers had no right to strike since their wage rates were comparatively high and they were much better off than the poor farmers.

As a result of the steady ruination of the small farming class the power of the big farmers and land corporations is greatly increasing. More and more are the big landowners buying out the small men, very often by means of the most unscrupulous measures. We might take as an example the case of a small farmer who works his piece of land with the help of a few natives or coloured workers. If this farmer requires any stock, etc, to enable him to carry on his work, he is forced to apply for credit at the country store or land bank. Very often it happens that money is advanced on the harvest whilst the crops are still in the field, and if the cash so advanced happens to be perchance on say twenty bags of maize then thirty bags require to be paid in return when the crop becomes ripe.

In the Cape Province most of the farms are owned by big grain and sheep farmers. The grain farmers employ, in most cases, some two or three hundred coloured labourers. The wage

of the coloured farm labourer works out at 2/6d per day with the inclusion of perhaps a few tots of cheap wine. They are only employed for a part of the year being paid off for a stretch of three or four months after the harvest is gathered. The overseers on these farms are Europeans who receive the magnificent wage of about 30/- or £2. O. O. per week. There are quite a fair number of small peasants (mostly coloured) in the Cape Province who carry on the growing of vegetables, but their return in this respect is very poor.

As a result of the harsh and oppressive conditions inflicted on the land workers as a whole it is nothing surprising to find that difference of colour does not hold in the country in the fashion it does in the towns. As a matter of fact there is a great deal of fraternisation between coloured, natives, and poor whites. Especially is this so on the sheep farms where the lonely isolation obliterates the racial prejudice.

The wages of a shepherd vary from 10/- to one pound per month with the addition of one sheep for slaughter and 75 to 100 lbs of meal per annum. On some occasions the shepherd is allowed to keep a number of sheep of his own.

A standing grievance of the land wage earner is the impositions of the Master and Servants Act which the wealthy farm-owners are continually wanting strengthened. This Act makes it a criminal offence for a labourer to leave his master's employ, and is viewed with great disfavour by the struggling toilers on the land.

The time has now arrived in South Africa when the ideas and thoughts of the landless peasant, the small peasant, and the agricultural proletarian must be translated into a practical programme of demands and urged as widely as possible.

The workers of all shades can be rallied on a common platform of struggle for immediate demands, and so far as the land workers of South Africa are concerned the following portrays their chief needs:

1. Land for the poor peasants.
2. Setting up of Co-operatives with State credits.
3. All produce payments to be made in cash.
4. Prohibition of indentured labour.
5. Setting up of technical training schools, for farm youth.
6. Nationalisation of the Land.

The Communist Party is the only party which, so far, has paid any attention to the land workers' problems, and that but very recently. One of the chief tasks in front of the South African Communist Party is the active propagating of the above demands amongst the labouring and struggling masses, and the undertaking of serious systematic work among the rural population. To the extent with which it is successful in the carrying out of this work depends to a big extent the growth and development of the Communist Party in this country.

## BOOK REVIEWS

### Ossip Piatnitzky: "Records of a Bolshevik"!).

By L. F. Vinov (Moscow).

The memoirs of comrade Piatnitzky are a link in that valuable chain of Bolshevik Memoirs published by the "Institute for Party History" along with many other works explaining as accurately as possible the history of the October Revolution and its chief power, the C. P. of the Soviet Union. These memoirs are especially interesting and valuable when they come from comrades who, like comrade Piatnitzky have international experience and look upon the events in the Russian Party from an international point of view.

The life of comrade Piatnitzky is the life of a bolshevik professional revolutionary — as may be seen from his memoirs.

Already as a tailor's apprentice in the small town of Vilkomir comrade Piatnitzky came into touch with the revolutionary movement in 1896, through his two elder brothers. With a working day of 15—16 hours, and a wage of 3 Rubels weekly, he starts attending the meetings of the revolutionary

!) Ossip Piatnitzki: "Sapiski Bolsheviika", Russian publication of the "Institute for Party History", published by "Priboj", Leningrad, 1926.

workers (mostly "Union"-members) and their self-educational circles. In the beginning he only does small organisational work in his native town; in 1898 he becomes member of the illegal Dressmakers' Union. However, as a "strike-agitator" he loses his job in the same year, and moves to Vilna — where he soon becomes secretary and Cashier of the Dressmakers' Union, but without giving up his profession.

In 1889 and 1900 he is already one of the organisers of the Demonstration on the 1st of May. In 1901 he becomes an adherent of the "Iskra" and leads the raftsmen's strike, and spreads illegal literature. Comrade Piatnitzky is of the opinion that in these days the distribution of illegal literature was much better organised than it is to-day in many illegal organisations of the European Parties. Every one who had to spread illegal literature in those days was obliged to give a strict account of his activities to his superior and Piatnitzky stresses this as one of the chief advantages for the spread of literature in those days, as by that means the Committee got a clear idea of the possibilities and needs. The arrest and mysterious death (whether owing to suicide or to torture by the police) of a non-party worker commissioned by comrade Piatnitzky to spread literature and for whose death Piatnitzky held himself directly responsible made such a violent impression upon him that he made up his mind to devote the rest of his life entirely to the Revolution.

That is the only subjectively coloured passage in his "memoirs". All the rest is a sheer "chronicle" of facts. In his private life alternate in varied sequence arrests, escapes from prison, strenuous work abroad and partly along with Lenin, illegal work in Russia, then prison again, again new work, exile, etc. Immediately on the split of the Russian Social-Democrats comrade Piatnitzky joined the Bolsheviks, although nearly all his personal friends became Mensheviks, and since that time, i. e. for more than 23 years, he has been continuously working as a Bolshevik.

His chief work for the Party consists of partly local, partly central direction of the illegal "Technic", which together with agitation, propaganda and organisation has been one of the main fields of activity of the Party.

What such work requires from every one of the members is shown by the following comparison perhaps somewhat jokingly exaggerated, with to-day's method of working:

"After the 2nd Party Conference I alone remained in Berlin to do all the work of the Party. Comparing the work then to to-day's, we come to the conclusion that for such an amount of work probably a director and his representative, a department for decoding, several clerks, typists and a secretary, etc., would be necessary to-day."

Perhaps even more interesting is the description of the Sisyphuslike fight against the Czarist spy service— for that part of the struggle is fully appreciated in Comrade Piatnitzki's notes. He tells how the extremely clever, cunning and partly even "Marxistically" trained spies of the "Ochraha" penetrated into the very innermost central positions of the Party. In spite of his extremely matter of fact way of describing, the records read like a detective story when Comrade Piatnitzki tells how detectives dogged his footsteps continuously for months, even years, in spite of the fact that no more than 2 or 3 of the "most reliable" comrades knew of his work and whereabouts. Among the delegates of nearly every illegal Party Congress

or illegal conference were also "representatives" of the Czar's Secret police. The case of Malinowski is well-known enough. This "genius" among spies did his work so well that at the beginning no less a person than Lenin himself defended him most definitely against all suspicions.

Comrade Piatnitzky says that owing to his many persecutions he has become so suspicious that "he saw a spy in every man". In 1911, by instinct, he already warned against the election of Malinowski into the C. C. However, he himself did not escape the fate, as one of his closest co-operators and personal "friends", perhaps the only man near him, whom for many years he did not think of suspecting at all, the physician Schitomirski, also proved to be a secret agitator of the Czarist Police.

The descriptions of Comrade Piatnitzky however, constitute an indirect confirmation of Lenin's opinion that, even if the harm caused by spies to the Revolutionary Party is great, this harm is not to be overestimated, as the spies, for their own purposes are very often compelled, against their will, to push forward the work of the Party.

The "perfection" of the political secret police, in spite of the harm and damage that it caused, could not prevent the successful development of the work. On the other hand the experiences of the Russian Comrades in this direction have unfortunately not been fully utilised; partly because these experiences are still not common knowledge for the whole International. The translation, not only of Comrade Piatnitzky's book, but also of various similar works into several languages would help to fill this gap.

Among single episodes in this book, the description of the escape from Kieff prison deserves mention; further the impression left by the work of Comrade Piatnitzki among the German social democrats, and the description of his life in exile are worthy of note.

A translation of this extremely interesting book, which would take into consideration the lack of knowledge of party history in the non-Russian worker, would not only be very instructive to the brother parties, but would also, as before mentioned arouse interest for this up to now little known branch of Bolshevik literature, outside the Soviet Union.

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