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The  
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International**

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# THE COMMUNIST INTERNATIONAL

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*N.B.—A special article by Kolarov, leader of the Bulgarian Communist Party, will appear in our next issue, dealing with the September events in Bulgaria.*

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# PROBLEMS OF THE GERMAN REVOLUTION

## FOREWORD TO THE GERMAN EDITION.

At the moment of writing, the revolutionary movement in Germany is passing through new difficulties. Messrs. the Social Democrats feel they have triumphed. Here and there confusion prevails in the revolutionary camp.

Yet it would be weakness to give way to depression because of certain temporary setbacks. The path of the German proletarian revolution will certainly be no bed of roses. The German proletariat is faced with an extremely intelligent opponent in the shape of the German bourgeoisie, which is excellently organised, and which acts with extreme ability. More dangerous still are the social democrats, who, to do them justice, have displayed remarkable agility and adaptability, at one time advancing their right wing, at another their "left," and at another their centre; to-day entering the bourgeois government, to-morrow leaving it and playing the farce of an "opposition," one day adopting almost "revolutionary" resolutions, and the next acting as the most reliable division of counter-revolution. It is no easy matter to fight such an opponent. Some defeats are inevitable; but the German proletariat must learn to strengthen itself by its defeats and prepare itself for the final victory.

We have a communication from Hamburg, where the workers fought with such heroism, which says: "The police are of course behaving with great savagery, but neither the party organisation nor the working class feel themselves beaten." The bourgeoisie realises this also. In to-day's number of "Der Hamburgische Korrespondent," the organ of Herr Cuno, there appears an article under the characteristic title, "After the Victory, Tighten Your Belts."

Exactly. A few more such "victories" and the working class will have smashed the head of the bourgeoisie.

But the slogan "tighten your belts" applies to us also.

The objective factors which produced the revolutionary crisis in Germany are still operating. Neither Kar, nor General Müller, nor Hittler, nor Stresemann himself can destroy these factors. The economic crisis becomes daily more acute. The bourgeoisie is unable to govern. The internal contradictions are also becoming more critical. Moreover, the international position of bourgeois Germany, far from improving, is rapidly becoming worse.

“ Tighten your belts!” or, in other words, Workers, arm yourselves and perfect your organisation—such must be our slogan to-day.

If we were asked to formulate as briefly as possible the tasks which face the German proletariat at the present time, we should say that they are twofold: (1) to destroy the influence of the “left” social democrats; and (2) to “organise the revolution.”

Let us explain.

Certain comrades are of the opinion that the tactics of the German Communist Party in Saxony were mistaken. “Saxony was a great and perhaps a fatal error,” so writes an old comrade from Germany.

Is this diagnosis correct? No, it is not.

Those who observed the situation in Germany solely through Saxon spectacles, were naturally guilty of provincialism and distorted the whole perspective. But the Saxon experiment was not casually undertaken, and will not be valueless to the German revolution. When all is said and done, the task of tasks in Germany is to win over to our side those sections of the workers (including non-party workers) who are still following the “left” social democrats. At the present time it cannot be denied that “left” social democracy still enjoys considerable influence among the German workers. The “lefts” are playing very much the same part as was played by the independents in 1919 and 1920. Those sections of the proletariat who still hope to be able to win through without the necessity for bloody civil war cling to the “left” social democrats as to an anchor of safety. These sections of the workers would have laid the responsibility upon us, communists, had we refused to attempt, in conjunction with the “left” social democrats, to save the country from the crisis by peaceful means. The importance of the Saxon experiment is that by its example these sections of the workers will learn to understand the absolute unreliability and the counter-revolutionary character of the “left” social democratic leaders.

Illusions as to the possibility of a prolonged and stable alliance with the “left” social democrats must be abandoned once and for all. There are no “leaders” in Germany capable of it. There are social democrats who under given circumstances would be prepared to form a parliamentary coalition with the communists, but there are no social democratic leaders prepared to undertake a determined struggle against the bourgeoisie.

We cannot say, nobody can say, how long the intermission resulting from the present relation of forces will last. But the central point of all the political activities of the German Communist

Party as long as the present situation prevails must be as quickly as possible and as completely as possible to destroy the influence of the "left" social democrats. This, at the present time, is one of the most important, perhaps the most important, political pre-requisite for victory.

The second task is to "organise" the revolution.

Let us explain what we mean.

On the eve of the 1905 revolution, when the disputes between the bolsheviks and the mensheviks in Russia had only just begun, both sides advanced brief formulæ which very well characterised the tactics of both fractions. The most revolutionary of the then mensheviks, Martov, advanced the formula, "Untie the revolution." The bolsheviks, led by Lenin, opposed this formula by the formula, "*Organise the revolution.*" And the nearer the uprising of 1905 approached, the truer did this demand of the bolsheviks—"organise the revolution"—sound. And so in 1917, the nearer the November revolution approached, the more frequently we were reminded of the formula, "organise the revolution."

Naturally, the mensheviks did not fail to accuse us of being Blankquists, putschists, etc., etc. But we allowed the mensheviks to say what they liked, while we did what we thought was necessary.

If you are not babbling at random about the revolution, if your talk of "untying" the revolution is not mere empty words, then you must, like us, *organise* the revolution. That is what we told the mensheviks.

Revolution and insurrection are not synonymous. Insurrection is only a factor of revolution, but an important and decisive factor. Whoever desires the success of the revolution must also desire the success of insurrection; and whoever desires the success of insurrection must know how to *organise* insurrection.

Of course, no amount of organisation can replace the objective forces which work for revolution, if the whole situation is not revolutionary. If the relations between the classes do not lead inevitably to a revolutionary crisis, then no amount of organisation by the revolutionaries can "make" a revolution. But if all the revolutionary conditions making for revolution exist, if the relations between the classes, the economic situation within the country, and the important factors of home and foreign policy are working for revolution, then the organised preparation for an uprising will be of decisive importance.

The German revolution has entered on its decisive phase. The fires are spent and the flowers are faded. All illusions have been

mercilessly uprooted. The question of the victory of the proletariat has become a question of *arming and organisation*. A burning sense of the necessity to arm has been awakened amongst the millions of the working class masses. All middle paths have been explored, all compromises have been tried, all the white magic of the right and the "left" social democrats and all the parliamentary conjuring have been tried, and in the end nothing remains but hunger, prison, bloodshed, and the riot of fascism. Organise the revolution—to that the German Communist Party must direct the attention of the foremost members of the working class, for that it must employ all the time that remains before the final struggle comes.

The slogan of the "general strike" has been given out. Germany is moving inevitably forward to the general strike.

The slogan of "unity from the bottom upwards," *i.e.*, the unity of all the workers *against* the counter-revolutionary leaders, has been given out. Germany is moving forward inevitably to union from the bottom upward.

Of course, certain sections of the workers will remain neutral or vacillating to the very last. The configuration of forces at the decisive moment will apparently be as follows: The communist vanguard will have on its side the majority, or nearly the majority, of the decisive sections of the workers; a part of the remaining workers will maintain a benevolent neutrality towards the communists, and another part will vacillate. The right social democratic leaders will be on the same side of the barricade as the bourgeoisie and the White generals, while the "left" leaders will waver between two fires.

The White revolution in Bavaria means that the initiative has temporarily passed to the opponents. But the important thing is that under the present condition of things in Germany, the enemy must work for us. General Müller will quickly cure of their peaceful illusions those sections of the workers who have hitherto remained faithful to the "left" social democrats.

Events are moving forward with dizzying speed. The tasks facing the vanguard of the German proletariat and its Communist Party are indeed tremendous. There have been various defeats, and there will be still more. Our workers have so far not been able to stand against the Reichswehr. But our most important forces have not yet participated in the struggle; the main army of the proletariat has not yet been brought up to the front. The worst thing we could do at the present moment would be to give way to bickerings and internal dissensions. At no time could dissensions be so dangerous and so criminal as at the present moment. Mistakes are inevitable; but if we commit no very great errors, the relation of forces will with every day alter in our favour.

The fundamental estimate of the situation as described in this pamphlet, which was written in the second half of October, remains, we hope, a correct one.

An unbending will to fight, unwavering decision, a steady hand and a clear perspective—those are the essentials for the vanguard of the German proletariat at the present moment.

The “left” social democrats will very shortly be defeated politically. The German Communist Party, with the support of the vital forces of a German proletariat, will learn how to “organise” the revolution. The hour is about to strike, and the events are about to occur which history has ordained as inevitable. There is no power on earth which can save the German bourgeoisie from its fate.

No power on earth can snatch the victory from our hands. . . .

G. ZINOVIEV.

Moscow, November 2, 1923.

## PROBLEMS OF THE GERMAN REVOLUTION.

### I. THE CLASSIC PROLETARIAN CHARACTER OF THE COMING REVOLUTION IN GERMANY.

In Germany events are moving forward with the inexorableness of fate. The path which the Russian Revolution took 12 years (1906-1917) in traversing, the German Revolution has traversed in five years (1918-1923). In the last few days events have been developing with exceptional rapidity. Simple “coalition,” “broad coalition,” Kornilov incidents (in Bavaria), “business cabinet,” personal candidatures (after the manner of our Kishkin and Buryshkin), and again an almost “broad coalition” have followed each other in rapid succession—an incessant game of ministerial leapfrog. This is as far as the “top” is concerned. But at the bottom, in the depths of the populace, unrest is simmering, a struggle is preparing which will very shortly determine the fate of Germany. The proletarian revolution is knocking at the door in Germany. Who cannot see that is blind.

The impending events will be of a world-wide and historical significance. Only a short time will elapse before it will be clear to everybody that the autumn months of 1923 marked a turning point in the history of Germany, and, through Germany, in the history of the whole of mankind. The German proletariat is turning with trembling fingers the most important pages in the history of the world struggle of the working class. The hour is about to strike. A new chapter in the world proletarian revolution is about to begin.

What will be the social composition of the German revolution? Which class will be the chief protagonist, the leader of the revolution? Let us first examine the social composition of the German population. Germany in 1920 had a population of 59.4 millions, of which the adults were distributed in the following manner:—

Agriculture and Forestry	...	...	...	...	9,825,000
Industry and Mining	...	...	...	...	14,570,000
Trade, Transport and Hotels	...	...	...	...	5,000,000
Servants	...	...	...	...	330,000
Public Works and the Free Professions	...	...	...	...	2,440,000
Without occupation	...	...	...	...	1,700,000
Total					33,865,000

So-called "independent" persons, mostly property owners, are included in the group "Without occupation."

The picture becomes clearer still if we consider figures which characterise in greater detail the class differentiation of the populations within each of the groups given above. The following table illuminates, as by X-rays, the social skeleton of contemporary Germany:—

	Independent	Semi-proletariat	Employees	Workers
Agriculture	1,180,750	1,275,500	196,500	7,172,000
Industry	550,000	1,200,000	1,020,000	11,800,000
Trade	500,000	1,000,000	1,000,000	2,500,000
Servants	—	—	—	330,000
Free Professions	500,000	—	1,000,000	950,000
Without occupation	1,700,000	—	—	—
<hr/>				
Total	4,430,750	3,475,500	3,216,500	22,750,000

The figures given below are taken from the Communist International Year Book for 1922-23 (Jahrbuch für wirtschaft Politik und Arbeiterbewegungen, 1922-23. Verlag der Kommunistische Internationale, Hamburg). In this Year Book also, in an article by Comrade E. Varga, entitled "Class Differentiation," we find the following figures given for Germany:—

Ruling Classes	4,400,000
Semi-Proletariat	3,500,000
Workers and Employees (Proletariat)	26,000,000

The last official industrial census in Germany was taken in 1907. The census furnished the following statistics:—

Total Population	55,765,460
Employed in Trade and Industry	26,176,168
Without Occupation	3,404,983

Independent

5,801,365

The group employed in industry was distributed in the following manner:—

Workers	14,250,982
Members of their families also employed in industry	4,287,883
Employed in households	1,042,129

Total Proletarian Population

19,581,094

Employees (i.e., administrative and clerical workers,

Trans.)

1,588,168

As since 1907 the German population has increased by 10 per cent,

We thus have:  $4\frac{1}{2}$  million "independents,"  $3\frac{1}{2}$  million semi-proletarian,  $3\frac{3}{4}$  million employees (*i.e.*, administrative and clerical workers, Trans.), and  $22\frac{3}{4}$  million workers. The number of workers, even not counting employees and semi-proletarians, is twice all the remaining groups together. In *industry* we have:  $\frac{1}{2}$  million owners, 12 million workers, a little more than one million employees, and  $1\frac{3}{4}$  million half-proletarians, half-owners. In *agriculture*, a little over 7 million workers,  $1\frac{1}{4}$  million land owners and large farmers,  $1\frac{1}{2}$  million semi-proletarians, and 200,000 employees. In *trade*,  $\frac{1}{2}$  million owners,  $3\frac{1}{2}$  million workers and employees, 1 million semi-proletarians. In the *free professions*:  $\frac{1}{2}$  million independents, 2 million workers and employees.

The social basis of the coming revolution is as plain as the palm of one's hand. In the towns, there is an absolute predominance of workers. So long as the working class of Germany followed the counter-revolutionary social democrats, so long as the class giant was groping for "peaceful" paths, attempting to escape the revolution and to secure a crust of bread for itself without resorting to civil war—the German bourgeoisie could rest in security. The essential thing about the "present moment" is that the time has come when the class giant has grown convinced that history cannot be deceived, that there is no other path to the salvation of the country and of the working class except the path of revolution. From the moment the working class of Germany turned its back to the social democrats and its face to the communists the fate of Germany was decided. Some delay is possible; some variations in the time programme of the impending events in Germany are also possible, but only within very restricted limits.

Seven million agricultural workers will give an indelible impression to events in the German countryside. When the proletarian revolution in Russia was obliged to conduct bitter warfare against the resistance of the landowners and the wealthy peasants (village "kulaks"), nothing remained but to arm the town proletariat with rifles and to send them into the villages. In the most favourable circumstances the armed detachments of workers sent from the towns could count upon the support of the poor peasants, ex-soldiers who had fought at the front. In Germany matters in this respect will be much more satisfactory. It will only be necessary to send proletarian leaders from the towns into the villages. The work of rendering the landowners and kulak counter-revolutionaries harmless (or, to be more correct, of eradicating them), will be accom-

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and the process of concentration of capital and the proletarianisation of the middle sections of the population proceeded very rapidly, the facts given in the Year Book should be very nearly correct.

It should be noticed that in the figures given in the Year Book, each group contains "members of families also taking part in production."

These figures are for the whole of Germany, including the areas now occupied by the French.

plished by the agricultural workers themselves who are now in the great mass sympathetic towards communism. The German peasant kulaks, who are in reality small landowners, are, it is true, excellently organised. They will offer a desperate resistance to the proletarian regime. But a little reflection on the figures cited above will leave no doubt as to on whose side the final victory will be.

The impending revolution in Germany will be a *classic proletarian revolution*. There are 22 million workers who form the very flower of the international proletariat, and the basic capital of the international revolution. In 1917, Russia had, at the most generous estimate, 8 to 10 million workers out of a population of 160 millions. Germany has more than 20 million workers out of a population of 60 millions. With us the workers were a mere handful. In Germany they form the very pick and the majority of the population. The German workers are literate almost to a man. They have passed through an excellent school of organisation. They are educated. The majority of them served in the army during the imperialist war (the German army in 1914-16 consisted to a very considerable extent of workers), and they will therefore make excellent revolutionary soldiers. They have passed through the very difficult, but nevertheless very enlightening, school of the social democrats.

But, what is most important of all, the German revolution has a powerful industrial basis. It is true, German industry is at present in a difficult situation. Germany has been deprived of Alsace-Lorraine, and thereby of the most important part of her natural riches. Germany has lost a considerable section of East Prussia, Upper Silesia, Memel, Danzig, the northern part of Schleswig, the Saar, and finally the Ruhr Basin. Germany, of course, is not in a position to pay the 132 milliards of gold marks which were imposed upon her by the Entente in the Versailles Treaty. But fundamentally German industry still possesses considerable power. In this respect the prophecy of Comrade Lenin was correct, namely, that Europe (and particularly such countries as Germany) will find it harder to begin, but easier to continue and to conclude the proletarian revolution.

The German proletariat has the numerical superiority not only in urban industry but also in agriculture. Mechanical progress has nowhere made such advances as in Germany. The kernel, consisting of skilled workers capable of successfully conducting a socialist economic administration, is nowhere so compact as in Germany.

Historically speaking, the German proletariat cannot seize power too early. Kautsky knew this once, and asserted it as early as 1909 in his last revolutionary work, "The Path to Power." The objec-



tive conditions for the victory of the German revolution have long ago been ripe; and the war of 1914-18, and the Versailles Peace that followed the war, furnished the last remaining conditions necessary for the victory of the proletarian revolution in Germany.

The German revolution will be a classic proletarian revolution. But this does not imply that the other sections of the German population will form a "compact reactionary mass." On the contrary, the new and peculiar factor which will distinguish the German revolution will be the special part played by the petty-bourgeois masses of the towns—the officials, low-placed and high-placed employees, petty traders, and so on. One might even say to a certain degree that the rôle which was played in the Russian revolution by the peasantry, exhausted and fatigued by war, will be played in the German revolution by the wide section of petty-bourgeoisie of the towns, who are exhausted and fatigued by economic disruption and who have been brought to the verge of ruin by the development of capitalism. These sections, of course, will vacillate between the proletariat and the bourgeoisie. It is very likely that in the course of the revolution they will more than once rush to the side of the enemy. Yet they furnish one of the main strengths of the revolution. The chief carriers of the revolutionary purpose will of course be the proletarians of the town and countryside. Nevertheless, the petty-bourgeoisie, at present fluctuating to the side of the workers, constitute an important factor in the balance of forces. To some extent they form the background of the picture. Already, and in the space of a comparatively short time, the revolutionary proletariat of Germany has succeeded in partially neutralising certain sections of the petty-bourgeoisie and partially gaining their support. Already a section of the employees, petty officials and such like, are participating in the illegal meetings of the factory and workshop councils led by the German Communist Party.

We knew—Vladimir Plyitch taught us—that every great revolution in a new country will develop in its own peculiar fashion. We knew that the German revolution cannot simply repeat what happened in the Russian revolution, and that of necessity it will have its own peculiar characteristics. But there is not the slightest doubt now that one of the features of the revolution in Germany will be the rôle played by the petty-bourgeoisie of the towns.

A classical proletarian revolution, and yet the petty-bourgeoisie of the town, are well disposed towards the revolutionary proletariat! Are these two facts compatible? Is there not here some internal contradiction?

Not in the least.

The position of the German petty-bourgeois of the town is deter-

mined, on the one hand, by the brutal policy of the Entente, which attempted everything possible and impossible to exasperate and outrage this section of the population; and on the other by the narrow class policy of the German large bourgeoisie which, by its improvident policy, brought the numerous section of the petty-bourgeoisie of the towns to the verge of economic ruin. As Marxists, we knew theoretically that large capital breaks up and annihilates the petty-bourgeoisie of the towns, a large section of which it proletarianises. But the picture of this process actually taking place on the scale of a great state is very striking—and such a picture can be now observed for the first time in Germany.

The impoverishment of the petty-bourgeoisie took place in Germany on an unprecedented scale. This fact is impelling a section of the petty-bourgeois intellectuals to pass to the side of the workers. The large petty-bourgeois population of the towns, which in Russia in 1917, under the force of circumstances, constituted the most irreconcilable of our enemies and the firmest bulwark of the Socialist Revolutionary counter-revolution, is in Germany partly so demoralised as not in any case to be capable of being a serious factor in the impending events, and partly is in such a frame of mind as to be either neutral or even on the side of the workers at the decisive moment. The great financial crash in Germany has affected the petty-bourgeoisie of the towns most severely. The story of the tobacconist in Berlin who shut up his shop and hung out a notice stating that owing to the rise in prices and the fall in the mark he could no longer carry on, and was therefore shutting his shop and joining the Communist Party, is not an anecdote, but a metaphor. It is, so to speak, symbolic.

If it conducts its policy rightly, a proletarian government in Germany may be assured of the extensive and complete victory of the revolution, for the support of the proletariat plus a section of the petty-bourgeoisie of the town, means that the proletarian government will have the support of the *majority* of the population, and that is the fundamental condition for the maintenance of power.

The forthcoming revolution in Germany, we repeat, will be a classic proletarian revolution. This by no means excludes, but, on the contrary, implies, a far-seeing and conciliatory attitude towards the petty-bourgeoisie. The German revolution will have learned the chief lessons of the Russian revolution, and, in any case, will attempt to avoid its errors. The proletarian revolution in Germany, as one of its first acts of state structure, will give great attention to the establishment of satisfactory relations between the town and the country, on the one hand, and between the proletariat and the town petty-bourgeoisie on the other. The German proletarian revolution will not resort to the wholesale nationalisa-

tion of commerce, small industry, small sections of land, etc. As long as the opposition of the medium owners will not compel the proletarian government in Germany to resort to extreme measures in defence of the revolution, that government will undoubtedly adopt a correct, cautious, and in the highest degree sympathetic policy towards these sections of the population. The revolutionary government in Germany must attempt from the very first to conduct such a policy towards the petty-bourgeoisie, intellectuals, artisans, and small and medium peasants as will earn the solid sympathy of the petty-bourgeoisie of the towns and country for the proletarian regime.

Just because the proletarian revolution in Germany has such a concrete foundation, and just because the proletariat in the German revolution will be in such huge predominance, it can allow itself the luxury of avoiding everything that will repel the petty-bourgeoisie from its side. Just because the material conditions in contemporary Germany are ripe for the introduction of a series of important economic measures of a socialist character, will the German proletariat not be obliged, at least at first, to interfere with the vital interests of the petty-bourgeoisie of the towns.

What marvels of energy the well-tried, educated, and well organised twenty millions of the German proletariat will display when they arise for the final struggle for socialism it is as yet difficult to foresee. . . .

## II. THE CREATIVE LEGEND OF AN "ALLIANCE" OF COMMUNISTS AND NATIONALISTS.

The German working class is about to take power. The only political party in Germany which is on the up-grade, which is daily growing and strengthening itself, in spite of suppression, is the Communist Party. All the other political parties and groups are on the down-grade, are losing their influence; their sun is setting.

One of the prominent German mensheviks, P. Herz, recently wrote in the "Sotsialisticheski Vestnik" that "since the social democrats, even in conjunction with the communists, represent only a part of the working class, while the great part of the intellectual proletariat and the disinherited middle bourgeoisie were in the bourgeois camp, therefore, even from a purely numerical point of view, the working class movement in Germany was not strong enough to take power alone." This profound pronouncement is worthy of a menshevik. Every self-respecting menshevik has a thousand and one reasons always ready at hand for not having a revolution. Give him 99 per cent. of the population organised in the Social Democratic Party, knowing the Erfurt Programme and all the works of Kautsky by heart, yet he will not be content; he

will demand that the remaining 1 per cent. should first decide by universal, equal, and secret suffrage what a resolution was "in general"; whether a revolution was necessary at the given moment, and what is more, whether a constituent assembly or a proletarian dictatorship was what was required.

As a matter of fact, twenty million German workers have passed through the school of organisation to a greater extent than is necessary in order to accomplish the revolution. And they will accomplish the revolution. The whole meaning of the events now proceeding within the German working class, from the conquest of the factory councils, by the communists to the elections in the Metal Workers' Union and the strike of August, 1923, is that the working class of Germany has given a mandate for the leadership of the movement to the Communist Party.

The wretched heroes of the Second International are timorously hiding their heads under their wings and pretending they are not aware of this fundamental fact, which is about to determine the whole progress of world politics. But this does not mean that Messrs. the Social Democrats are sitting with arms folded and submitting themselves to the will of fate. No. Foreseeing the oncoming revolutionary storm and the inevitable victory of the German proletariat, the international mensheviks are taking measures accordingly. The international mensheviks are creating the legend of an alleged alliance between German communism and nationalism, neither more nor less.

The clearer the struggle of the German working class, led by the German Communist Party becomes, the nearer the German proletariat approaches to victory, the more frank and unconcealed becomes the treacherous policy of the international mensheviks and the more clearly defined the diabolical schemes of the Second International against the German revolution.

Everybody knows that during the last few months an armed struggle has virtually been going on between German communism and German fascism. Hardly a day passes without some direct armed collision between communists and fascists in which the lives of both fascists and communist working men are lost. Everybody knows that when last summer the German Communist Party, having a general struggle with fascism in view, organised an Anti-Fascist Day, the German social democrats, members of the Second International, forbade it. Everybody knows that the right hand of the social-democrats, Ebert, is the Black Hundred Minister of War, Gessler, that General Sekt is in fact in a bloc with leaders of the Social Democratic Party, and that the coup d'état in Bavaria is in fact the result of "work" of the social-democratic leaders. Everybody knows that for years there has existed a definite alliance

between the German Social-Democratic Party and the German nationalist bourgeoisie against the German working class. Nevertheless, the German social democrats are loudly announcing in every square and market place that an "alliance" between communists and nationalists exists.

Why?

The best answer to this question is furnished by what the confederates of the German social democrats—the French social democrats—are doing.

The French "Socialists"—if I may be forgiven for calling them so—members of the Second International, know very well, as the leaders of the German social democrats know, that a victory of the German proletariat and the creation of a proletarian government led by the communists is inevitable and not very far distant. These gentlemen are very well aware that the French bourgeoisie, headed by Poincaré, will attempt to crush the German proletarian revolution by force of arms. In spite of their "differences" with him, both the German and the French social democrats regard Poincaré as the Messiah, as the future saviour of Germany and of the whole of Europe from the "horrors" of the bolshevik dictatorship. In order to make it possible for Poincaré to fling his armies against the German proletarian revolution at the decisive moment, the "soil must be prepared" now, the necessary "moral" conditions must be created. *For this reason the legend is being created of an alleged alliance between the communists and the nationalists.*

The French and the German social democrats and the leaders of the Second International want to be in a position to say to the French soldiers on the day after the victory of the German proletariat, that what had occurred in Germany was not a proletarian revolution, but a nationalist movement, a sort of monstrous symbiosis of nationalism and communism, a preparation for a war of revenge against France, etc., etc. *That treacherous rôle, which in 1914 (in the imperialist war) was played by the slogan of the defence of the fatherland, is to be played to-day by the legend of an alleged alliance between communism and nationalism.*

The French "Socialist Party" is at present perpetrating a gigantic fraud. From day to day not only the "Populaire" the organ of Renaudel, but also the organ of the wretched Frossard, who until recently counted himself among the communists, and who has now sold himself to the bourgeoisie (see "L'Egalite," published with bourgeois money), represent a veritable welter of deception. The chief rôle is fulfilled by that notorious rascal of journalism, Grumbach, who is now doing the work he did in 1914 at the request of the bourgeoisie. Quotations are distorted, facts are falsified, and events which never occurred, invented. The

attempt is made to represent the powerful movement of the German proletariat as a turbid wave of nationalism. An "alliance between German communists and the German fascists" is written and spoken of daily. This poisonous lie is taken from the pages of the "socialist" Press and printed in the bourgeois Press, whence it penetrates into the villages and into the barrack rooms.

Poincaré might well be pleased with his protégées. The legend created by the leaders of the Second International is nothing but a *preparation for the crushing of the German proletarian revolution by international imperialism; it is nothing but a moral justification for the new imperialist war which is being prepared against the German revolution and against its possible allies.* Let every worker of the world realise this.

Germany is a defeated country; Entente imperialism is kneeling on her prostrate body. Not only the twenty million workers alone, but also the numerous petty-bourgeois population of the towns, daily and hourly feel the oppression of a foreign bourgeoisie. The events of the last few years have shaken the petty-bourgeoisie of Germany to its depths. The Black Hundred leaders of German nationalism, spiritual brothers of Poincaré & Co., have long been fishing in troubled waters. Taking advantage of the excited frame of mind, the state of alarm and despair of the petty-bourgeois sections of the population, the fascisti have attempted, and are attempting, to draw the attention of the people away from the internal struggle to the external enemy and to kindle the flames of nationalist passion. Hitherto circumstances had permitted the German counter-revolution to drag the considerable section of the small people of the towns and villages in its train. Not only are the German communists right, but it is their direct duty to snatch from the influence of the bourgeois nationalists those propertyless classes who followed fascism merely out of hatred (justified and deserved hatred) of Entente oppression.

Was not the Paris Commune right when it attempted to mobilise against the Prussians that section of the petty-bourgeoisie of the town and country which followed the Commune out of hatred for the foreign oppressors and for their own bourgeoisie, who had sold France to the enemy? Had not the proletarian revolution in Russia in 1917, 1919, and 1920 the moral right to mobilise against British, French and German imperialism those sections of the population who consented to support the Red Army chiefly because of their hatred of foreign intervention?

Did not the socialists of the Second International themselves assert that anti-semitism is the "socialism of fools," and that it is the duty of socialists to save from the opium of nationalism those sections of the working class who for one reason or another have fallen under the influence of anti-semitism?

The German communists will fulfil this task, and will fulfil it successfully. Under the leadership of the Communist Party the German working class has already neutralised one part of the petty-bourgeoisie, and is gaining the sympathies of the other. Therein lies the surety for the victory of the German revolution.

And what about the "war of revenge"? Is there not a grain of truth in that assertion? Is not the German revolution in fact preparing to go to war?

Everything will depend upon the conduct of the European imperialist bourgeoisie themselves. If Poincaré & Co. fling their armies against the German proletarian revolution, then there is no doubt that this will lead to a war for the defence of the fatherland by socialist Germany against foreign bourgeois intervention. Let Messrs. Grumbach and Frossard keep their patron Poincaré minded of this. The more gross and brutal the intervention of foreign bourgeoisies in the German revolution will be, the greater will be the wave of protest it will provoke, and the quicker will the vital forces of the country consolidate themselves around the working class of Germany to beat off the attack of the foreign oppressors.

At the Seventh Congress of the Russian Communist Party, which met at the time of the negotiations at Brest (at the beginning of 1918), Comrade Lenin called the Brest Treaty "a Treaty of Tilsit," and declared in the name of the communist workers of Russia that there was only one path of salvation from the intervention of the foreign bourgeoisie in the proletarian revolution, namely, to unite the whole country around the working class and to conduct a war for the defence of the socialist *fatherland* against the foreign oppressors (this was the very word which Comrade Lenin used, and used correctly, for we not only can, but must defend the socialist fatherland to the last drop of blood).

"Revolution is peace," say the German communists. The working class of Germany, led by the Communist Party, desires peace. When, at the numerous meetings of workers in Germany, the communist speakers declare that by taking power in their hands they will save Germany from war, for they will buy themselves off at least from the imperialist Entente at the cost of the German bourgeoisie, such declarations are greeted by thunders of applause. When the communist speakers declare that the workers' government of Germany will conclude an alliance with the Union of Socialist Soviet Republics, and that this alliance will guarantee peace to the whole of Europe, this declaration is also greeted enthusiastically.

*The working class of Germany desires peace. The German and French bourgeoisies desire war, and the German and the French social democrats support their respective bourgeoisies. This is the central characteristic of the present moment.*

The parties of the Second International long ago adopted the path of counter-revolution. They are now going further. They are becoming the active guardians of the most irreconcilable sections of the imperialist bourgeoisie. The social democratic leaders are becoming confessed pogromists. Anybody who doubts this should remember the executioner's part played by the Bulgarian mensheviks in the recent events in Bulgaria. Even the greybeard Kautsky recently said, writing to the Jews of Russia, that if they wished to avoid further pogroms, they should help to overthrow the Soviet Government.

The Russian mensheviks and socialist revolutionaries, by creating the legend of the alleged "red imperialism" of the Kremlin, are really preparing the ground for a fresh attack of the international bourgeoisie upon the U.S.S.R. The leaders of the German and French social democratic parties, by creating the legend of the alleged alliance between the German communists and the German nationalists, are, at the order of the international imperialist reaction, preparing the poison gases to be used in the war against the German workers.

The leaders of the Second International have become the confessed gendarmerie of the international counter-revolution. A valuable confession to this effect was made recently by the menshevik "Sotsialisticheski Vestnik" (No. 16).

"As a result, the parties of the 'most interested' countries representing a united *international* policy of the world proletariat, transformed themselves more and more into voluntary representatives of their respective fatherlands, and worked solely to effect compromises most acceptable to the national point of view. Of course, the socialist diplomats have displayed in their 'coalition' work more untiring good will, sincere desire for peace, humanity, and respect for the enemy than the diplomats of the ruling classes."

In the mouth of Messrs. the Russian Mensheviks, this is indeed not a very flattering compliment for the leaders of the Second International. Even the stones cry out, even among the Russian mensheviks a unanimous voice of protest is heard against the treachery of the leaders of the Second International which, of course, however, does not prevent Abramovitch and Dan from playing the same game towards the Russian communists which Frossard and Grumbach are playing in France.

A new act of treachery against the German and the international working class is preparing, more monstrous than that of the summer of 1914. The legend of the "defence of the Fatherland" in the imperialist war cost the lives of millions of members of the international working class. The leading members of the working class of the world must take measures now, in good time, to prevent



the coiners of the Second International from passing a new legend into circulation which may be fatal to the international working class.

### III. THE WORKING CLASS, THE COMMUNISTS, AND THE SOCIAL DEMOCRATS.

The working class in Germany numerically represents a decisive force. The German proletariat holds the fate of its country in its hands. Why then has the power remained till now in the hands of the German bourgeoisie?

In 1918 and 1919, the followers of Karl Liebknecht and Rosa Luxemburg formed only a minority of the German workers, while, at the other extreme, the followers of the bloody Noske also formed only a minority of the German workers. The fundamental mass—the nucleus of the German proletariat—was in a state of indecision. This nucleus—the average workers—was in search of a peaceful solution. That “average” mass, which after all determined the progress of the struggle, did not at that time want civil war; it feared revolution, and hoped slowly but surely to improve its position, and secure a crust of bread and employment by legal means—the trade unions, universal suffrage, the social-democratic party.

Relying on this spirit among the average workers, the social-democrats, by manœuvring and cunning, managed to undermine the first German revolution and secure the victory for the German bourgeoisie. We must not forget that the German social-democrats in 1919, managed to convene the all-German Congress of the Councils of Workers' and Soldiers' Delegates, and to carry through a resolution for the voluntary dissolution of the Councils and for the handing over of power to a Constituent Assembly.

In 1919, the Spartacists, the vanguard of the workers, were very few in number; but during 1918 and 1919 they enjoyed the great respect of the workers. Many of the “average” workers tacitly acknowledged the courage and profound devotion of the Spartacist minority to the workers' cause, and that it had exposed itself to the cruellest blows of the counter-revolution, and steadfastly protected the interests of the working class as a whole. But, although they did justice to the Spartacists, they did not follow them. The kernel of the working class regarded the daring Spartacists not without sympathy, but, in fact, supported the social democrats.

With the central mass of the German workers in this mood—convulsively seeking a peaceful issue, and, above all, trying to ward off civil war—the social democrats ably exploited the situation and secured a respite of four whole years, from 1919 to 1923, for the German bourgeoisie.

In March, 1921, the Spartacist vanguard of the working class against threw itself into the front line. The Communist vanguard tried to substitute itself for the central mass of the working class, which at that time was under the almost undivided influence of the social-democrats, who were soothing it with enticing, counter-revolutionary dreams. And again a considerable section of the workers regarded the dare-devils who exposed themselves to the blows of the counter-revolution not without sympathy. But the dare-devils were still deprived of the support of the central mass of the workers. The vanguard had risen too soon, and was crushed.

The question of the present moment is whether German social-democracy will again succeed—if only for a short time—in saving the German bourgeoisie. There is every reason to believe that this will not be the case.

The lesson has been driven home.

With the help of the Third World Congress of the Communist International, the German Communist Party was able to realise fully what were the mistakes made in the past. In 1921, the question of an uprising and an immediate struggle for the seizure of power was postponed, and another task was boldly announced, viz., *to win over the majority of the workers.*

To what extent has this task now been accomplished? Have the communists to-day the majority of the workers behind them? With whom is the sympathy of the central nucleus of the German proletariat? What influence do the counter-revolutionaries and the social-democrats still exercise over the working class? What sort of relationship ought ours to be now towards the social-democrats as a whole, and the so-called "left" in particular.

There is no doubt whatever that in Germany the tactic of the united front has been crowned with particular success, that the German communists have applied the tactic rightly, that the doubts which certain "left" communists entertained, and still entertain, were unfounded. The whole essence of the tactic of the united front is to draw the more backward section of the workers into the struggle, and to bring up the centre and rearguard to the vanguard. Therefore, to blame the tactic of the united front just because it is in many ways directed to those very sections of the workers is to show a complete misunderstanding of the very essence of the tactic.

The German Communist Party has fulfilled the task set it by the Third World Congress, or, at any rate, it is already nearing its fulfilment. The German communists have taken charge of the movement of the factory councils, which, as we shall show in a later

article, to a certain extent play in present-day Germany the part our Russian Councils of Workers' Deputies played before the revolution. In more than two thousand German towns, among them the biggest industrial centres, the factory council movement is under the almost undivided influence of the German Communist Party.

In the trade unions the German Communist Party has had great victories. It has not yet got possession of the administration of the trade union apparatus, and perhaps will not do so before the actual victory of the proletarian revolution. To tear the power out of the hands of the professional bureaucrats is a task, perhaps not less, but more difficult than to tear the state power from the hands of the bourgeoisie. On the morrow of the proletarian revolution it will be necessary to take possession of the trade unions, often partly by the employment of the same methods by which possession will have to be taken of the government institutions, factories, and workshops. But in the rank and file of the trade unions, the German communists have already very considerable influence.

The membership of the German Communist Party is growing. There are organisations which have in one month increased to the extent of 500 per cent. Not only the vanguard, but also the bulk of that working mass which in 1919 gave the victory to German social democracy, are now turning more and more towards the communists. The working class, as such, that is, not only its organised part, but the whole many-millioned mass as well, is more and more tending to give the mandate for its political leadership to the German Communist Party. During the great strikes of August, 1923, which overturned the Cuno Government, the political administration of the movement was already in the hands of the communists. In the strike committee directing the movement of the Berlin workers (about eight hundred thousand workers were on strike), the great majority consisted of communists. The president was a communist; of twenty-four members, seventeen were communists, the rest left-wing social-democrats, and "independents," chosen at the proposal of the communists and supporting them in entirety. In another important centre of Germany, Hamburg, the Strike Committee consisted of five communists, two left-wing social-democrats, and one revolutionary syndicalist. A similar relation of forces was almost universal. Even in those towns where the local communist organisations had been quite weak in numbers before the August strikes, the working masses almost forced the political administration of the strikes upon them. "The Communist Party is the only one which is directing the movement on a nation-wide scale. Therefore you must lead us in our town!" declared tens and hundreds of thousands of non-party workers.

Is this already a solid and guaranteed majority? Perhaps it

is still impossible to make such a statement. But that this is what matters are coming to, and that very shortly, is indubitable. The mood is still changeable and unstable. As a rule, the mood of millions of workers is no fixed thing. A part of the workers are still in a state of indecision, with one foot in the communist camp and the other still in the social-democratic camp. This is inevitable in a transition period. It is ridiculous to demand as a preliminary condition of success that every single worker should swear fidelity to the Communist Party from the very outset. The majority for the communists that is just beginning to develop, will be finally developed and consolidated during the process of the struggle itself.

And what of the German Social-democratic Party? It has already lost, apparently, not less than two-thirds of its numerical strength. Among the workers in its ranks, there predominate, as all observers remark, elderly workers, the less active element, those still preserving traditional ties, difficult to break, with the Social-democratic Party. The flower of the workers is leaving the ranks of German social-democracy. Among those six to seven hundred thousand party members who still remain with the social-democrats, no small number consists of petty-bourgeois and fair-weather friends, and of those *workers* who still remain in their ranks, a considerable nucleus is at heart already with the Communists. We already observed this six months ago, but now it is as clear as daylight. When, as happened at the illegal Conference of the Factory Councils in Stuttgart, Berlin, and other towns, hundreds of workers, formally remaining members of the Social-Democratic Party, act together with the Communists and against their own Social-Democratic leaders, we have the best proof that these workers, still continuing, by force of tradition, to call themselves Social-Democrats, are, in reality, *our* comrades. When tens of thousands of Social-Democratic workers, together with Communist workers, against the will of their own Social-Democratic Party, form in conjunction with us red hundreds—the embryo of a red guard—when hundreds of thousands of workers, “registered” as Social-Democrats, enter upon a political strike with us and under the direction of our Communist Party—all this goes to show that the time is not far off when a considerable section of the Social-Democratic workers will finally break with their counter-revolutionary leaders and unreservedly follow the Communists.

The present transitional period is very familiar to us Russian Communists; it is reminiscent of those times when a considerable section of menshevik and socialist-revolutionary workers, while continuing to be “registered” in their own parties, *when it came to deeds* took rifles from our hands and went together with us to smash the Coalition Government. German Social-Democracy is on the eve of such times as once “the most powerful party in Russia,” the

Socialist Revolutionaries, passed through under our very eyes. In the sight of the workers of the whole world the one-time proud structure of the million-strong German Social-Democratic Party, which for a whole epoch determined the political fate of Germany, is crashing to pieces. The ill-starred ex-minister, Hilferding, has every reason to weep by the waters of Babylon.

But how are we to estimate the schism beginning between the right and the left Social-Democrats?

It is possible that the "left" Social-Democrats will for a time play in the history of the German revolution very much the same part which the left socialist revolutionaries played here in Russia—they will go a small part of the way with the revolution in order later to reappear in the counter-revolutionary camp. At the beginning, in 1917 and 1918, it might have seemed that there was an inestimable political difference between the right and the "left" socialist-revolutionaries in Russia. In 1923 every unbiased observer can see that the "left" and the right socialist revolutionaries, at least as far as the leaders are concerned, were *nothing but different cross-sections of one and the same decrepit counter-revolutionary petty-bourgeoisie*. . . .

All, or nearly all, those now directing the "left" section of the Social-Democrats in Germany are our old acquaintances, who have more than once betrayed the German workers at the decisive moment. They will betray the German proletariat again and again. As a *symptom*, the appearance of the "left" current in the Social-Democratic party has, of course, enormous importance. In "left" Social-Democracy, the growth of the revolutionary spirit among the masses of the German proletariat is reflected as in a distorting mirror. But only as a symptom. It might be of tremendous danger and a direct misfortune for the German revolution, if the so-called "left" Social-Democratic leaders seriously desired to play an "independent" political part. If they joined the revolutionary government, these gentlemen would certainly try at the critical moment to turn it into a debating club. They would try to hold back the revolutionary government at the very moment when an iron dictatorship and steely determination are essential. Too much "support" from the Social-Democratic "left" might be simply fatal to the proletarian revolution.

That does not mean that the Communists ought, in the present phase of development, to refuse to have anything to do with the "left" Social-Democrats. It still has the support of certain sections of the workers. Left Social-Democracy is one of the last illusions of a considerable section of the German workers. To help this section to outlive this illusion is one of the most important premises for the success of future resolute action on the part of the Communists. Let the German workers the quicker convince them-

selves, by the latest examples, that even the so-called "left" Social-Democrats do not wish, and will not, carry on the decisive struggle against the bourgeoisie. The leaders of "left" Social-Democracy—the Crispins and the Rosenfelds—will take care to compromise themselves in the eyes of the workers with all speed and thoroughness. And we will help to hasten the process. The behaviour of this, so-to-say, "left-wing" in the Social-Democratic Parliamentary fraction during the last few days (voting for the extension of power for Stresemann's semi-fascist government) has shown up clearly enough the formlessness and counter-revolutionary trashiness of the "left" leaders of German Social-Democracy.

The time is near when the enormous majority of the workers, till now still setting some hopes on "left" Social-Democracy, will be finally convinced that the decisive struggle must be entered upon in spite of and against, not only right, but also *left* Social-Democracy.

The Communists, by joining the Saxon Government, are pursuing a double aim: firstly, to help the revolutionary vanguard of Saxony to fortify its positions, to occupy a definite territory and to make Saxony a starting-point for future battles; secondly, to make it possible for left Social-Democracy to prove itself *in deeds* and thus make it easier for the Social-Democratic workers to outlive their last illusion. The experiment being made by the German Communist Party in Saxony, of course with the consent of the Communist International, is fraught with great dangers—that must be faced with open eyes. It would be political cowardice not to take the risk which accompanies the Communists' entry into the Saxon Government, but it would be childish naivety not to see the tremendous political dangers associated with it.

The "left" Social-Democrats of Saxony are already beginning to sabotage the barely formed workers' government. The German Communists who have sent into the Saxon Government a group of its best workers will be on their guard. They will certainly not allow German "left" Social-Democracy to carry out its policy of vacillation and to sabotage the proletarian revolution to the detriment of the prestige of the German Communist Party. The entry of the German Communists into the Saxon Government is worth while *only* if it is accompanied by sufficient guarantees that the machinery of State power will really be made to serve the working-class, that the arming of the tens of thousands of workers for the struggle against Bavarian and all-German fascism will be undertaken, that the mass-expulsion of bourgeois officials, some still remaining from the time of Wilhelm, from the state administration will be begun, not in words, but in deed, that economic measures of a revolutionary nature, resolutely striking at the bourgeoisie, will be adopted immediately.

If the present Saxon Government can really turn Saxony into

a red country, serving, even to only a certain extent, as a concentration point for the whole revolutionary proletarian force of the country, then the revolutionary German proletariat will understand and support the Saxon experiment. If this cannot be done, the German Communists ought to make use of the Saxon episode solely in order to give the working-classes again and again an object lesson in the characterlessness of "left" Social-Democracy, and the counter-revolutionary trashiness of the Social-Democratic leaders. We renounce the use of the tactic of the united front as a means to disguise revolutionary objects.

To sum up: German Social-Democracy is no longer the axis of political life—the centre of gravity has shifted to the German Communists. The German Communists have already won over, or are very near to winning over, the majority of the many-millioned German proletariat. This majority can consolidate itself, not by votes and discussion, but solely in the battles which are impending. The fundamental problem of the German Communist Party is to convince the majority of the German workers by its deeds that the German Communist Party will now, unlike 1919 and 1921, lead, not only the vanguard, but also the whole, many-millioned mass of the workers. But the main thing is to convince the working masses that now the leadership of the Communist Party really guarantees the victory to the working class.

#### IV. THE TRADE UNIONS, THE FACTORY COUNCILS, AND THE COUNCILS OF WORKERS' DEPUTIES.

The counter-revolutionary rôle played by the German trade unions during the imperialist war is pretty well known. They drove millions of German workers into the army of Wilhelm II., asserting that by defending the "fatherland" of Wilhelm II., the German workers were defending the cause of Socialism. It would not be an exaggeration perhaps to say that the German trade unions were the chief factor of counter-revolution in the years 1914-19.

The German trade unions are a great factor of counter-revolution to-day, at least, as far as the trade union machinery and the trade union leaders are concerned. There is not the slightest doubt that at the crucial moment the German proletariat will once again see the "leaders" of the German trade unions on the other side of the barricade. To capture the machinery of the trade unions will be no easier for the German proletariat than to capture the machinery of the State. The German proletariat in all probability will not gain possession of the trade unions until a successful revolution has taken place, as was the case in Russia, where the influence of menshevism was still comparatively feebly developed.

There was a time when a certain fairly influential group within the Communist International demanded that the Communists, and

the workers sympathising with the Communists, should leave the yellow trade unions in general, and the Social-Democratic trade unions in particular. At the Second Congress of the Communist International so far-sighted a comrade as was the late John Reed insisted very obstinately upon this step. The bulk of the Communist International, however, desperately opposed the tendency; and they were undoubtedly right. The work of the Communists, and especially of the German Communists, within the trade unions, has not been in vain. Without this work it would have been impossible to win over the majority of the German proletariat to our side. In the "depths" of the unions the soil has now been sufficiently broken up. The seed sown by the Communists several years ago will shortly begin to yield fruit. It was no mere chance that the victory of the German Communists at the Metal Workers' Union elections was the first streak of lightning to illuminate a sky which had hitherto been obscured by clouds of Social-Democracy.

The decisive rôle in the impending proletarian revolution in Germany will undoubtedly be played by the factory councils. Had the German Communists kept aloof from the trade unions, they would not have been in a position to conquer the factory councils, for they were at the beginning the organisations of the German trade unions; they were called into existence by the trade unions.

The German factory councils were not intended by the yellow trade union leaders to perform any important rôle. In the opinion of the leaders of the German trade unions, the factory councils were something in the nature of an appendix which could at the proper time be painlessly cut away. The factory councils, during the first year or two of their existence, were almost entirely in the hands of the trade union leaders. At the congresses of the factory councils the Social-Democrats invariably triumphed over the Communists; the factory councils were at that time mere appendages to the trade unions—organs which the yellow leaders employed for carrying through their treacherous policy. But by about the third year of their existence the factory councils began to play an entirely different part. They began progressively to *replace* the trade unions in the sphere of economic struggles. As the situation became more acute, the Social-Democratic leaders of the trade unions became more treacherous. The working masses desperately sought for some organ capable of conducting the struggle for the very existence of the workers. At every step, even in the simplest economic fights, the leaders betrayed the workers. In the search for some mass organisation capable, to however slight an extent, of leading the economic struggle of the proletariat, the workers instinctively hit upon the idea of employing the factory councils *against* the Social-Democratic trade union leaders. The factory councils began to fulfil the functions of leadership in the economic fight against capitalism which the trade unions had renounced.



At that time an unwise, semi-Proudhonist attempt was being made (connected with the late "left" independent leaders, Däumig, more than with any other), to transform the factory councils into closed, self-contained organisations, standing aside from political struggles. There arose a kind of limited self-sufficient "factory council socialism"—a German translation of "guild socialism."

But life demands its due. The working masses gradually drove both the treacherous idea of Social-Democracy, and the Proudhonist corruption of revolutionary Marxism out of the factory councils. The spirit of genuine class war triumphed. The factory councils are spread widely throughout Germany. They are gradually assuming those functions in the economic struggle which the yellow trade unions rejected. And not those functions alone, but a number of others, inseparably bound up with the preparation for the proletarian revolution, and which endow the present German factory councils with the character possessed by the Councils of Workers' Deputies in the period of the conquest of power in Russia. The yellow leaders in the trade unions still nominate their own "chairmen" to the factory councils: in Berlin, Emil Bart, former "Minister Socialist" in the first "revolutionary" cabinet of Scheidemann-Haaze, is distinguished in this rôle. This wretched hero continues to play the part of a chairman appointed by the trade unions when the factory council movement has long since outgrown Social-Democracy and has thrown in its lot with Communism, at a time when the factory councils are driving out the Barts.

The factory councils have their roots in the "depths"—in the factories, in the workshops, in the mines, in the railway stations and the large trading institutions. A dense network of factory councils now covers the whole of Germany. In the last year the authority of the factory councils has been growing daily.

The chief functions of the factory councils are as follows:—

(1) The factory councils lead all, or nearly all, the economic struggles of the proletariat. However much the Social-Democratic leaders demand (as, for instance, in the negotiations which recently took place in Hamburg and Berlin), that the Communists should "not oppose the factory councils to the trade unions," the fact remains that circumstances themselves have opposed the factory councils, as the true fighting organ of the proletariat, to the yellow trade unions which are still capable of sabotaging the struggle of the proletariat.

(2) The factory councils have created around themselves and throughout the whole of Germany such unique organisations as the control commissions, i.e., commissions which attempt to regulate the prices of articles of general consumption, rents, etc., and to fight against the frightful rise in the cost of living and against specula-

tion. Elections to these control commissions are taking place almost everywhere in Germany. Not only the workers, but also small toiling individuals of all kinds participate in the elections. The intellectual and organisational leadership of this unique, and in the highest degree interesting, movement is in the hands of the factory councils.

(3) The factory councils are taking the lead in the arming of the German proletariat. That which the Red Guard was in the Russian revolution, the Red Hundreds are in Germany. The Red Hundreds, too, take their origin in the "depths"—the factories, the workshops, etc.

Diffused amongst millions of workers and enjoying their undivided support and the support of their factory councils, the Red Hundreds are intangible and elusive to the bourgeoisie and the Social-Democratic leaders. This constitutes the main strength of the Red Hundreds. The armed German proletariat is one of the decisive factors for the success of the German revolution. Of course, the direct control of the army of the proletariat must be in the hands of numerous commands and small conspiratorial organisations, as was the case in the Russian revolution. The factory councils are not of this order—but they are the foundation. They will provide the wide-spread organisational basis.

(4) The factory councils to a great measure lead the political struggles of the workers also, that is, as far as the masses, including the non-party workers, are concerned. The August strikes of 1923 were inspired by the factory councils. The Cuno Government was, in fact, overthrown by the declaration of a three days' strike by factory councils. Again, the direct leadership of the August movement should have been, as, indeed, it was, in the hands of the Communist Party, in the hands of numerous commands. But the fundamental organisational basis of the movement was, and is, the factory councils.

(5) The factory councils are winning other sections of the population over to the side of the workers capable of going, even if only a part of the way, with the proletariat. We refer to the petty administrative employees, to a section of the intellectuals, to the small and medium peasantry, etc. In many parts of Germany the factory councils have succeeded in winning over in an organised manner representatives of these sections of the population, who are prepared to fight side by side with the workers against the bourgeoisie.

All these functions together make the present factory councils in Germany something very nearly approaching the Councils of Workers' Delegates in Russia in the period before the revolution.

The scheme of organisation of the factory councils is as follows :

Factory Council (Betriebsrat).

Workers' Council (Arbeiterrat).

Employees' Council (Angestelltenrat).

An exact translation of the German word "Betriebsrat" is not factory council, but rather *industrial council*. The industrial council is the sum of two other councils: the workers' council, and the employees' council (i.e., the clerical and administrative workers of the factory.—Trans.). The leadership is, of course, entirely in the hands of the former, i.e., the proletariat. The factory councils (or industrial councils) are now organised both vertically and horizontally, i.e., according to industry and according to territory. The German workers, led by the German Communist Party, have won a majority in the factory councils in some two thousand towns, and with untiring zeal and determination are working for the perfection of the whole system. Throughout practically the whole of Germany we now have a well-developed organisation of factory councils both as to towns and as to districts and regions. The attempt of the bourgeoisie and the German Social-Democrats to make the factory council movement illegal obviously comes too late. They may still succeed in driving the leaders of the factory councils underground—but the factory council movement itself they will never drive underground, for having their roots in every factory and workshop—in the very "depths"—and enjoying the undivided support of the working class masses, the factory councils represent an inexhaustible source of power.

In general, it may be said that the functions that were performed with us in Russia between the months of February and October, 1917, by the Councils of Workers' Deputies, *plus* the functions performed by the factory committees, are being performed in pre-revolutionary Germany by the factory councils *alone*. In many respects they are councils of workers' deputies. And therein lies the tremendous significance of the factory council movement in Germany. They possess that which is international, applicable to every country where a large working class movement exists and where the revolution has begun to ripen.

We have seen what is the character of the factory council movement in Germany. It constitutes one of the most important pre-requisites for the success of the proletarian revolution. A revolutionary *frame of mind* of the working class mass alone would not be enough; for the proletarian revolution to triumph and to consolidate itself, it must have an organised backbone. The proletariat must create *beforehand* the new mass organisation which will penetrate into the very lives of the workers. The factory councils in Germany constitute such a mass proletarian organisation. They are to a large extent already participating in the decision of the fundamental problems of food, fuel, wages, the arming of the workers, etc. . . . For this reason they will constitute the lever for the uprising which is ripening under our eyes. On the morrow of the victory of the proletariat there will be thrown up out of the depths of the existing factory councils, Councils of Workers'

Deputies, on the one hand, as organs of the direct government power of the workers, and on the other, the factory councils, as the primary organs of the live, fighting trade unions for assisting the Soviet Government to take over production into its own hands.

It is not likely that the German revolution on the morrow of the seizure of power will throw up some new form of proletarian dictatorship. The form will be the same as it is with us, viz., the *Soviet Power*. The slogan will be not "Councils in the Factories," i.e., for the transfer of the Siemens-Halsk Works, or the Krupp Works, etc., to the undivided control of the workers of these factories, but "Power to the Soviets," i.e., the transfer of the whole of production and the whole power of the country to the working class organised as a state. Not "Power to the Factory Councils," but "Power to the Soviets": such is the great road which is opening up before the proletariat in Germany.

The preparatory period in Germany developed somewhat differently from the preparatory period in Russia. The German Social-Democrats succeeded in discrediting the idea of the Soviets for a time. During 1918-19, when the German Soviets fell into the hands of the Social-Democrats, the latter managed to wring from the Congress of Soviets the decision to dissolve themselves and to hand over the power voluntarily to the German Constituent Assembly. In March, 1921, at the time of the uprising of the minority of German workers, the idea of the Soviets again came to the fore, but owing to the suppression of the uprising, was once more quickly extinguished. To-day this great idea has every guarantee of victory. There is no reason why the German workers should reconstruct their factory councils before the victory. There is no reason why they should at once create a parallel organisation, since the existing one is fulfilling the tasks of the moment so satisfactorily. Peasant Soviets should be organised at once, since the peasants can penetrate into the factory councils only under the most favourable circumstances. Peasant Soviets began to spring up in Germany even at the time of the revolution of 1918. The agricultural workers, whose mood at the present moment is absolutely revolutionary, should expedite the creation of peasants' Soviets.

The revolutionary factory councils have in fact forced the counter-revolutionary trade unions into the background of the working class movement. Out of the depths of the factory councils, there will soon spring up, as the organs of government, fully-fledged Councils of Workers' Deputies. The impending victorious proletarian revolution will find the correct place for each of its three fundamental organisations: the revolutionary Trade Unions, the revolutionary Factory Councils, and the Soviets of Workers' Deputies.

## V. THE INTERNAL DIFFICULTIES OF THE GERMAN REVOLUTION.

The counter-revolutionists believe that although the German Communists may seize power, they will be unable to hold it, and will sooner or later be obliged to give place to the bourgeois fascists.

The idea was once prevalent even among the German Communists that it would be easy to seize power in Germany, but that the real difficulties would commence *after* the seizure of power. The majority of the German Communist Party are now becoming convinced that this is not quite the case. The difficulties that will arise on the morrow of the seizure of power will, indeed, be great; that cannot be denied. But at the present moment attention must be concentrated on the seizure of power. This now proves to be far from easy, and will prove to be harder still.

In the camp of the fascist bourgeoisie there are about 600,000 men armed to the teeth and prepared for anything. It is true that these armed forces do not enjoy the sympathy of the masses, they do not possess sufficient social oxygen. The many millions will be on the side of the Communists, and not of the counter-revolutionists. In preparing ourselves for the final struggle, it should not be forgotten that success will be determined by an overwhelming superiority of forces at the decisive moment and at the decisive point. The history of the recent uprising in Bulgaria is very instructive in this respect. The masses were wholly on the side of the insurrectionaries; nevertheless that decisive superiority which Tzankov possessed in his few shock divisions, armed to the teeth, decided the fate of the uprising.

However, it is not unreasonable to review the internal and external difficulties with which the German revolution will be faced on the morrow of victory.

Within the country the chief difficulties will be the following:—  
*Food Difficulties*: The richest and best organised sections of the German peasantry and the landowners will undoubtedly occasion very serious difficulties to a German Soviet Government. The food blockade of Red Saxony which is now beginning is but a foretaste of what we may expect to take place on a wholesale scale on the morrow of the revolution.

Then there will be *economic difficulties*: shortage of coal, the closing down of factories, etc.

*The unemployment.*

Then *internal counter-revolution*: fascisti, Kornilovs, Vendées (Bavaria), francophile reactionary separatists, the remnants of counter-revolutionary Social-Democracy, kulaks (rich peasants), etc.

And finally, *financial difficulties*. The Soviet Government in

Russia received as an inheritance from Czarism and the coalition government a gold fund of nearly 1,400 million roubles, and in addition the still not entirely devaluated Czarist paper roubles. The inheritance which the Soviet Government in Germany will receive will be a more unhappy one.

Nevertheless, in spite of this, we assert with all confidence that the German proletariat will retain power. The support of the German proletariat, plus that of a section of the petty-bourgeoisie of the town and countryside, will give the proletarian government of Germany the backing of the *majority of the population*; and this is the fundamental condition for the maintenance of power.

The German proletarian government will have learnt the chief lessons of the Russian revolution. It will exert every effort in order to establish a satisfactory relationship between the town and the country, on the one hand, and between the proletariat and the petty-bourgeoisie of the towns on the other. The proletarian government in Germany must take care not to resort to the wholesale nationalisation of trade, the small industries, and the small estates. On the contrary, as long as the opposition of the small and medium property-holders does not compel the proletarian government in Germany, in the interest of self-defence, to resort to extreme measures, the latter should adopt a very cautious and to the highest degree sympathetic policy towards these sections of the population. The proletarian government in Germany will, as one of its first steps, introduce—and introduce successfully—such a policy towards the petty-bourgeoisie, the intellectuals, the artisans, the small and medium peasants, etc., as will gain it the firm support and sympathy of the petty-bourgeoisie of the towns and the countryside toward the Soviet regime.

The proletarian government in Germany, of course, must and will, resort to the determined revolutionary nationalisation of large and medium industries. But, so far as it will depend upon itself, the proletarian government will proceed to nationalise *the large and medium industries* only to the extent that it will be able to organise them rationally and on a socialist basis. The proletarian government in Germany will not forget the strong side of the Russian “Nepism.”

The food problem will be a very difficult one for the German proletarian government. But it is symptomatic that at almost every meeting the Social-Democratic workers lay emphasis on the fact that the German workers are already eating Soviet Russian bread. If a large quantity of Russian grain is already flowing into *bourgeois* Germany, why should not a still greater quantity flow into *proletarian* Germany.

As to the question of coal, Germany is already in this respect, owing to the seizure of the Ruhr, in a very difficult situation.

It is, of course, impossible to count upon a rapid revival of the industries of the country immediately after the revolution. But the German proletarian government may, under certain circumstances, propose to the representatives of French heavy industry that it (i.e., the workers' government) should undertake to supply them with coal, provided, of course, the interests of the national industries of proletarian Germany are guaranteed. If circumstances turn out favourably, it is not impossible that Soviet Germany will be able to purchase coal in Czecho-Slovakia and in Poland.

The number of unemployed in Germany, under any circumstances, is bound in the near future to be very large. A proletarian government alone will be in a position to provide real aid for the unemployed. Of course, the proletarian government must, in the interests of self-defence, proceed immediately to the creation of a Red Army, in spite of the fact that thereby the difficulties of the German revolution will be increased owing to the imperialism of France and other countries. The German government will be able to absorb a considerable number of the unemployed workers into the ranks of the Red Army.

The danger of counter-revolutionary intervention from without and financial difficulties from within will be the cause of no little anxiety to the German proletarian government. But they are not unsolvable difficulties. In general, proletarian Germany will be able to deal with them in the way Soviet Russia dealt with them—of course, with the modifications that the difference of circumstances will demand.

Russia entered on the November revolution with only 7-8 million workers out of a population of 180 millions. Germany has 20 million workers out of a population of 60 million. A small handful of Russian workers displayed marvellous energy and organising ability; moreover, this same handful of workers constituted the very heart and soul of the defence of Soviet Russia on ten fronts. They saved the great Russian revolution. What marvels of energy 20 million German workers—the very pick of the international proletariat—will display, it is difficult even to foretell.

The German proletariat is literate to a man. It is better educated than the working class of Russia. It has passed through the difficult, but nevertheless very instructive, school of German Social-Democracy. After the betrayals of the Social-Democrats, it will not be so easily deceived. The rank and file of the German worker will be a better, and not a worse, Red soldier than the Russian worker. There are reasons for this. The percentage of workers in the army of Wilhelm II. in the war years of 1914-18 was much larger than the percentage of workers in the army of Nicholas II. The Russian army was primarily a peasant army. The first divisions of Red Guards in Russia were extremely weak

as fighting units. The rank and file Russian worker Red Guard did not know how to hold a rifle, but this will be very rare with the rank and file German worker, who has served in the army of Wilhelm II.

A review of the history of the international working class leads one to the conclusion that the class of wage labourers who occupy the base of the social pyramid, does not possess sufficient political experience and political education in order at once to overcome the ruling bourgeois class. It is inevitable that the working class, especially the working class of the countries which would be the first to rise up against the bourgeois order, will have to face one serious defeat after another before they finally learn how to conquer. This was the case with the working class of Russia. But for the severe defeat of 1905 the Russian working class would hardly have succeeded in 1917, or in any case, victory could not have come so easily. In 1905 the Russian workers already learned how to set up soviets, to arm themselves, to organise fighting groups, to fight behind the barricades, to establish contact with the peasants, the soldiers, the railwaymen, etc. In 1917, the experience of 1905 could be applied on a grand and extensive scale, yet it still required the lessons of the July days of 1917 before the working class of Russia was finally tempered.

In this respect, too, the German working class possesses an adequate stage of experience. The defeat of 1918 provided a useful lesson. One can hardly imagine now a congress of Soviets in Germany which would voluntarily dissolve itself and hand power over to a constituent assembly. The cup of defeat and Social-Democratic treachery has been drained to the dregs.

The lesson of the March uprising of 1921 was also not in vain. The proletarian vanguard of Germany convinced themselves by a living example—by a painful and severe defeat—that the heroism of the vanguard can only be crowned with success if the vanguard has not advanced too far forward, has not broken communication with the heavy infantry, the masses of the proletariat, and even with the rearguard. The mistakes of March, 1921, will not be repeated.

The internal difficulties of the German proletarian revolution after a successful uprising, will be great, but not insuperable. To reflect upon them at once is a matter of urgent necessity for the class which is in the ascendant and for the Party to which the future belongs. But all the collective intelligence of the revolutionary proletariat of Germany, all the political experience of the Communist Party, all the revolutionary will and enthusiasm, all the organising ability of the proletarian vanguard, all the spiritual forces of the heroes of the German proletarian revolution now coming to the forefront—all that the German working class possesses, must, at the present moment be staked upon one thing, viz., the all-embracing preparation for the final struggle.



The historical task of the moment is to strike for victory at the decisive point, to concentrate all forces in order to deal a blow at the German bourgeoisie from which it will never recover.

This is the *task of tasks*. The rest will follow.

## VI. THE EXTERNAL DIFFICULTIES OF THE GERMAN REVOLUTION.

The difficulties resulting from the *internal* relations of forces, with which the German revolution will be faced, will pale into insignificance before those *external* difficulties which will arise on the morrow of the victory of a proletarian government in Germany. The menace of immediate war from the French, Czecho-Slovakian, and Polish bourgeoisie, and the possibility of a blockade by the British will be the chief international political difficulties of the German revolution.

From the very outset the proletarian revolution in Germany will be of even greater international significance than the Russian revolution was. Germany is more of an industrial country than Russia. Germany lies at the very centre of Europe. Germany may be called the central nerve of Europe. The fate of present-day Germany is closely bound up with the fate of France. A proletarian revolution in Berlin will almost mechanically produce some form of intervention by Paris, that main centre of present-day international reaction. Germany possesses a powerful proletariat, which, when it stretches its limbs, will thereby destroy the equilibrium in any bourgeois country which decides to strike a blow against the German revolution. The power of the German proletariat may strengthen peace throughout the whole of Europe. The German generals desire a war of revenge; the German workers desire peace. *The dangers from without constitute the Achilles' heel of the German revolution.*

The advantages possessed in this respect by Soviet Russia when in October, 1917, it entered the world arena were as follows: Firstly, "they" were still fighting. International imperialism was divided up into two camps between which a war to the death was raging. It was quite difficult for international imperialism at once to unite against Soviet Russia. The brawl between the two camps of imperialist robbers allowed a breathing space to the new-born Soviet Republic.

Secondly, Soviet Russia was saved by the vastness of her territory. We were able to retreat in order to gain time. Soviet Russia complained of the "bourgeois encirclement." It is true, this encirclement occasioned no little harm in the form of intervention, blockade, etc., to the young proletarian state. Nevertheless, the encirclement was far from being so direct, and therefore so dangerous, as it may be for the German revolution.

However, the Russian revolution did not have what the German revolution will have. The Russian revolution was the *first*, whereas the German proletarian revolution will have behind it the experience—and not only the experience—of the Union of Socialist Soviet Republics, which has now been existing as a workers' state for six years. Moreover, the proletarian revolution in Russia began in 1917, at a time when Communist parties in other countries either did not exist at all, or were small and feeble groups. The German revolution begins at a moment when the Communist International has already been in existence for five years, when Communist movements have grown up all over the world, and when in the important countries of Europe the Communists have become a considerable force. "Organisational experience" has been gained by both sides—by the international bourgeoisie and by the international proletariat. The fight will therefore be all the more intense.

In 1923-24 there does not exist, as there existed in 1914-17, two sharply defined, inter-warring groups of Imperialists—the Imperialists of the Entente and the Imperialists of the opposite group. On the other hand, *within* the Entente itself, mutual bickerings and gnawings are assuming an ever more acute and permanent character. It is true that there is no open war between the Imperialists, but enmity is growing profounder each month. It is enough to point to the competition between the Imperialists of England and the Imperialists of France. The international bourgeoisie is eaten up by internal contradictions and incessant conflicts.

An attempt will undoubtedly be made by international Imperialism to organise a united front against the German proletarian revolution; but the extent of its success is a matter of doubt. The history of the fight of the international bourgeoisie against the Russian revolution during the space of six years shows that the formation of such a united front will be no easy matter. Two systems of policies with regard to the German revolution will be at war within the camp of the Imperialist bourgeoisie. One of these policies may be called provisionally the *annexatory-Imperialistic policy*, and the other the *social-class policy*.

The narrow Imperialist interests of individual cliques of the international bourgeoisie will induce influential groups to profit from the German revolution by the seizure of some piece of territory (the Ruhr, Eastern Prussia, etc.). Certain influential cliques of the international bourgeoisie will base their calculations on the assumption that a Communist government will lead to the break-up of Germany more rapidly than any other factor, will weaken competition, will permit the annexation of portions of German territory, and so forth. Such considerations may prevent the formation of a final and full united front of the international bourgeoisie against the German revolution—as was more than once observed with regard to the Russian revolution since 1917. Wilhelm II., in fact, when

his armies were at Pskov, was moved by considerations of an annexatory-Imperialistic nature, and considerations of a social-class character were in abeyance.

It is true Wilhelm II. was at that time at death grips with the Imperialism of the Entente. That should not be forgotten.

It goes without saying that the tactics of the German revolutionary proletariat should be based upon the worst possible issue, *i.e.*, it must be prepared for the possibility that international Imperialism will estimate the German revolution not as an isolated episode, but as an event which will determine the fate of the whole European bourgeoisie. From this estimate, international Imperialism may at once proceed to practical conclusions.

France, England, Poland, and Czecho-Slovakia are the chief of the countries which may at once intervene in the German revolution. In this sense, therefore, the fate of the German proletarian revolution will be decided not only in Germany, but also in England, France, Poland, and Czecho-Slovakia.

*England.* The proposal has already appeared in the British Imperialist Press that the British fleet should occupy the Baltic ports in order to defend "British interests" in the event of a revolution in Germany. That section of the English bourgeoisie which proposes to take up a more or less neutral position towards the German revolution will probably be rather influential. But even if England decided to apply the blockade to a proletarian Germany, that blockade would have no decisive significance. And England to-day is not in a position to send any large land forces against the German revolution.

*France.* Imperialist France undoubtedly represents a considerable military force. France possesses a huge superiority in air forces and in the technique of armaments in general. But if France ever thought of occupying revolutionary Germany to any large extent, she would need for that purpose some hundreds of thousands of soldiers (probably not less than a million). In the end, such an army would be faced with the same fate which overtook the army of Wilhelm II. when it occupied revolutionary Ukraine. The state of mind of the army in such a war would undoubtedly be the decisive factor. The moral superiority would be wholly on the side of proletarian Germany and her allies. To overthrow the German revolution solely with the aid of black troops, upon which certain leaders of the French bourgeoisie base their plans, is an entirely hopeless calculation. Black workers, who are employed to the number of several thousand in Paris, are already participating side by side with the Communists in their economic struggles.

It may be boldly asserted that if Imperialist France at once declares direct war upon revolutionary Germany, the proletarian revolution in Germany will be in a position to offer considerable

resistance to Imperialist France. The revolutionising influence of the events in Germany will be particularly powerful in France itself.

*Poland.* Certain sections of the Polish bourgeoisie may prove to be exceedingly dangerous and malicious enemies towards the German revolution. Even if the French Imperialists will not risk flinging their own armies against the German revolution, they will not hesitate to force bourgeois Poland into the fight. It is easier to risk the fate of a vassal than one's own fate. If the more adventurous section of the Polish bourgeoisie decided to assume the rôle of the executioners of the German revolution, they would thereby be signing their own death warrant. The heavy Nationalist heritage, which still weighs upon considerable sections of the Polish proletariat, will be swept away as a result of a proletarian revolution in *Germany* quicker than by any other factor. The more ambiguous the attitude of the leaders of the Polish Socialist Party is towards the German revolution, the more inclined these leaders are to lend support to the adventures of the Polish bourgeoisie, the quicker the Polish proletariat will free itself finally from the nationalism of the Polish Socialist Party. The ruling sections of the Polish bourgeoisie are oppressing Ukrainians, Lithuanians, Germans, and Jews. Immediately the Polish bourgeoisie moves a finger to start an annexatory war against the German revolution (and against Soviet Russia), it will realise that it has been sitting upon a volcano; the Nationalist question in Poland will cause it endless anxiety and trouble.

*Czecho-Slovakia.* Owing to its geographical position, Czecho-Slovakia may play an important part in the attempt to crush the proletarian revolution in Germany. The frontier army of the Czecho-Slovakian bourgeoisie can march on Dresden in a few hours. But Czecho-Slovakia's Nationalist problem will make it difficult for the more counter-revolutionary section of the bourgeoisie to arrive at unity of action. The possibility is not excluded of there being among the Czecho-Slovakian bourgeoisie a certain group, who will think that a White Germany may be a serious State menace to Czecho-Slovakia, whereas a Soviet Germany would at any rate not threaten the existence of Czecho-Slovakia as a State. Moreover, the powerful Czecho-Slovakian proletariat, led by a large Communist Party, will know how to perform its historic mission.

A victorious proletarian revolution in Germany will undoubtedly stimulate a powerful movement in Austria in favour of union with Germany. The Austrian workers might play no little part in the fight against the Bavarian fascists, who, it is now clear, will constitute the German Vendée. Reactionary Hungary has herself entered upon such a stage of internal crisis as will exclude her from becoming an active force in the attempt to crush the German revolution, or in the war against the allies of Soviet Germany.

A triumphant German revolution will call forth unexampled enthusiasm, and will awaken powerful forces among the French, Polish, and Czecho-Slovakian proletariat. The French, Czecho-Slovakian, and Polish Communist Parties are faced with tremendous duties. They must do all in their power to organise direct and open revolutionary support by the proletariat of their countries for the proletarian government of Germany. The German proletarian government, after the revolution, will not shrink, under given circumstances, from buying off the Imperialist Entente. It may even begin to pay the French Government in accordance with the Versailles Treaty if, by such a price, it can purchase a delay of war, the removal of the armies from the Ruhr, etc.

It is possible that the German revolution may have to pass through its Brest-Litovsk. The possibility of a Brest cannot be excluded. At any rate, the German Communist Party (the main force in the impending German proletarian revolution) will not shrink from such a prospect. It is possible to imagine the progress of a German proletarian revolution even from the aspect of Brest. But this would in no sense mean the crushing of the spirit, nor the clipping of the wings of the German revolution. The power of attraction of the impending proletarian revolution in Germany would not be lessened by such a circumstance. It only means that we are entering on the German revolution with not quite the same innocence nor quite the same political inexperience with which we entered on the revolution of November, 1917, in Russia. We fully appreciate the power of the international bourgeoisie. We do not forget for a moment that this power will be more dangerous and more menacing to a German revolution than it ever was to the Russian revolution. We know that the many millions of a nation entering upon a revolution desire *not war, but peace*—although that peace must be purchased at a heavy price.

But if the international bourgeoisie, in spite of all, will risk an immediate and direct war upon the German proletarian revolution, foreign Imperialism may be successful for a while, but sooner or later its defeat is inevitable. The 60 millions of the German people, headed by a proletarian government, will know how to defend themselves against seizure of their territory. And the German proletarian revolution will, in spite of all, triumph in the end.

## VII. THE APPROACH OF THE GERMAN REVOLUTION, AND THE TACTIC OF THE UNITED FRONT.

While these lines are being written, the German Coalition Government is limping on both feet—the right White Bavaria, and the left Red Saxony. The relation of forces is extremely unstable. Equilibrium has been lost. The first large stone is already falling, and after it the whole ceiling will come crashing. The German

Social-Democratic Party, at least as far as its central machinery is concerned, is still showing itself to be, and will doubtless go on being to the very end, the staunch ally of the counter-revolutionary bourgeoisie.

At the same time, the left groups and organisations of Social-Democrats are making the first steps toward co-operation with the German Communists. The Social-Democratic Party centre, as formerly, walks hand in hand with the Black Hundred bourgeoisie and the White generals, while the left wing of the Party is appearing to pass into the camp of the proletarian revolution. A Red Saxony (or rather pink Saxony), a White Bavaria and a Yellow central government—such is the position of affairs at the moment these lines are being written (October 22, 1923).

Under such circumstances, the desire to draw aside the curtains and to take a peep into the future is only natural. How will events develop in the near future? Will there be a period, however brief, of a "workers' " government in Saxony and Thuringia? How swiftly will the differentiation within the ranks of the Social-Democrats proceed, and how far will it go?

It is appropriate at this stage to consider the question as to what the tactic of the united front has been so far, and what it should be in the near future.

There is not the slightest doubt that the German Communist Party has, on the whole, conducted the tactic of the united front with considerable success. Thanks to the correct application of this tactic, the Communist Party has won over the majority of the workers of Germany, of which it was impossible even to dream two or three years ago. The objection of the "left " Communists (we have here in mind certain armchair theoreticians; the workers belonging to the left organisations regard the tactic of the united front with a correct class instinct) that the German Communist Party, in applying the tactic of the united front, based itself upon the *backward* sections of the proletariat, upon the masses and not upon the vanguard, is entirely beside the point. The whole idea of the tactic of the united front was to draw up the rearguard to the vanguard, to bring up the average workers, who still follow the counter-revolutionary Social-Democrats, to the foremost workers, who have already associated themselves with the Communists. It is no mere accident that the tactic of the united front was formulated and developed after the uprising of March, 1921, and after the events of the autumn of 1920 in Italy. It was the Italian and the German events which made it clear to the Communist International that considerable sections of the rank and file workers, in some cases the majority, were following the Social-Democrats.

In 1918-19, when the world revolution seemed to us to be imminent, we sought union with the workers directly over the heads

of their Social-Democratic leaders. 1920-21 convinced us that apart from the Social-Democratic organisations and the Social-Democratic leaders, it was impossible to approach the masses. We accordingly adopted the tactic of the united front. The more that during the second half of 1921, 1922 and in 1923, the German Communist Party based its calculations upon the average worker, and the more it turned its attention to the state of mind of the rearguard of the German proletariat, the more correctly it applied the tactic of the united front, and the more successfully it prepared the way for winning over these decisive sections of the proletariat to the side of Communism.

But the application of the tactic of the united front under present circumstances in Germany is undoubtedly entering upon a new phase.

This tactic remains a correct one for present-day Germany in the sense that we must apply a system of supplementary measures in order to win over to our side the remaining sections of the workers who are still following Social-Democracy, or are entirely without party. But we are dialecticians, not doctrinaires. If circumstances have changed, we must know how to change the application of the tactic of the united front also. On the whole, the task of drawing up the average and the rearguard sections of the proletariat has been successfully fulfilled. But at the present stage of events, another task comes to the fore, namely, to see to it that an incorrect application of the tactic of the united front does not put a brake upon the revolution, and does not paralyse the will of the vanguard, which must be prepared to risk all at the decisive moment.

An old comrade wrote to us from Hamburg shortly after the great strike of August, 1923, as follows:—

“ . . . This week has shown that in spite of the successes and failures of the tactics of the united front, we were able to approach the masses against the will of the Social-Democrats, and not through a united front with them. The whole trend of public life in Germany and the whole tactics of the German Social-Democrats and the trade unions, in the past and during the last weeks in particular, leave no reason to assume that the tactics of our opponents (the Social-Democrats) on the question of the united front, will be altered. They will be altered only when the united front may serve as a brake, when the bankrupt Social-Democrats will attempt to form the united front in their own way in order to hinder the movement and to drag us down the abyss with themselves.”

This opinion of an old comrade, who belongs to neither of the two warring tendencies within the German Communist Party, appears to us to be absolutely correct and to the point. The comrade is also absolutely right when he goes on to say: “ Events go to show that in spite of our cautious attitude towards the Social-Democrats, we, nevertheless, over-estimated their working class

character and their ability to defend the interests of the workers. Therein lies our error. The Social-Democrats are too befouled in the mire of petty-bourgeoisism. They prefer to perish in the mire rather than make any attempt to crawl out of it. One must see with what hatred they oppose every attempt of the working class to defend its elementary interests in order to convince oneself that the Social-Democrats and their friends in the trade unions are done for as far as the working class is concerned, and that the working class cannot expect the slightest help from them in the future. On the contrary, we must expect from them every filthy trick that we expect from our most malicious enemy. One must be blind not to see that."

This last conclusion should be borne in mind by our comrades of the German Communist Party. The mistakes of numerous Russian Bolsheviks (including the writer of these lines) on the eve of October, 1917, was that we, from inertia, "over-estimated the working class character" of the Russian Mensheviks and Social-revolutionaries, and that we still hoped that at the last moment these parties would prefer to drag themselves out of the petty-bourgeois mire rather than to perish in it. This terrible, dangerous mistake must not be repeated by our comrades of the German Communist Party under any circumstances.

The German Communist Party must, of course, do everything in its power to win over to its side those sections of the Social-Democratic workers who are still wavering between the Social-Democrats and the Communists. In this respect, the negotiations of the type which recently took place in Hamburg and Berlin are perhaps essential. But the danger connected with such negotiations is at present very considerable. In the "Rote Sturmflagge" of October 15-17, 1923, we find a detailed description of the recent "negotiations" with the leaders of the so-called left Berlin Social-Democratic organisation. It is true that the committee of the Berlin organisation had at that time not been re-elected. The preparations for these negotiations lasted a whole week, the negotiations themselves were conducted for three days, and at the moment of writing the negotiations have not yet ended.

The German fascisti can desire nothing better. At a time when every minute is precious, when the German counter-revolution is making feverish preparations, many days are being spent in the most important of the working class centres, Berlin, on the question of an agreement, in bargaining and counter-bargaining over every comma, and precious time is being wasted. If during these negotiations, and in reliance upon their issue, the German Communist Party slackened its practical preparations of essential measures by even one iota, if it based any extensive political plan upon an alliance with the Social-Democratic leaders, it would be guilty of a real crime. We are firmly convinced that the German Communist Party



will never commit such a mistake. Negotiations are negotiations, and actions are actions.

The Hamburg comrade is right. There is not the least doubt that the time will come, and it is not far distant, when the counter-revolutionary leaders of the German Social-Democrats and trade unions will formally consent to a united front, but that will be when there will be no hope of saving the bourgeoisie by any other method. The Communists must then frankly ask themselves what the united front is for. For what purpose are the leaders of the counter-revolutionary Social-Democrats, who had betrayed the proletariat a thousand times, now at the twelfth hour consenting to a united front? The reply will be clear: It is in order to paralyse the revolutionary will of the proletarian masses *from within*, to attempt to transform the revolutionary general staff, and perhaps the revolutionary proletarian government itself, into a discussion club, a talk-shop.

Such support by the Social-Democrats can be more dangerous for the proletarian revolution than open opposition. Such assistance may be absolutely fatal to the revolution.

Everything possible must be done in order, by a correct application of the tactic of the united front, to win over to our side the greatest possible number of Social-Democrats and non-party workers. This is still our task as formerly. But another and much more important task faces us, namely, to bear in mind that it will very likely be necessary for the proletarian vanguard to take decisive action in spite of, and against the opposition of the counter-revolutionary Social-Democratic leaders. Only in the light of this second task can the first one be correctly fulfilled.

There was a time when, introducing the tactic of the united front in Germany, we could turn to the rank and file Social-Democratic worker and say: "Everything depends upon your party; if the Social-Democratic Party decides to fulfill its duties to the working class honourably, and if it marches side by side with us Communists against the bourgeoisie, we may be able peacefully, perhaps, without a civil war, to create a workers' government." In 1918-19 this was, in fact, a possibility. The German Social-Democrats at that time held the fate of Germany in their hands.

To-day, such an assertion on our part would be historically incorrect, and would only encourage the constitutional illusion. The German Social-Democrats now no longer hold the fate of Germany in their hands. A peaceful issue no longer depends upon them. Only the proletarian revolution can cut the knot of contemporary Germany. The German Communists must, of course, through the Social-Democratic workers who are amenable to our influence, bring pressure to bear upon the Social-Democratic Party in order to prevent it, as far as possible, from assisting counter-

revolution. But first and foremost, the German Communists are obliged to convince the rank and file Social-Democratic workers that to-day, even if it were possible to supply the whole Social-Democratic Party with "left" leaders, there would still be no possibility of a peaceful issue, and that only by a desperate struggle can Germany be saved from the claws of counter-revolution.

To state the matter quite briefly, the tactic of the united front which was and remains a correct tactic on an international scale, has been already fundamentally applied in Germany. The masses of the working class have risen, or are rising. The rearguard sections of the proletariat are moving to the front. The task of the vanguard is now to lead these masses into the fight.

The tactic of the united front was, and is, a carefully thought out strategic manœuvre of the vanguard of the working class. Only declared enemies of the proletariat, such as the Social-Democratic leaders, or old women of the type of certain "independent" leaders, can assert that there is anything wrong in this strategic manœuvre. The working class is not homogeneous. Its cultural level, its political experience, are not uniform. Therein lies the whole misfortune of the oppressed class. The vanguard of this class has raised itself to a higher level, and has consciously organised itself into the Communist Party. It is not only justified but even obliged to do everything in its power to bring the backward workers to the front. And if, for this purpose, it is sometimes necessary to speak in the language of the backward workers, it is entirely for pedagogical reasons. In order to teach an illiterate man to read, he must first be taught to spell. But when he has learnt to read, we try to teach him the Communist Manifesto, and not the works of Scheidemann and Vandervelde.

The tactic of the united front is a correct tactic. But in the seething and stormy Germany of to-day, where the vanguard to-day or to-morrow will be engaged in the final and decisive struggle, into which it will lead the proletarian heavy infantry, it is essential that the tactic of the united front be not transformed into its very opposite.

#### VIII. WORKERS' AND PEASANTS' GOVERNMENT AND THE DICTATORSHIP OF THE PROLETARIAT.

No united front tactics can now save the German workers from the necessity of civil war, even though every German Social-Democrat to a man declared himself, at the eleventh hour, in favour of a united front.

The same is true of the slogans of a "workers' government" and a "workers' and peasants' government." No tactical formula, however acceptable it may sound to the ears of the masses of the German working class, can now avert, or replace, civil war.

The formula of a "workers' government" was an integral part of the tactic of the united front. Its object was to express the slogan of the "dictatorship of the proletariat" in such form as to bring it as much as possible into conformity with the state of mind and understanding not so much of the vanguard as of the middle sections of the proletariat and of its rearguard. Whoever lent any other meaning to the formula of a "workers' government," whoever believed that such a government was a necessary stage of historical development, different in principle from that of the dictatorship of the proletariat, whoever believed that a workers' government could be formed by means of parliamentary combinations, entirely misunderstood the intention of the Communist International.

"You, workers," said the Communist International, addressing itself to the millions of "average workers," "see that the bourgeoisie is robbing you of your last crust of bread. You see that questions of your wages, questions of your very existence, depend to a large extent upon what government happens to be in power. The workers number millions and tens of millions. The workers are the majority of the population. Can it be that you are opposed to a *workers'* government being in power, a government which would concern itself with your interest . . .?"

This method of agitation entirely corresponded with the spirit of Germany, let us say, in 1921 and 1922. But even then the advanced workers, the Communist workers, were obliged to explain the full meaning of these words in their propaganda.

"You are in favour of a workers' government? Excellent. But you see, at present, that in our best of all possible worlds, bourgeois governments are everywhere in power. Do you think, dear friend, that a bourgeois government will voluntarily open the way for you and allow you to form a workers' government as soon as you carry a resolution to that effect by a majority of votes? Of course not. In order to bring the workers' government into power, *it is first necessary to abolish the bourgeois government*; and the bourgeoisie are armed to the teeth. At our expense, with the blood and sweat of the workers, the bourgeoisie has created a huge army, and is now forming Fascist divisions; and it will take full advantage of the whole machinery of the state in order to defend its own interests. It will fight for the maintenance of its power to the last drop of blood. That means that in order to set up a workers' government, *we must first defeat the bourgeoisie*, we must shatter its armed forces, we must break up its state machinery, and must demoralise its state institutions. And for this it is necessary that the workers arm themselves, that at the right moment they should rise like one man and deal a decisive blow at the governing class at a decisive point; it is necessary to take power in our hands and to smash the

opposition of the exploiters. Only then will it be possible to set up a stable workers' government."

" But that will be the dictatorship of the proletariat? "

" Of course. The dictatorship of the proletariat is like fate, you cannot escape it. If you desire the emancipation of the working class, you must be prepared to fight for the dictatorship of the proletariat. Only by way of an exception, only thanks to the conjunction of a series of factors in some particular place or other, may it be possible for a brief period to set up a temporary " workers' " government, which will still not be the dictatorship of the proletariat, but will nevertheless be a first step toward it. No other way of bringing the working class into power, apart from the dictatorship of the proletariat, has yet been invented. If you reject the dictatorship of the proletariat, you also reject the emancipatory rôle of the working class."

The writer of these lines spoke to this effect at the beginning of 1922, when he said that a workers' government was nothing but a " pseudonym " for the proletarian dictatorship. The comrades who at that time disagreed were wrong. It is necessary now, more than ever, to emphasise this fact when such governments exist as the present governments of Social-Democrats and Communists in Saxony and Thuringia.

" But why resort to a ' pseudonym ' ? " some comrades will ask. " Is it necessary for Communists to employ pseudonyms in their agitation? Is it even morally permissible for Communists to do so? "

To which we reply, " Why then adopt the tactic of the united front at all? We knew perfectly well from the outset that a common front with the leading sections of the Social-Democrats and the Social-Democratic trade unions was impossible; that such a united front could be purchased only at the price of our renouncing the fundamental interests of the international proletariat. But the Social-Democrats were still very powerful; they were followed by the majority of the workers. The key to the situation was to find some common language for those workers who still follow the Social-Democrats, and by force of living experience, to prove to them that the Social-Democratic leaders were betraying them. That was the policy the Communists adopted. Only those who entirely fail to understand the facts of the class struggle can question whether this is morally permissible for a Communist."

The formula of a " workers' government " found an easier approach to wide circles of Social-Democratic workers and non-party workers. This elementary formula penetrated more easily into the hearts and minds of the average workers. It was more acceptable to them. It was the first letters of the alphabet. By learning to pronounce the letter " a, " the foremost workers gradu-

ally, under our tuition, learned to pronounce all the other letters of the alphabet. We should have been pedants if we had refused to adopt this pedagogical method in order finally to convince the majority of the workers that the Communists' advance guard was justified.

The formula of a "workers' government" could be acceptable only to *one* class, namely, the working class. Its chief purpose was to bring up the more backward workers to the front, to win over the whole working class to the side of the proletarian vanguard. The purpose of the formula of a "workers' and peasants' government" was somewhat wider. It applied to *two* classes. It was an attempt not only to bring up the whole working class to the level of the vanguard, but also to attract large sections of the peasantry into the fight against the bourgeoisie under the leadership of the proletariat.

What we have said regarding the slogan of a "workers' government" applies also to a large extent to the slogan of a "workers' and peasants' government." Nowhere in the world will the bourgeoisie and the landowners voluntarily surrender their power to a workers' government, or a peasants' government, or a workers' and peasants' government. In order to create a workers' and peasants' government, it is first necessary to *defeat the bourgeoisie* and to destroy the bourgeois government.

Under varying circumstances we have to formulate our slogans in such ways as to make them as acceptable and as attractive to the greatest number of workers and peasants. However we formulated our slogans, they would never be acceptable to the bourgeoisie or to the Social-Democratic leaders; for here it is not a question of formula, but of class. For this reason, we must, in the formulation of our slogans, take into consideration their advantages for propaganda purposes, provided they do not obscure our political position, and the fundamental interests of revolutionary expediency.

As a matter of fact, such a government can be a workers' and peasants' government only if the leading rôle in it belongs to the proletariat, which leads the toiling peasants and defends their interests. At least, in all the important capitalist countries, no other possible relationship can be imagined. A workers' and peasants' government is not necessarily a government which contains 50 per cent. of workers and 50 per cent. of peasants, but a government which, set up by the insurgent proletariat, and arising out of its struggles, bases itself upon the working class, but at the same time defends the interests of the toiling peasantry.

In every capitalist country in the world the peasants live dispersed and isolated. They have not one-thousandth part of the possibilities for self-organisation which the industrial workers (and partly also the agricultural workers) possess. Only the workers,

who are concentrated by the very development of capitalism to the number of hundreds of thousands, and even millions, in the towns, where the fate of political struggles is determined, only this concentrated proletarian force can fight with any hope of success against the centralised power of the bourgeoisie. That is why the leading rôle, the hegemony in the movement of emancipation, cannot but belong to the proletariat.

But at the same time, the proletariat cannot triumph permanently, or consolidate its triumph, if it is unable to form what we call in Soviet Russia a "joint" with the peasantry. Whoever seriously considers the question of hegemony of the proletariat practically, whoever has made the idea of the proletariat dictatorship part of his flesh and blood, cannot but set himself a further task, namely, to find a powerful ally for the proletariat. Such an ally can only be found in the toiling peasantry.

As a matter of fact, the whole essence of Bolshevism consists in the fact that the Bolsheviks formulated the dictatorship of the proletariat as a problem of the immediate future. The Bolsheviks understood the necessity for finding this purpose a powerful ally for the proletariat; and such an ally it found in the peasantry. More, having found the ally, it also found the *form of alliance* between the proletariat and the peasantry. This, to-day, is the main task of Bolshevism on an international scale.

The necessities of wide mass agitation in Germany have demanded hitherto that the slogans of a "workers' government" and a "workers' and peasants' government" should be given prominence. These slogans remain generally true to-day. On an international scale, the slogans are absolutely true. But we must here think dialectically. In Bulgaria to-day, the slogan of a "government of workers and peasants" (or even perhaps of a "government of peasants and workers") would be correct and adequate. In Italy to-day, or let us say in Czecho-Slovakia, it is possible to limit oneself to the general slogan of a "workers' and peasants' government." The same applies to France and a number of other countries. But in Germany to-day, which is on the verge of revolution, this general formula is no longer adequate, at least in those large industrial centres of Germany where the masses of the German town proletariat live and struggle. In Germany to-day we need for propaganda purposes and for mass agitation to explain not merely to the vanguard, but to the masses of the workers that it is now a question of the *dictatorship of the proletariat or of the dictatorship of the toilers* of town and countryside. To-day in Germany the time has gone by for algebraic formulæ. Agitational expediency gives place to the necessity for absolute clearness and precision. The decisive step will have to be taken to-morrow. It is necessary that every participator in the struggle should be able to call by name the system he is fighting for. Everything must be

given its right name. The moment has come when the destruction of the illusions of peace-time is an absolutely pre-requisite for victory. The moment has come when the millions participating in the movement must formulate in all their brutal clearness those things which were hitherto uttered only by the conscious minority.

This does not mean that the slogan of a "workers' and peasants' government" is to be abandoned. The duty of a German Communist is to be able to explain to any peasant gathering why in the alliance between the workers and peasants the priority *must* belong to the workers, especially in a country like Germany. He must be able, in simple and frank words, to demonstrate to the peasant that it is to his own interest that during the whole transition period of the struggle against the bourgeoisie the town proletariat should stand at the helm, since the town proletariat is concentrated in millions in the towns, and is alone capable of guaranteeing victory. And he must be able also to explain, and if necessary to demonstrate, that the fundamental interests of the wide masses of the toiling peasantry are in fact being defended by the working class.

In this sense the slogan of a "workers' and peasants' government" is unalterably "eternal." And in this general form it is also suitable for contemporary Germany.

In Russia, on the eve of the November revolution, the most popular slogans were "all power to the Soviets" and "dictatorship of the proletariat." The hour has come when these very same slogans will become the most popular in Germany also. Therefore it is evident that the proportion between other and more particular slogans must change. The demand for the "seizure of real value," *i.e.*, the demand for the partial confiscation of the income of the bourgeoisie, must give place to the demand for the expropriation of the large bourgeoisie. Events have their internal logic. On the whole, the German Communist Party has manoeuvred correctly during the whole period of preparation. It succeeded in bringing the masses of the workers up to the proletarian vanguard. Another step is now necessary. The proletarian vanguard is drawing aside the last curtain and revealing to the wide masses their immediate future. The proletarian vanguard, with a steady finger, is indicating to the millions of workers the next and decisive stage in the struggle. The proletarian vanguard will fling itself first into the fight, and at the crucial moment will draw into it the whole working class for the final and decisive engagement.

## IX. THE GERMAN REVOLUTION AND THE RUSSIAN COUNTER-REVOLUTION.

The attention of the whole world is being directed towards the events now unfolding themselves in Germany. One must be blind not to see that in Germany the fate of Europe will very shortly be

determined, that a revolution is about to take place in one of the most important countries in the history of the world revolution, that events are now ripening which will for many decades determine the character of a new phase of political history.

Every class naturally reacts in its own way to the events in Germany. The advanced workers in every country in the world understand perfectly well the connection between the German revolution and the fate of the international proletariat. If the proletarian masses still do not realise this clearly, they nevertheless feel it instinctively. West European capital, especially French capital, has hitherto put a good face on the matter, and with a careless smile, pretended that the "anarchy" in Germany did not concern it. The people who are reacting most strongly to the events in Germany are the Russian counter-revolutionary bourgeoisie and landowners. They are not merely stirred, they are passing through a very fever of agitation. The Russian bourgeoisie and landowners expect their salvation from the victory of counter-revolution over the German proletariat. And, from their own point of view, they are perfectly right. If anything can still save them, it will be the victory of the European bourgeoisie over the German proletarian revolution.

Certain "Soviet" bourgeois are vainly attempting to damp the ardour of their White emigré confreres. The Socialist-revolutionary paper, "Dni" (No. 276), writes: "An intelligent person who is far removed from the Bolsheviki as he is from the inhabitants of Mars, writing to Germany from Russia, says, 'Return home as quickly as possible; we have already reached calm waters, while in your country the November conflagration is just being kindled.'" "Dni" makes fun of this gentleman. It says that he has sold his bourgeois birthright for the "Soviet quiet waters," and that he does not realise that only the defeat of the German revolution can save the Russian bourgeoisie and landowners.

The organ of the leader of the emigrés landowners and bourgeoisie is also attentively observing the march of events in Germany:

"The most unfortunate thing for Germany is that the political agony of the State has nowhere reached the fatal stage of patriotic unrest. The Reichstag is much more ignominious than the Russian pre-parliament of October, 1917." ("Poslednie Novosti," No. 1027.)

The general staff of the White landowners is situated in Belgrade. Here is published the newspaper, "Novoe Vremia," transferred from Petrograd. In this paper we read:

"It is perfectly clear that if the decision were taken in Europe to overthrow the Soviet Government and to re-establish order in Russia, it would be done mainly with the aid of the Russian White



emigrés. We should require that Europe supply the means and technical assistance, and perhaps defend the rear, but the armed operations would undoubtedly be carried out by those Russians who would follow the great Prince Nikolai Nikolaievich and General Wrangel."

And further :

"Let us admit what is most improbable, namely, that the cadres of the Russian Army of General Wrangel are dispersed and intervention is carried out by foreigners alone. Even in this most improbable event the sympathy of every Russian patriot, absolutely independent of his views and political affiliations, will be on the side of the foreigners. Of course, if Europe decided on armed intervention, it would not be for the sake of our beautiful eyes, or from any sympathy for us, but solely because the interests of Europe demand it." ("Novoe Vremia," August 20, 1923.)

The whole thing is perfectly clear: Europe, as a result of the German revolution, would again require to undertake an armed attack against the Union of Socialist Soviet Republics. The star of Nikolai Nikolaievich and General Wrangel would again be in the ascendant. If the European bourgeoisie succeed in crushing the German proletarian revolution, and in destroying Soviet Russia, the "army" of Nikolai Nikolaievich and Wrangel would again be called for active service against the workers and peasants of Russia. In order to prepare "public opinion" for this long expected moment, the *Novoe Vremia* (No. 695) publishes a forged manifesto to the "workers and proletarians of the world," alleged to be signed by the "workers of the Petrograd factories." From this manifesto we quote the following :

"Alas, we were overjoyed when the note was sent by the British Government and we believed that Lord Curzon would be our saviour. But our hopes were disappointed. Now we place our hopes upon our French allies, and especially upon M. Poincaré. We hope that the French people will help us to free ourselves from our bloody oppressors. We place our hopes upon France, Belgium and Poland."

The forgery is a crude one. It requires no special abilities to fabricate. But why is it considered seasonable to publish such a forgery at this moment? Why the sudden demand for such documents? The answer is obvious. Talk of an attack by "Europe" against the U.S.S.R. is in the air.

It is necessary to create the impression that even such notorious rebels as the workers of the Petrograd factories are setting their hopes upon Curzon, Poincaré, and bourgeois Poland. Every dog has his day.

General Krasnov is also stirred :

"I think I hear you, and not you alone, but many Cossacks,

asking, 'When?' I boldly reply, 'Soon.' "

"The national idea, which is so fatal to Communism, is gradually seizing the whole world. It has appeared in Italy, has passed through Bulgaria, and is gradually taking possession of France.

"We must wait until the red flag is hauled down and the national flag put in its place. We must wait until the Red Army is replaced by the Russian Army with a great prince as its leader. The day is not far off." (From a leaflet entitled "Kubanez," issued with the "Novoe Vremia" of October 5, 1923.)

And to leave no doubt on the matter at all, "Novoe Vremia" explains:

"Yes. Only strong men, and not a parliament, can conduct the policy necessary for their people and lead their country into the path of progress. There are only three such strong men in Europe, Poincaré, Pashitch, and Mussolini, and around these men will be constructed the policy of Europe and her political and economic life.

"If the world is borne up by three whales, Europe also is borne up by three whales, and if a fourth whale were to appear, it would destroy the equilibrium of Europe. But in order to maintain the equilibrium of the world, this whale is required, not in Europe, but on the borders of Asia and Europe. This whale is a national Russia." ("Novoe Vremia," No. 726.)

The whole White Guard world is stirred. M. Miliukof still pretends to condemn a new intervention, but his "opposition" grows weaker every day. He is compelled to give way to his opponents. If only the international bourgeoisie could succeed in breaking the back of the proletarian revolution and lead bourgeois Poland on to attack the U.S.S.R., it would of course not be necessary to persuade Miliukof very long in order to gain his consent for a fresh intervention.

! Russian peasants, workers and soldiers must understand that our fate is bound up with the fate of the German proletariat, and not merely because we sympathise with the struggles of the workers of other countries. We are much more deeply concerned, because we are a class standing at the head of our State. The plan of the European bourgeoisie, headed by M. Poincaré, is to dismember Germany into several "independent" states, to set one of their own puppets at the head of each of these states, to break up the proletarian vanguard, and then to lead a White Germany on to attack the U.S.S.R. It is on the basis of this plan that the Russian bourgeois and landowners are reforming their ranks. The European bourgeoisie and the Russian counter-revolutionaries reckon that White Poland, White Finland, White Esthonia, White Latvia, and White Roumania will do everything against the Russian revolution that they are ordered to do; and after crushing the German proletariat, they will succeed, together with these states, in flinging

a White Germany and the Russian White officers living abroad, under the command of General Wrangel and Nikolai Nikolaievich, against the Russian workers and peasants. And so the whole matter will end very happily. . . .

The triumph of the European bourgeoisie over the German proletarian revolution would infallibly revive the struggle of the Russian counter-revolutionaries against the Russian peasants and workers. If Nikolai Nikolaievich and Wrangel, supported by the international interventionists, really succeeded in returning to our workers' and peasants' country, it would mean that the power of the landowners would be restored, that the land would be taken from the peasants and returned to its "legal" owners, that several generations of Russian peasants and workers would be compelled to pay the Tsarist debts, and that the White officers would attempt to create a new peasant White Army and compel it to fight against the European workers. The chief and absolutely essential task of our day is to explain this simple scheme to the workers and peasants of our republican Union.

But what can the triumph of the German proletarian revolution give to the workers and peasants of our republican Union?

The idea of an alliance between Germany and the U.S.S.R. already enjoys great popularity and has millions of advocates in Germany. A proletarian Germany, as soon as it comes into existence, will conclude a close alliance with the U.S.S.R. Such an alliance may bring untold advantages to the labouring masses both of Germany and of our Union. The U.S.S.R., with its predominantly agricultural economy, and Germany with its predominantly industrial economy, would supplement each other as no two other countries can. An alliance between a Soviet Germany and the U.S.S.R. would represent a powerful economic force. Such an alliance would have at its disposal every economic resource required for the development both of Soviet Germany and the U.S.S.R.—beginning with every form of raw material and ending with the last word in industrial technique. The agriculture of the U.S.S.R. would gain considerably from such an alliance, for our villages would receive on very favourable terms the implements, manures, etc., necessary for their agricultural undertakings. The big industries in Soviet Germany would also gain considerably, for they would be to a large extent assured of raw materials and of markets for their products.

An alliance with a victorious German proletarian revolution might rapidly and completely remove all danger of "nepism." An alliance of a proletarian Germany with Soviet Russia would create a new phase in "nepism"; it would hasten and consolidate the development of our state industries, and would nip in the bud the tendency of the new bourgeoisie to assume a controlling position in the economic life of our republican Union.

Such an alliance would also greatly assist the raising of the cultural level of the wide masses of the population of both countries. Such an alliance would have untold progressive results in all spheres of social life, not only for the two countries concerned, but for the whole world.

These are the reasons why the fate of the German revolution should profoundly interest the workers and peasants of the whole Union of Socialist Soviet Republics.

## X. WITHOUT ILLUSIONS.

The German Revolution is entering its most rigorous phase. The hopes that were placed on the possibility of peaceful solution of the crisis were abandoned after the strike movement in August, 1923. One illusion, however, still remained among the German workers, and that was the hope that the left Social-Democrats, at least, would stand on the same side of the barricades with the fighting proletariat against the bourgeoisie. The happenings of the last few weeks have scattered this illusion to the wind. They are sufficiently clear to convince anybody.

The tactics, however, in relation to Saxony are somewhat different. Here, for the first time, in spite of the utmost resistance on the part of the leaders, the workers succeeded in setting up a feeble "labour" government. What is the attitude of the official German Social-Democrats? Ebert, the Social-Democrat, has given all the necessary power to the bourgeois prime minister, Stresemann, and the White general, Müller. General Sekt, who sits side by side with the Social-Democrats in the coalition government, marshalled 60,000 White troops of the Reichswehr and threw them against Saxony. Scheffel, the chairman of the Berlin Railwaymen's Union, "explains" to the railwaymen that the troops are not being thrown against Saxony, but against Bavaria, and does all he can to prevent any interference in the transportation of the counter-revolutionary troops to Saxony.

When the troops are already in Saxony, and the counter-revolution has its hand at the throat of the workers, the Social-Democrats, Dittman and Hilferding, go to Saxony to "negotiate" with the Social-Democrat, Zeigner.

When, on October 21, at the convention of Factory Committees in Chemnitz, the Communists, foreseeing the trap that was being prepared, proposed the immediate declaration of a general strike, the "left" Social-Democrats, with Zeigner at their head, ruled down this motion, and thus irretrievably cleared the way for General Sekt.

When, finally, the deed is done and the labour government in Saxony is dispersed, the place of the Social-Democrat, Zeigner, in the "new" government is taken by the Social-Democrat, Felisch,

to whom is added the old Social-Democratic Bureaucrat, Lipinsky.

When the indignant workers send a delegation to the Central Council of the German Trade Unions, the head of this honourable institution, the Social-Democrat Leipart, receives it very politely, and "explains" at great length that the trade unions cannot interfere in politics. (Supporting the fascisti, and Stresemann is apparently not interfering in politics.)

When the Berlin organisation of the Social-Democratic Party demands that the central organ of the Party, "Vorwärts," should change from Yellow to Red, the "right" and "left" leaders of the Social-Democrats get together and adopt the wise decision of the morning edition of "Vorwärts" be edited, as before, by the "rights," and the evening edition by the "lefts"; in other words, in the morning the central organ of the Party will *openly* defend the bourgeoisie and the White generals, while in the evening this will be done with reservations.

In Hamburg the workers fought like lions. Many Social-Democratic workers participated in the fighting against the bourgeoisie with as much heroism as that evinced by our communist workers. The Social-Democratic leaders helped the counter-revolution to stain the movement in Hamburg with blood, while Ebert, the Social-Democratic President, demonstratively rewarded the police for quelling the revolt of the workers. A similar gesture was made shortly after by the Social-Democratic senators in the Hamburg Parliament. Can the thing be any clearer?

Ebert, Noske, Wels, Severing, Zeigner, Paul Levi, Crispin, Rosenfeld, Felisch, Leipart, Lipinsky—verily a fine collection!

The division of labour is excellent. . . .

Fouler treachery has never before been witnessed by the international proletariat.

One of the most important political problems, and one which has not been completely understood, is that of the attitude towards the Social-Democrats, particularly towards the so-called "left" Social-Democrats. Notwithstanding repeated instances of foul treason on the part of the Social-Democrats (it is sufficient to recall the recent Bulgarian and the present German examples), we still, by force of inertia, regard the Social-Democrats as a labour party, we still undervalue its counter-revolutionary character. The present German lesson, however, will suffice to cure the German communists and us all, for all time, of any illusions we had in this respect.

The main forces of the German workers have not yet participated in the fighting. The many-millioned army of the German proletariat has not yet been brought into the field. The revolts of the workers in the various towns, which, in part, took place in spite of the Communist Party, merely show to what extent the atmosphere is charged. The burning necessity of the workers to arm themselves

is only now taking on a mass aspect. The decisive battles are postponed for a time. But they are inevitable. The more illusions that the rank and file workers will rid themselves of during this period, the better for the revolution. The chief political task of to-day is to eliminate finally the influence of both the right and the "left" Social-Democrats in Germany, and thus clear the way for the victory of the workers.

The German Social-Democrats cleared the path for the fascisti to a "peaceful" acquisition of power. It remains for the fascisti, with the help of the Social-Democrats, merely to kill several hundreds of workers in the larger proletarian centres. But Germany is not Italy. German fascism, even though it is supported by German Social-Democracy, will not solve the elementary and pressing problems that confront Germany to-day. The turning over of the "independent" Rhine State to Poincaré by the patriotic bourgeoisie and the Social-Democrats has not improved the international situation of Germany. The international noose is being drawn tighter and tighter. The economic situation in Germany has not improved, and is going from bad to worse. The fundamental factors of the revolution are still operating. By shedding its last illusion the German proletariat will become stronger. The millions of rank and file workers in Germany will understand now what was before understood only by the vanguard, viz., that a decisive fight is possible only *in spite of* and *against* the counter-revolutionary Social-Democratic leaders, that the right Social-Democratic leaders are the malicious agents of the bourgeois counter-revolution, and the "left" Social-Democratic leaders are merely the auxiliaries of the right.

It is difficult to say beforehand how much time will be required for the masses to digest the political experience of the last few weeks. But the crisis has proceeded so far that events are now developing with giddy velocity.

. . . . .

And what of the slogan of a Workers' Government (or a Workers' and Peasants' Government)? What light does the Saxony experience throw on this slogan?

"With all its great advantages, the slogan of a Workers' Government, like all the tactics of the United Front, has its perils. To avoid these perils, and to combat at once the illusion that a 'democratic coalition,' is an inevitable phase, the Communist Parties should remember the following: every bourgeois government is at the same time a capitalist government; but not every workers' government is a truly proletarian socialist government."

Thus spoke the Fourth World Congress of the Comintern in its resolution on the Workers' Government. The Saxony experience fully corroborates this utterance. The same resolution contains the following :

“ The Communist International should reckon with the following possibilities :—

(1) A Liberal-Labour Government.

Such a government existed in Australia. A similar government may arise in the near future in England.

(2) A Social-Democratic Workers' Government (Germany).

(3) A Workers' and Peasants' Government. Such a possibility exists in the Balkans, Czecho-Slovakia, etc.

(4) A Social-Democratic-Communist Coalition Government.

(5) A genuine proletarian Workers' Government, which can be realised in pure form only by the Communist Party.”

In Saxony we have the fourth type of workers' government, only on a local scale and in very complex circumstances.

“ The elementary tasks of the workers' government should be :

(1) To arm the proletariat; (2) To disarm the bourgeois counter-revolutionary organisations; (3) To control industry; (4) To throw the burden of taxation on the propertied classes; and (5) To break the resistance of the counter-revolutionary bourgeoisie.”

The Saxony “ workers' ” government failed to perform any of the preliminary tasks stipulated in the resolution of the Fourth World Congress. The Social-Democrats did all in their power to prevent it. Therefore it fell.

And yet there is no occasion for the Communists to repent the experience of Saxony. Under the prevailing state of affairs the German Communists were not in a position to avoid participating in the Saxon Government. They had to demonstrate to all honest Social-Democratic workers that they were prepared to go, even in a minority, with the Social-Democrats, if the latter were prepared to fulfil their elementary obligations to the working class. The collapse of the Saxon “ workers' ” government is primarily the collapse of the “ left ” Social-Democrats.

The sooner the better.

The slogan of a workers' and peasants' government remains true. The features of German Social-Democracy remain the same: open counter-revolutionary hangmen (the rights), and their impotent “ Novaya-Zhishn ” auxiliaries (the lefts).

“ Only a genuine workers' government (type 5), consisting of communists, can represent the dictatorship of the proletariat.” These are the concluding words of the resolution of the Fourth World Congress of the Communist International on the question of the workers' government. These words have now been taken up by the many millions of the working class of Germany. Whatever be the situation at present, the German revolutionary proletariat will certainly celebrate. The hour of decisive battle is not far off.

G. ZINOVIEV.

## AFTERWORD.

Events are moving forward with a dizzying speed, and the ink is barely dry on this manuscript before it becomes necessary to form an estimate of new facts of tremendous importance. We cannot omit from our brochure certain important lessons of the past few weeks.

**THE SAXON EXPERIMENT.** The participation of the Communists in the government of Saxony was conceived as a military and political episode, the object of which was to secure a *place d'armes* for the battling proletarian vanguard. This object was not achieved. The episode was beginning to deteriorate into a banal parliamentary coalition between the Communists and the so-called "left" Social-Democrats. For the experiment to have been a success it was necessary to arm immediately several tens of thousands of workers; it was necessary to bring to the fore the question of the nationalisation of the large industries; it was necessary to arrest the factory owners who were locking-out their workers; it was necessary to undertake at once the creation of Soviets of Workers' Deputies. And as all these measures were opposed by the so-called left Social-Democrats, it was necessary from the very first to smash these spineless creatures. None of these things were attempted, and therein the Party committed a grave error. Nothing remains now but to take advantage of the Saxon experiment in order finally to unmask the true nature of the "left" Social-Democrats.

**THE TACTIC OF THE UNITED FRONT.** The tactic has obviously entered on a new phase. Merely to repeat the past would be to lay the Party open to fresh political defeats. The time has come when our Party must openly declare that we will have no more negotiations with the Central Committee of the German Socialist Party or with the Central Committees of the German Trade Unions. We have nothing more to negotiate about with the representatives of the bourgeoisie: for Messrs. Ebert, Weiss, Severing, and Leipart are nothing but representatives of the counter-revolutionary bourgeoisie. Our slogan now is "unity from below." The united front from below has already been largely achieved and can only be completed if directed against the above-mentioned gentlemen.

**ATTITUDE TO THE "LEFT" SOCIAL-DEMOCRATS.** If Comrade Lenin were working at the present time in Germany, he would undoubtedly have said that the greatest enemies of the proletarian revolution in its present stage of development are the leaders of the "left" Social-Democrats. Just as during the crisis in Socialism of 1914-1918 the chief enemy of revolutionary Marxism



was Kautskyism, so now the chief enemy of revolution in Germany is "left" Social-Democracy, which is repeating the shameful story of the independents. The right Social-Democrats are acknowledged traitors, and the working class is renouncing them and will renounce them completely. But the "left" Social-Democrats, by their phrases, only cover up the counter-revolutionary activities of Ebert, Noske and Severing. Our Party must categorically declare that it will refuse to enter into negotiations with the leaders of the Social-Democrats until these heroes find the manhood at least to break with the counter-revolutionary bands of Ebert and Co.

Local negotiations are possible and essential, for in the localities we find within the Social-Democratic organisations certain sections of honest workers who are really desirous of fighting the bourgeoisie. We are in favour of an honest coalition with the workers who are breaking with counter-revolutionary Social-Democracy.

**THE HAMBURG EXPERIMENT.** The dark side of the events in Hamburg was that they revealed the organisational defects of our Party and that the most elementary technical preparation had not been made. But at the same time Hamburg revealed how far events had become ripe for the final attack. Hamburg showed that the revolutionary proletariat is assured of the sympathy of considerable sections of the petty-bourgeoisie. Hamburg showed that the Communist workers can fight like lions, and that, given the necessary political and technical preparation, success is beyond a doubt.

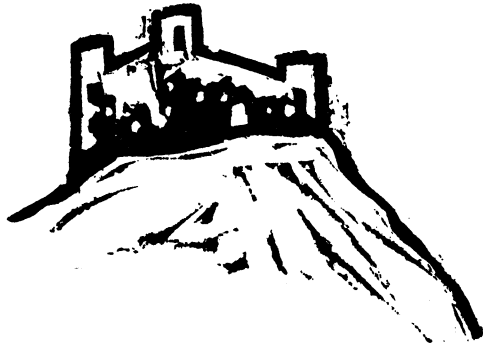
**SOVIETS OF WORKERS' DEPUTIES.** It is a matter for melancholy reflection that during the existence of the workers' government in Saxony, not a single Communist thought of setting up Soviets. So, too, in Hamburg, before the attack, nobody thought of setting up Soviets. No propaganda whatever is being undertaken on behalf of the Soviets. Delay in this sphere may lead to grave defeats. It is time, high time, that a wide propaganda in favour of the formation of Soviets were undertaken. Soviets are timely only when the movement has reached its culminating point. But it is absolutely essential to begin as wide a propaganda in favour of the Soviets as we undertook in favour of the general strike. **THE DICTATORSHIP OF THE PROLETARIAT IN THE FORM OF A SOVIET POWER**—such must be the alpha and omega of our agitation in the immediate future.

**PARTY UNITY.** The proletarian revolution in Germany is inevitable. The factors which make the revolution inevitable are still operating. Even if the fascists seize power on a nation-wide scale, they can retain it with the aid of a White Terror only for a very brief period. We must employ the time remaining at our dis-

posal in making feverish technical and political preparations. One thing alone can ruin the German revolution, and that is dissension within the ranks of the Communist Party. Partial set-backs and defeats are bound to cause controversies within the Party. But true revolutionaries and conscious Communists will never regard such a moment as the present as an appropriate one for settling Party accounts. *Unity within the German Communist Party must be preserved at all costs. Everything else will follow.*

*November, 1923.*

G. ZINOVIEV



# FRANCE : A METALLURGICAL POWER

“ France is essentially a land of small ownership and thrift; a nation of peasants, shopkeepers, and rentiers. It is a petty-bourgeois country.”

The above formulæ are classic. One hears them everywhere. They are supported by fair-minded judgments. They form the basis of erroneous prejudices. In fact, they were once absolutely true; to-day they are less true and will become still less so in the future.

If it were possible to embrace within the narrow and rigid limits of a definition all the complex elements that go to form a modern nation, we should apply the following formula: “ France is a metallurgical power.” But it would have to be understood that these words express a present charged more with the future than with the past. We should be expressing the actual changing realities better by employing the formula: “ France is tending to become a metallurgical power,” or more precisely: “ France, which was yesterday essentially an agricultural power, has accomplished a process of evolution, as a result of which she will be to-morrow essentially a metallurgical power.”

Whoever fails to perceive this development and to realise its importance, is bound to be lost in the inextricable maze of currents and counter-currents which traverse French society. Whoever perceives that the Versailles Treaty has made France potentially a metallurgical power, holds in his hands the guiding line which will permit him to penetrate the windings and twistings of the labyrinth and to follow to the end the still uncertain path which France must pursue on her way from insularism to imperialism.

## The Mineral Resources of France.

France possesses about 25 per cent. of the iron ore reserves known to exist in the world and 60 per cent. of the European reserves.

Germany's mineral reserves are estimated at 1,370 millions of tons; England's reserves at 1,300 millions of tons. The reserves of France exceed 7,000 millions of tons, without counting the Algerian and Tunisian deposits, which are estimated at over 1,000 millions of tons. The United States alone possesses larger reserves.

In other words, France is five times richer in iron than either of the two largest metallurgical nations in Europe. When the

exploitation of her mines have again become normal, she will obtain approximately the following results:—

Annual production ... ..	43 million tons.
Internal consumption ... ..	26 million tons.
Export ... ..	17 million tons.

The output of America is estimated at about 63 million tons, of Britain, at about 16 million tons, and of Germany, at about 7 million tons.

France, therefore, in reality possesses a monopoly of the supply of iron to the industrial nations of Europe.

### France's Great Iron Resources.

When the devastated regions of the north and the east have been restored, the iron and steel output of France will be roughly as follows:—

#### Cast Iron:—

Annual output ... ..	11 million tons.
Internal consumption ... ..	9 million tons.
Export ... ..	2 million tons.

The American output of cast iron is estimated at 31 million tons, the British at 11 million tons, and the German at 12 million tons.

#### Steel:—

Annual output ... ..	10 million tons.
Internal consumption ... ..	6 million tons.
Export ... ..	4 million tons.

The American output of steel is estimated at 32 million tons, the British at 8 million tons, and the German at 12 million tons.

France, which takes second place, after the United States, as regards the mining of iron, takes third place, after Germany, which it would appear she could overtake and pass, as regards the output of cast iron and steel.

### The Need to Export.

Before the war France consumed herself nearly the whole quantity of iron and steel produced by her furnaces. The iron industry was essentially a national one.

The return of Alsace-Lorraine has doubled France's output. But her consumption cannot be doubled. Therefore, if they are not to perish, the French iron and steel industries must export a considerable proportion of their output.

It is generally believed that France can export 17 million tons of her available iron ore without any difficulty. As regards cast iron, it is hoped that the development of the electrical industry, and of metal and engineering constructive work, will suffice to absorb nearly all the available supplies.

But the French metallurgical industries will be obliged to export from 3 to 4 million tons of steel.

How is this tremendous export to be effected?

Will France export her whole surplus of crude metal, or will she herself perform the total or partial transformation of this excess of metal, and subsequently export the manufactured and semi-manufactured products?

### “The Soul of Victory.”

The war—by developing and concentrating industry—and then the victory—by endowing the French bourgeoisie with a new “soul,” with the psychology of victors—have infused the élite of capitalists and technicians with that passion for vast, youthful and audacious conceptions, which, under the influence of Saint-Simon doctrinaires, was responsible for the astounding expansion of France at the dawn of the modern capitalist era.

There are many men who understand that it is foolish to transport across the world a metal of insignificant value, and that it would be more rational and more profitable to transform this metal first at the place of its extraction.

But the transformation of several tons of additional iron and steel presupposes a formidable development of the French metal industries. To proceed to do this immediately is entirely out of the question, owing to the lack of capital and of labour power.

France lacks workers. She lacked workers before the war, she lacks them still more to-day.

Her problem is to increase her industrial output, while the number of her workers has been reduced by two millions.

The more intelligent economic groups have worked out a plan of immigration which shall insure the influx into France of one hundred thousand foreign workers annually, and thus progressively wipe out that deficit of labour power from which French agriculture and industry are so severely suffering.

### Expansion by Exporting Capital and Technique.

Meanwhile, while this scheme is being developed, French capital, not finding sufficient employment in a country where the birth rate is low, and which suffers from a lack of productive labour power, and therefore a consuming population, must find an outlet abroad. The French, “the bankers of the world,” have for a long time been exporters of capital. What is new is that since the war they are proceeding to export their technicians (administrators and engineers) to countries where the birth rate is high and where the “human material” of production and consumption, which the metropolis lacks, is to be found.

The systematic application of this policy of expansion by means of the combined exportation of capital and technique, has already procured for France the control of a considerable proportion of the heavy industries of Czecho-Slovakia, Hungary, Roumania, Poland and Austria.

From what we have said, it follows that the question is not so much of the exclusive export of manufactured articles, as of the export of metal.

But whether it is a question of manufactured articles or of metal, markets must be created—and this implies producing at a low cost. In order to produce at a low cost, there must be an abundant supply not only of labour power, but of the raw materials essential to production.

Now, while France possesses in superfluity one of the raw materials—iron—she lacks the two others—coal and coke.

And herein lies the gravity of the whole future of the metallurgical industry of France.

#### France's Poverty in Combustibles.

France, which is the richest country in Europe as regards utilisable water power (she can develop about nine million steam horse power), seems totally to lack resources of combustible liquids and is extremely poor in coal.

She produces very little oil. She produces more industrial alcohol; but she has not been able to make any serious effort to increase the output of these products.

As regards coal her position is deplorable.

While she possesses 25 per cent. of the world's reserves of iron ore, she possesses not even 1 per cent. of the reserves of coal.

In 1917 her coal reserve was estimated at 16,000 million tons, as compared with the two billion tons of the United States, and more than 400,000 million tons of Britain, and the 200,000 million tons of Germany.

When the French mines, devastated by the German occupation, have been restored, the deficit (after deducting the output of the mines of the Saar handed over to France by the Treaty of Versailles) will amount to 22 million tons of coal and seven million tons of metallurgical coke.

The following is a statement (in millions of tons) of the compara-

tive positions of the large metal producing countries from the four-fold point of view of coal, ore, cast iron, and steel:—

	OUTPUT				Excess of coal output over consumption
	Coal	Ore	Cast Iron	Steel	
France	57	43	11	10	<i>minus</i> 22
Germany	136	7	11.5	12	<i>plus</i> 10
Gt. Britain	287	16	11	8	<i>plus</i> 77
U. S. A.	550	63	31	32	<i>plus</i> 21

Whereas the three great metallurgical competitors of France have a considerable excess of coal, France suffers from an enormous deficit.

Now, coal and coke are the raw materials which most influence the price of iron and steel.

As long as France remains dependent upon the coal producing countries—her rivals in the metal markets—she will continue to remain in a position of great inferiority.

The Peace of Versailles reduced Germany's iron reserves by 70 per cent. It increased the French iron reserves by 100 per cent. It has diminished the German coal reserves by 32 per cent. and has increased the French reserves by 40 per cent.—an increase which is still inadequate, not permitting the French metal industry to compete with its rivals in the foreign markets. And even in the home markets it can only maintain its superiority by sheltering itself behind prohibitive protective tariffs.

Let us cite a few examples. In 1921, when the English were paying 84 francs for a ton of coal and the Germans 72 francs, the French were obliged to pay 280 francs. Iron cost 280 francs a ton in Germany and 400 francs in France. German iron, imported into the East of France, was sold (including customs duties, the cost of transport, and of loading and unloading) at 40 francs cheaper than French iron.

#### To Be or Not to Be.

If France cannot herself consume her excess of metal, nor find a sale for it abroad, she will sooner or later be overstocked and obliged to reduce her output. In order to reduce the cost of iron, the extraction of the ore and the production of the metal must be raised to the maximum intensity. Not only would a policy of restricting extraction and production destroy all hope of hegemony in the foreign markets, but it would lead to the ruin and closing down of at least one half of the mines and metallurgical plants of France at present functioning. If, therefore, the question of coal and coke is not settled, in a satisfactory manner, France runs the risk of remaining more or less what she has been since Sedan, a second class power.

On the other hand, if a satisfactory solution were found, France

would become a great metallurgical power and might aspire to the industrial supremacy of Europe.

### France Must Have Coal.

The French metallurgical industry, therefore, requires that a "new victory" shall settle permanently her deficit of coal and coke.

But where is coal to be obtained?

There are only three large coal producing countries: The United States, England and Germany. The United States is too far off. So is England; and moreover, England is fearing a new competitor, is increasing her prices and might any day close her mines to French purchasers. She has already restricted her exports of coke.

There is therefore only one source of fuel supply within the reach of France, i.e., Germany, or rather the Ruhr Basin (which produces 115 million tons of the 135 million tons of which Germany disposes) abutting on the iron basin of Lorraine.

### Uniting Iron and Coal.

That is why, ever since the war of 1914-18, every effort of the French metal magnates has been directed once more to achieving this time their own advantage, the reunion of the iron and coal of Westphalia, which was achieved after the war of 1870-71 for the benefit of the German metal magnates.

Since 1915, the Comite des Forges, striving to avoid the elements of the problem which would oblige France to return Alsace-Lorraine, dreamed of securing privileged rights in the Ruhr for the French victors.

It manoeuvred for this while the peace treaty was being worked out. Receiving little support from Clemenceau, who was incapable of understanding the "national" importance of the problem, they failed to lay hands upon the coal mines of Westphalia. They could not obtain recognition of their claim without a fight; they were too great a menace to the industrial interests of England and America.

But the Comite des Forges would not renounce all hope of a satisfactory solution of the problem. It attempted to achieve its purpose by direct negotiations with the capitalists of the Ruhr, either for the exchange of raw materials which would insure supplies of coal to the foundries and blast furnaces of France, or for participation in the Westphalian industries. Its grandiose schemes broke against the stubborn resistance of the Ruhr magnates, supported by the British. Then the Comite des Forges—which had hitherto felt some repugnance in appealing directly to the support of the States—resigned itself to demanding the decisive intervention of the French Government.



### The National Importance of the Metal Industries.

It is obvious that the production of a metal indispensable to the life of a modern nation interests not only one category of industrialists, but the whole bourgeois nation. The metal industry is the mother of all industries; the others are tributaries to her. Its weakness or strength determines the weakness and strength of the national bourgeois State. It has been correctly said that it is the barometer of industrial prosperity.

The bourgeois nation which can produce iron and steel at the lowest cost can be sure of dominating over the rival industrial nations. Throughout the whole extent of its territory the improvement of its metal industry results in a general improvement of the conditions favouring industrial progress.

It is only natural that a bourgeois Government should make it its concern not to let the country depend upon foreign countries for a raw material which is essential to the well-being and security of its population. It is therefore no more surprising that the French State should respond to the appeal of the *Comite des Forges* and place its economic, military and diplomatic forces at the service of this group of capitalists, than that the American Government or the British Government should place their forces at the disposal of their great oil magnates.

### The Iron Policy of Germany.

It is a common practice often employed even by bourgeois authors, to assert that long before the war the foreign policy of the German Empire tended to conform itself to the requirements of its metal industry.

Its navy was used to protect and if necessary to extend the privileges won by the German metal magnates abroad.

By her diplomacy she secured the insertion into the Treaty of Algeria of a clause stipulating that the exploitation of the iron deposits of Morocco—in which the Germans had secured considerable interests—should not be subject to any special tax or imposition.

There is no doubt that one of the principal objects of the war of 1914-18, which broke out on the eve of a universal industrial crisis, but which affected the German metal industry in particular, was to avoid this crisis by, on the one hand, destroying the competition of French industry by means of systematic devastations, and on the other, by securing the industrial hegemony of Germany by means of the seizure of the Briey Basin.

It has been written that the problem of metallurgy determined the German plan, "that the strategy of the General Staff was the docile servant of the German metal industries."

### From Insularism to Imperialism.

We could without difficulty cite similar confessions on the part of the French—but it would be superfluous. It is evident that “economic fatality” is forcing the French bourgeoisie to pursue an iron policy. France still constitutes an economic unity more or less self-contained, and therefore autonomous. Upon the basis (which has now become inadequate and insecure) of a petty-bourgeois form of production, an intelligent, dexterous and diligent population endowed more than any other with professional virtues, is working and accumulating wealth.

France, alone among the European countries, can live self-sufficiently, because she produces almost everything that is essential, both agriculturally and industrially.

Since 1871 she has been living turned in upon herself. The systematic colonial policy into which she had, in spite of the petty-bourgeoisie, been drawn by certain far-seeing bourgeois statesmen, the chief of whom, Jules Ferry (who was encouraged by Bismarck and who hoped in this way to keep France out of European affairs and to oppose her to England) had bestowed an immense Empire upon her. Up to very recent years, she displayed hardly any desire to exploit the riches of this Empire. She limited herself to extracting from it certain exotic products which were necessary to complete her economic insularity.

This insularity explains that “marvellous elasticity” which has astonished so many foreigners and recently Prince von Bülow. It explains the liberal, and general pacific policy conducted by the petty-bourgeois politicians who govern the Third Republic. It explains why France appears more capable than other economically more developed powers of passing unscathed through the worst crises, and why she can to-day so easily and so calmly face the formidable difficulties created by the occupation of the Ruhr. It assures France great liberty of action, and, in fact, explains the obstinacy and determination she can at times display—as she has been displaying more than ever during the last three years—in her foreign policy.

But in future, the programme of her foreign policy will be infinitely vaster than the petty-bourgeois programme of pre-war days.

A new economic situation imposes new political conceptions. The French bourgeoisie, which dominates the European iron ore market, will be naturally obliged, as Germany was obliged, to pass beyond its own frontiers.

The problem of exports, which before the war took a secondary place, is becoming one of her chief pre-occupations. This policy of iron will inevitably transform France from an insular to an imperialist country.

### The Evolution of France's Foreign Policy.

And so it happens that the consequences of the war, which hardly affected the home policy of France, have transformed, and will still more transform, her foreign policy.

Between the years 1871 and 1914, France, paralysed by the menace of a new German aggression, was obliged to seek the support of Russia and then of England, and therefore became subordinated to them.

The Treaty of Versailles, by giving its seal to the collapse of the Central Empires, made France the greatest political and military force on the Continent.

Four States which were born in the war, or which were developed by it, namely, Jugo-Slavia, Czecho-Slovakia, Roumania, and Poland, have become the satellites of France. France has come forward in the new Europe as the protector, and no longer the protected, and the guarantor of a new European territorial disposition.

Occupying the place that Germany occupied before the war, she is about to pass politically and economically from a defensive to an offensive policy; in order to retain her domination over the Continent, she must maintain a powerful army and subsidise vassal nations.

Hence the necessity for fortifying and enlarging her economic basis.

The various groups of the bourgeoisie, according to their varying interests, have more or less adapted themselves to the new exigencies.

Without attempting within the dimensions of an article to analyse completely these adaptations, I shall endeavour to give a description of the chief tendencies displayed by the French bourgeoisie. In order to render this brief exposition more clear to foreign comrades, I shall place—arbitrarily, it is true, but less arbitrarily than at first appears—each of these bourgeois groups beneath the ægis of the politicians who, since the war, have occupied the position of President of the Council of Ministers: Clemenceau, Millerand, Briand-Loucheur and Poincaré.

#### Clemenceau and the Petty-Bourgeoisie.

The petty-bourgeois, whether a peasant, artisan, or trader, fears economic influence in the towns, and is predominant in the countryside.

The petty-bourgeois, whether a peasant, artisan, or trader, fears foreign competition. He is a protectionist. Traditionally, he repeats the aphorism of Sully to the effect that pastorage and tillage are the two breasts of France. In his opinion, petty-bourgeois production should remain the economic basis of the nation.

A rentier, and therefore, prudent, he detests adventurous policy, whether military or revolutionary. He loves order and peace. An owner of property, with a stocking bulging with coin of the realm and State securities, he believes in the re-establishment of the credit of France and a policy of deflation, which alone can give back to his savings their complete value.

He can be drawn into an imperialist adventure unwittingly by an appeal to his fears and his rapacity. For instance, the petty-bourgeois believes that by the occupation of the Ruhr, vanquished Germany can be forced to pay reparations (which will reduce the burden of taxation for him) and that the frontier of the Rhine—the “natural” frontier of France—will make disarmament possible, and will guarantee his safety.

He fears the isolation of France and desires the maintenance of the alliance with Britain until such time as the alliance with Russia, the most logical and the most popular of the French alliances, can be revived, which is possible, and even inevitable, if bourgeois Europe consolidates itself.

The life and the thoughts of the petty-bourgeoisie are restricted to the national frontiers.

Clemenceau, an intellectual of the peasants, in spite of the peculiarity of his fiery and cynical temperament, very well represents that limited class, which is blind to all the economic realities, sentimentally democratic, passionately Chauvinistic, unruly and yet a lover of order. He generally pursued a petty-bourgeois policy (1919), a policy of words rather than deeds, incoherent and confused. It was a defensive policy which subordinated France to England. In exchange for illusory political advantages, Lloyd George was able to force Clemenceau to make certain very serious economic concessions which deprived the “Old Tiger” of the confidence of the “Chambre Bleu,” the elections of which were paid for by that powerful organisation for capitalist defence called “L’Union des Interets Economique.”

#### Millerand and Iron Industry.

The men who direct the destinies of the French iron industry, the administrators of the Comite des Forges, know what they want, and want it tenaciously. They are realists. Their ambitious and aggressive policy looks for the future.

Without ignoring political problems, they subordinate them to economic problems.

They alone have a programme, a programme as formidable as their appetites. They also have a scheme for carrying out their programme, a scheme which is logical and audacious.

The French victory enabled them to conquer (1) the mines and the metal industry of Lorraine and (2) a 60 per cent. participa-

tion in the industries of the Saar. A "new victory" will secure them an almost equivalent participation in the industries of Westphalia.

Directly, or by the intermediary of the commercial banks with which they were affiliated, they already control the iron industries of Czecho-Slovakia, Hungary, Poland, and Austria.

If they succeed in gaining control of the iron industries of Germany, the hegemony of France over the Continent will be assured.

Therefore, the fight against the iron industry of Germany—and against Britain, which is supporting Germany—is the pivot of their policy which, indeed, is the imperialist policy of France.

The Comite des Forges has gained the support of a great number of publicists and politicians.

It holds the majority of the shares of "Le Temps," the official organ of the Third Republic.

It secured the appointment of M. Charles Laurent, one of its tools, as the French Ambassador in Berlin.

It has won Millerand. For many years the lawyer-minister, Millerand, was the advocate of the iron firms at fabulous fees in their most important law cases. Since he became President of the Republic, he has turned his well-paying briefs to his old friend Viviani, the former President of the Council of Ministers. But he still retains important interests in the affairs of the Comite des Forges.

We shall therefore not be surprised if, since coming to power (1920), Millerand abandoned the petty-bourgeois policy of reparations, as far as he could do so without compromising himself in the eyes of the masses and without sacrificing a useful means of bringing effective pressure to bear upon Germany.

He strove to create a new atmosphere, which could facilitate the preparations for a Franco-German economic agreement. Clemenceau exasperated German patriotism; Millerand attempted to soothe it. Clemenceau declared the Treaty of Versailles to be sacrosanct. Millerand criticised the Treaty of Versailles, confessed that it was "full of promises rather than of realities" and aimed to open the door for revision.

He spoke of the possibility of a reduction of the German debt. He indignantly repudiated all thought of annexation. The question of security was relegated to the background.

His agents discreetly revealed his intentions of reforming the natural bond which unites the iron of Lorraine with the coal of Westphalia. This was the great motive of his policy, as it was to be of the policy of Poincaré.

In 1923 Poincaré was to conduct a coal war in the Ruhr. In

1922 Millerand conducted a coal diplomacy at Spa. At this famous conference he made several important concessions to England; he gave way to Germany on the question of reparations, in order to obtain an improvement in the quality and an increase in the quantity of the coal to be delivered by Germany.

Until then the *Comite des Forges* received only 59 per cent. of the quantity of coal required. Thanks to the agreement come to at Spa, it was to receive 79 per cent.

In order to increase production, Millerand went still further. He allowed the miners of the Ruhr a bonus of five gold marks on every ton of coal delivered to France.

This policy, conducted so mysteriously that the general public is still almost completely ignorant of it, was visibly disquieting to England. She showed her teeth more than once. But France, pursuing the path of imperialism, from that moment began to put on a sterner front. She asserted her independence on every occasion.

With a calculated brutality, Millerand revealed his desire to throw off the tutelage of England. Without England, and against her wishes, he occupied Frankfort, recognised Wrangel and gave military support to Poland, when the latter was menaced by the offensive of the Red Army.

The policy of the *Comite des Forges* was interrupted by Millerand's entry into the Elysee. But as we know, Millerand, prodigiously energetic and expansive, did not long maintain the reserve which constitutional tradition demands of the President of the Republic.

It was not before he again took in hand the direction of public affairs. It was he who, at the end of 1921, brought about the downfall of Briand, who was suspected of anglophilism and pacifism, qualities which the *Comite des Forges* regarded as dangerous to its affairs. It was he who, towards the end of 1922, persuaded M. Poincaré to occupy the Ruhr.

#### **Briand-Loucheur and the Business Circles.**

The economic forces which support the Briand-Loucheur combination are so diverse that they have never succeeded in uniting upon a positive programme. They have simply combined very indefinitely upon a certain number of common aspirations.

Amongst them one finds "very modern" business men, importers and exporters, speculators of all kinds, and financiers.

On account of their pacifist and international tendencies these men are able to secure the following of a large number of petty-bourgeois and even of democratic proletarians. They are more or less attached to the *Bloc des Gauches*—the Left Bloc—which is in process of formation, while the *Comite des Forges* is supported by the *Bloc National*, which is in process of transformation.

The Right regards them as anti-national. Allied with world

commerce and dependent upon international finance, they are, as a matter of fact, non-national.

They are opposed to the sanctions, which aggravate the insolvency of the debtor. They know that it is necessary to keep the confidence of the Anglo-Saxons in order to obtain a reduction of the inter-Allied debts and the collection of the German debt.

They do not share the illusions of the petty-bourgeoisie as to the efficiency of a financial policy of reparations. They have been long convinced that the Boche will not pay. They are not very much concerned by the fall of the franc and of the Government securities. They believe in a policy of inflation, which facilitates their transactions. They are free traders.

Their object is business at any price, and so they need tranquillity. They are good Europeans. They are in favour of the United States of Europe.

They are supporters of Lloyd George's policy of European reconstruction. They are, in general, hostile to an imperialist policy, whether territorial or economic.

Briand and Loucheur—Loucheur much more than Briand—are the heroes of this circle.

Their year of government (1921) was employed in interring the flowers of the Treaty of Versailles, which they regarded as not "living" and over which Briand more than once read a funeral oration.

Ostensibly they were pursuing a policy of rapprochement with Germany, as a preliminary condition for the peace of Europe and the resumption of business. If Briand declared in the French Parliament that he will seize Germany by the throat, and if at Washington he clumsily posed as the champion of militarism, as against universal disarmament, these were only oratorical precautions solely intended to furnish a platonic satisfaction to the nationalists whose anxieties were aroused by this policy.

As a matter of fact, these gentlemen cast provoking sheep's eyes at the German Government, while their creatures coquetted with the Democrats and Social-Democrats beyond the Rhine. Loucheur, for whom government, like time, was money, signed an agreement with Rathenau at Wiesbaden.

Briand-Loucheur and their financial friends pressed American capitalism to come and colonise France. They courted England and made her concession after concession. Lacking in method and lacking in principles, men of this tendency, who at first appear to be very intelligent and sympathetic, are nevertheless doomed to failure. Induced by Lloyd George at Cannes to subordinate France to England, they were finally forced to give place to Poincaré.

### From the Defensive to the Offensive.

During the years 1920 to 1922, France has tried, simultaneously and successfully, every one of the bourgeois systems.

It would be imprudent, I repeat, to identify completely Clemenceau and the petty-bourgeoisie, Millerand and the iron industry, and so forth.

It is difficult to assign a French politician of first importance (with the exception of Loucheur) to any economic group in the definite way that one can assign, for example, certain English, American, and German leaders, who are identified with one or another group of interests.

The very form of French economic life, which at bottom is petty-bourgeois, still obliges our politicians to remain in contact with the various classes, to take the various currents of opinion into account in order to synthesise them and to represent, or to appear to represent, the sum of the interests which are called national, but which are in reality bourgeois.

But what one can say without straining the truth, is that with Clemenceau petty-bourgeois tendencies were preponderant, as metallurgical tendencies were preponderant with Millerand.

Under these successive Premiers, the various tendencies mingled and separated, supported each other and fought each other. And this perpetual flux and reflux leaves in the mind of the observer an impression of incoherence. For four years, in fact, the French bourgeoisie has been groping and seeking its way. It is discovering it gradually under the increasing pressure of economic reality.

The petty-bourgeois tendency—in spite of the powerful political support afforded it by the mass of the population—is weakening because the petty-bourgeoisie is incapable of understanding modern economic necessities, and therefore of adapting itself to them.

On the other hand, the business tendencies—in spite of their vivid appreciation of the economic needs of Europe—are weakening because the business circles are too indifferent to the political interests which guide the bourgeois circles.

Neither of these tendencies will totally disappear. They represent interests which will not allow themselves to be eliminated and which will continue to exert pressure upon French politics, the oscillations of which they are amplifying.

But the metallurgical tendencies are becoming stronger from day to day, because the grandiose plan of the *Comite des Forges* appears economically better adapted than any other to guarantee “national” prosperity; and politically it is reviving the old imperialist traditions of the Monarchy and of the Revolution.

The French people are all the more disposed to allow themselves to be soothed by these ambitious dreams—which at the same time



satisfy their desires for greater prosperity—since hitherto the greater majority of them have not suffered from the realisation of these ambitions.

Many French politicians who were at first hostile, are now allowing themselves to be drawn into the current. This is true of many of the followers of Clemenceau. It is also true of many business men including Loucheur, a man of extreme subtlety and a persistent wooer of success; who in January justified the occupation of the Ruhr, condemned it in April, and is now again defending it, because the semi-victory is predisposing the rival Germans, the Thyssens, the Krupps, and the Stinneses to be accommodating, and because it facilitates profitable transactions.

Finally, we have the jurist, Poincaré himself, who practically followed the policy of Clemenceau, who in January, 1922, still advocated the integral execution of the Treaty of Versailles (reparations and guarantees), and who now, under the pressure of facts, and the influence of Millerand, is beginning more and more to understand the sovereign force of economic realities and to adapt himself more and more to the policy of the Comité des Forges.

For it was not so much the payment of reparations nor the guarantees of French security which Poincaré went into the Rhine to seek. Neither is it in order to protect the welfare of Germany and to restore peace to Europe that Baldwin and Curzon are opposed to the occupation.

Amidst the hypocritical declarations of Prime Ministers, a word of truth has just made itself heard.

On August 3rd, 1923, Lloyd George revealed in the House of Commons what was the main reason for the French tenacity and for the British annoyance; for he declared, if Germany succumbed, France would gain possession of the Ruhr and of the enormous stocks of coal and iron, and if Germany capitulated French iron and German coal would be combined into a colossal syndicate. "And what then," he asked, "would become of British industry?"

In these words the problem is formulated by the bourgeoisie itself.

The events that have unfolded themselves since the entry of the French troops into Essen demonstrate that the programme of Millerand-Poincaré is tending more and more to become identified with that of the Comité des Forges.

If, owing to the tremendous pressure exercised by the occupation of the Ruhr, the French bourgeoisie compels the British and German bourgeoisie, not so much to capitulate—which it hardly itself expects—as to make a compromise favourable to its interests, it will in the very near future assume the control of the European Continent.

JACQUES SADOUL.

# Peace-Time Gold Wages or the Ruin of the German Working Class

Returning to Germany after a long absence, one is horrified at the change that has come over the German proletariat. The signs of improvement, of recovery from the poverty of the years of war, which were observable a year and a half or two years ago, seem to have disappeared entirely. Pale, emaciated, nervous and dejected, the German worker is to be seen dragging himself along the sun-scorched street of the capital. The naked skin shows through the threadbare discoloured clothing. No shirt covers the worn, heaving body.

The soul of the masses is oppressed by dull despair. They despair of the fate of the working class; they despair of the fate of Germany; they despair of the honesty of the Social-Democratic and trade union leaders, who are for ever preaching peace with the bourgeoisie, and who suppress every strike with the whole weight of the trade union organisations. There is insufficient confidence in the revolution and in its leader—the Communist Party. This is the impression one forms from conversations with trusty German workers. . . . .

If one looks for figures to illustrate the impoverishment of the German proletariat, one finds himself in a dilemma. The purchasing power of money decreases so rapidly that no index figure can keep pace with it. The index calculations are made exclusively by bourgeois private or State institutions, who consciously or unconsciously endeavour to minimise the impoverishment of the working class.

How misleading the bourgeois statistics are, even those furnished by sources which one would believe beyond deliberate falsification—the “Frankfurter Zeitung,” for instance—is illustrated by the following facts:—

The economic curve given by the “Frankfurter Zeitung” (vol. II, p. 43, 1922) shows the “Index of wages increases” for certain industrial groups, calculated especially for Frankfurt, as (counting 1914 as 1)

3613.

How is this figure arrived at? By the simple addition of the index figures of the individual industrial groups. This method might be adopted if one could assume either:—

(a) That every industrial group contained an equal number of workers, or

(b) That the variations above and the variations below the average wage multiplied by the number of workers would give similar results.

That neither of these assumptions is correct will be apparent if the industrial groups, which vary most ABOVE and most BELOW the average are given separately:—

Groups Above the Average.		
Butchers ... ..		7,140
Brickmakers ... ..		5,424
Sorters and packers ... ..		5,029
Commercial Transport workers ... ..		4,861
Heavy Transport workers ... ..		4,735
Rubber workers ... ..		4,687
Chemical workers ... ..		4,335
Groups Below the Average.		
Boot and Shoe workers ... ..		2,093
Metal workers ... ..		2,361
Printers ... ..		2,394
Men's Tailors ... ..		2,464
Railwaymen ... ..		2,684
Building workers ... ..		2,670
Miners ... ..		2,884

This table shows that the large industrial groups earn far less than the average, and that those earning above the average are almost exclusively small industrial groups. To place the index of the average increase as 3,613, is decidedly incorrect and misleading.

The fact deduced by Marx from theoretical considerations, namely, that it is not the capitalist who gives bread to the worker, but the worker offers the value of his labour power to the capitalist, now acquired practical significance. The basing of wages upon such a calculation implied a weekly loss to the worker of from 20-40 per cent. during the months of June and July, 1923. Moreover, before the war, the workers paid no income tax: they received their wages without deductions. To-day, however, deductions in wages amount to from 8-10 per cent., a fact which was not taken into consideration in any of the calculations of real wages. Bearing these and similar facts in mind, we shall now give certain of the calculations.

**Real Wages as Calculated by the Reich Statistical Department.\***

The increase of weekly wages, counting 1913 as 1, was as follows:—

1923.	Masons and carpenters.	Building workers.	Wood workers.	Metal workers married.		Compositors.
				Skilled.	Unskilled.	
Jan.	613	747	706	700	988	620
Feb.	1440	1755	1596	1635	2305	—
Mar.	2042	2486	2266	2099	2972	2086
Apl.	2141	2506	2331	2162	3052	2164
May	2517	3059	2655	2834	3985	2583
June	—	—	—	—	—	—

1923	Textile Workers (male)		Chemical Industry		Miners	
	Skilled	Unskilled	Home wkrs.	Factory wkrs.	Single	Married
Jan.	866	908	838	962	671	742
Feb.	1974	2057	2034	2335	1984	2192
Mar.	2815	2916	2581	2961	2272	2513
Apl.	2887	2991	2618	3009	2272	2513
May	3460	3605	3232	3707	2882	3163
June	—	—	—	—	7271	7936

\* See various numbers of "Wirtschaft und Statistik," especially numbers 10-12, 1923.

### The Average Index of the Reich Statistical Department.

Upon the above wages tariffs of the builders, wood workers, metal workers, textile workers, etc., the Reich Statistical Department, by comparison with the cost of living calculated by itself, arrives at the following real wages for these categories of labour.

#### WEEKLY WAGE.

	Skilled.		Unskilled.	
	Marks.	Per cent.	Marks.	Per cent.
1913-14	35.10	100	24.03	100
1923.				
January	22.19	63.2	20.11	83.7
February	23.54	67.1	21.16	88.1
March	27.22	77.5	24.47	102
April	26.73	76.2	24.03	100
May	26.28	74.9	23.58	98.1

"On the basis of real wages the skilled workers have lost 25.1 per cent. in comparison with pre-war wages, and the unskilled workers 1.9 per cent."\*

#### Official Statistics False.

It would be absolutely incorrect to assume that the real wages of the German proletariat, as a class, in reality fell only 25.1 per cent. and 1.9 per cent. This would be in direct contradiction to the obvious impoverishment of the German workers as well as to the figures of the consumption of goods.†

#### What are the Sources of Error?

(1) Before the war the German worker could employ the whole of his wages for the purchase of goods. To-day 10 per cent. of his wages are paid in income tax. If we reckon for the reduction of this amount on account of "the cost of collection," there still remains a decrease in real wages of about 8 per cent.

(2) The calculation of real wages as made by the Reich Statistical Department is based upon the assumption of the full employment of the workers, but the Reich Statistical Department itself

\* "Wirtschaft und Statistik," vol. LL, June, page 389.

† See E. Pavlovsky.

admits that in the industrial groups which were taken for the purpose of the calculations

**6 per cent. of the workers were unemployed and 21.8 per cent. were on short time.**

(From the statistics furnished by the trade unions we know that the working time of short time workers on average was reduced to about 24 hours per week.) If we allow for the unemployment allowances paid by the State, there remains a further reduction of the real wages of the working class of at least 10 per cent.

The growing impoverishment of the German proletariat is admitted even by the German General Federation of Trade Unions (A.D.G.B.):—

“ The standard of living of the working class sections of the population has fallen considerably as compared with the former days, and, with certain exceptions, is approaching the limit of the bare minimum of existence. This state of affairs is intolerable from the point of view of internal politics.”\* (“ Korrespondenzblatt,” June 9, 1923, page 259). Not from the point of view of the proletariat itself, but “ from the point of view of internal politics ”; in other words, from the point of view of the maintenance of capitalist society. . . .

The source of error most difficult to estimate is the one due to the fact that the Reich Statistical Department estimates the rise in the cost of living at too low a figure.<sup>1</sup>

It would require a special and detailed investigation in order to demonstrate the errors in the statistics of the Reich Department, an investigation that would exceed the scope of this article.\* We will therefore content ourselves with comparing the figures of the cost of living of the Reich Statistical Department with other calculations. (1912-13 equals 1).

	Cost of Living.				
	April.	May.	June.	July.	
				1st half.	3rd week.
Reich Statistical Department	2954	3816	7650	16180	—
Calver, large	4576	5689	12491	29264	45159
„ small	3445	4527	11047	24420	36808
“ Industrie und Handels Zeitung ”	2993	4003	8434	18027	26005
“ Rote Fahne ”	—	—	14935	28056	36000 +
	+ Fourth week of July, 81699.				

<sup>1</sup> This is done deliberately, in order to counteract increases in wages. See A. Heichen, quoted by E. Pavlovsky, “ Der Bankrot Deutschlands,” page 46.

\* The main error in the calculations of the Reich Statistical Department lies in the fact that those commodities, the price of which is kept low artificially by the Government, such as bread, potatoes, and sugar (rent also comes under this category) are given an unduly important significance in comparison with

If we place the rise in the cost of living at 10 per cent. higher than the figures given by the Reich Statistical Department—and this would still fall short of the reality—we get roughly the following picture of the actual decrease in real wages of the German workers (shown as percentages).

	Skilled.	Unskilled.
Decrease as calculated by the Reich Statistical Department	25.1	1.9
Wage deductions.	8.0	8.0
Unemployment	10.0	10.0
Reduction due to the incorrect calculation of the Reich Department	10.0	10.0
	<hr/>	<hr/>
Total up to May	53.1	29.9
Adding the reductions occurring in June and July	5.0	5.0
	<hr/>	<hr/>
Total	58.1	34.9

It will be seen that the standard of living has fallen 42 per cent. in the case of skilled workers and 65 per cent. in the case of unskilled workers in comparison with pre-war days. The standard of life of unskilled workers, since it was already very low previous to the war; a decrease in proportion would mean actual starvation for these workers.

The deterioration in the condition of the German proletariat as illustrated by these figures is borne out by the visibly observable physical impoverishment, the statistics of consumption of commodities, as well as by international wages statistics.

### The Fraud of "Real Value" Wages.

The German proletariat has long tolerated in sullen desperation the leaders of the Social-Democratic trade union bureaucracy, with the result that real wages have contracted to one-half of their pre-war value.

Every attempt of the proletariat to defend itself by wages strikes against a worsening of its condition was wrecked owing to the resistance of the trade union leaders. (100,000 Berlin metal workers voted for a strike and 15,000 against; but all those who did not vote were other necessities. Should State regulation be abolished—which is very probable—the index of the Reich Statistical Department will show a greater increase than the other indices. We therefore think that this index, if it is not further falsified, will in future be not worse than others as a basis for calculating wages.

The second methodical error in the Reich's index is that the increase of prices is taken on only two days of the month, the average of which is published as the monthly average, an unjustifiable procedure in view of the present rapid changes of prices. (Very recently the Reich Department has begun to publish weekly indices.)

counted as being against the strike, and the strike was prevented.) The dissatisfaction of the workers is, however, increasing from day to day and the trade union leaders feel themselves obliged to place a new red herring in the path of the proletariat, in the shape of "real value" wages. The scheme is, in conjunction with the capitalists, the Ministry of Labour, the Economic Council, and other "impartial" authorities, to fix a new index, by means of which present wages will be increased automatically in proportion as the value of money decreases. It is to be a system of "guiding" wages scales, a conjunction of increases in wages with the officially calculated cost of living, or the dollar exchange rate, or the price of the gold mark.

We shall not go into long-winded discussions as to the advantages or disadvantages of this or that system which are now taking place in Germany. The distinctions are altogether unimportant in comparison with the great evil for the working class which would accompany such a measure. For even if stabilisation is achieved in the basis of a fair index not disadvantageous to the workers, the fundamental evil still remains, namely, that this system would stabilise the wages at half the real wages of pre-war days, and would perpetuate the state of impoverishment into which the German workers have been depressed owing to the misdeeds of the bourgeoisie during the war or during the period following the war.\*

This system further will make it impossible for the German proletariat to derive any benefit from the improvement of the economic situation which will follow the liquidation of the conflict in the Ruhr and the introduction of a moratorium. The whole advantage will fall to the bourgeoisie without a fight. These considerations make it impossible for a class-conscious proletariat and the German Communist Party to accept the proposed scheme of "real value" wages.

### Peace-Time Gold Wages.

The only proposal that can be accepted by the German proletariat is one for the restoration of peace-time wages. This can be summed up in the demand for **peace-time gold wages**. The proletariat has suffered for ten years, has reached the period of physical collapse and of slow starvation, and the demand of the moment should be not the stabilisation of the present starvation wages, but the restoration of peace-time wages.

In face of this fundamental difference of demands—rejection of the present starvation wages, as the social-democrats want it; and the restoration of peace-time wages, as we Communists want it—all

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\* Even the trade union leaders feel this. In the resolution of the German General Federation of Trade Unions (A.D.G.B.), on the subject of "real value" wages, it is said "The Federation Executive does not believe that by this measure alone the absolutely essential restoration of the former standard of life of the workers can be achieved. But it is necessary to fight for it, in the interests of the restoration of German labour power, which is endangered in the extreme by the economic policy pursued by the employers hitherto."

disputes as to how the purchasing power of the mark to-day shall be calculated lose all significance.\* In other words, it is not the percentage increase of present wages, but the coefficient of peace-time wages which is important. The cost of living must be calculated upon the actual cost of living of the proletariat in peace time. It should not be trade-union leaders, who, as a result of constant intercourse with the capitalists, have acquired the inclination to estimate the interests of "German economy" as more important than the interests of the proletariat, who should be sent as the representatives of the workers on the Commission, but a Reich Congress of factory councils. (The workers' representatives must be subject to recall and replacement, since, owing to the gigantic interests that are at stake, the capitalists will do everything in their power to compromise the representatives.) Of course, experience alone will show how such an institution should be composed.<sup>1</sup>

The objection will certainly be made that the German capitalists are not in a position to pay peace-time wages.

We admit that in the present state of production the payment of peace-time wages would be accompanied by some loss for the capitalists, but the German proletariat, and indeed the whole of the German population, has a choice between two evils. The present system is advantageous to the capitalist, makes possible, perhaps, the maintenance of the material means of production; but it is inevitably leading to the destruction of the human means of production, to the destruction of the German working class. The system we demand of payment on the peace-time gold basis would perhaps lead to a contraction of the material means of production and a temporary necessity to draw upon accumulated wealth. It would, however, save the German proletariat from annihilation. (The first system means the certain ruin of the proletariat; the second system the possible ruin of the capitalist economic order). For those who honestly stand on

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\* The dispute as to whether the dollar exchange, the official purchasing price of gold, the wholesale prices index, the retail prices index, or a cost of living index, shall be taken as the basis is conducted with very little understanding. The first two courses must be left out, since they are determined by the Reichsbank, i.e., by the Government—in both of which the proletariat has no confidence. As to the other three courses, A Feiler ("Frankfurter Zeitung," July 8), very rightly said that it depended upon the state of the mark exchange and the moment chosen for calculation, which would be more favourable for the proletariat and which for the employer. Retail prices follow the increases in wholesale prices only after long intervals. If one aims for mere stabilisation, i.e., if present-day wages are taken as the basis, it is not the actual present increase of prices, but rather future increases which is important. It therefore depends entirely upon the future state of the mark exchange as to which basis would be most favourable for the proletariat. If the mark is stabilised, the retail index would be most favourable; if the mark falls, the wholesale index would be the most favourable.

<sup>1</sup> As a transitional measure, in case, for instance, the commission does not succeed in electing a president, or does not function well from any other reason, the formula peace-time wages multiplied by the percentage of the rise of the dollar exchange, may be adopted. For, although the purchasing power of gold on the money market is to-day about 33 per cent. less than pre-war in comparison



the side of the proletariat, the choice cannot be in doubt. But even from the "objective" standpoint of economics, the material elements of production are more easily replacable than the working class.

A portion of the increased consumption of the working class—an increase which is absolutely essential for the restoration of the health and working capacity of the proletariat—can be made up by reduction in the luxury consumption of the capitalist.\* Another portion could be made up by prohibiting the export of capital abroad. And, finally, the improved nourishment in living conditions of the workers would certainly in the near future lead to an increase in the productivity of labour.

We see, therefore, that the demand for peace-time gold wages is no Utopian, demagogic demand, absolutely unachievable within capitalistic society.

Its carrying into effect would undoubtedly impose great sacrifices upon the capitalists; but the capitalists have for ten years imposed the most grievous sacrifices upon the proletariat. It is now high time that the capitalists sacrifice something too.

\* \* \* \* \*

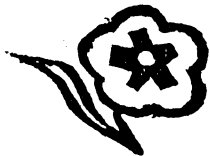
We have dealt with the problem of the determination of wages as it concerns Germany, a country with a depreciating currency. It is, however, obvious that the same demand is applicable to other countries in a similar situation, such as Poland and Hungary.

E. PAVLOVSKY.

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with the dollar, yet on the other hand the level of retail prices has not reached in Germany that of the world market. This formula, however, must be only a transitional one, since German prices are rapidly approximating to world prices.

\* General prohibition, as has been introduced into the wealthy United States, would be of great value for impoverished Germany.



# Austria under the League of Nations

It seems to be the settled policy of West-European diplomacy to enslave Germany economically and politically by international capital and to transform her into another Austria. This policy is not backed by the Entente imperialists alone, particularly by those of England and Italy, who want to ensure thereby a counterbalance to the hegemony of France over Germany; neither is it merely the aim of all the Social-Democratic parties of the Entente countries. It is undoubtedly also the aim of the Coalition Government of Germany, and particularly of its Social-Democratic members, who are determined as soon as possible to establish an international control over German finances in a more or less undisguised form. This aim, which has manifested itself with particular clearness recently, has its roots in the fear of the possible proletarian revolution, of the conquest of power by the German working class. Salvation for the capitalist order of Germany against the menacing wrath of the masses of the workers is sought in their enslavement by international capital, with the kind assistance of the International of Hamburg. And this means nothing else than to impose on Germany the fate of Austria and of the Austrian working class in the interest of international capitalism. This fate is to be the "writing on the wall" for the German working class.

In order to understand the developments in Austria since the action taken by the League of Nations after the Geneva Conference, one has to look back to the events which preceded it. Ever since Central Europe was transformed into a new Balkans by the treaties of Saint Germain and Versailles, Austria became an object of particular anxiety in the stabilisation of the relations between the component parts of the former Dual Monarchy. Austria was (and is) unable to support herself as an economically independent entity. Her agriculture yields just enough corn for one-third of the year. Coal, the most indispensable article for industry and transport, has to be almost entirely imported from foreign countries. Austria was deprived of the industry and trade of the former economic domain of which she had been the centre. The misery of the masses in Austria was increasing day by day since the termination of the world war. From the standpoint of the Austrian working class, which is the deciding factor of power in that country, the only possible solution was for the working class to seize the power of the State, in order to carry out the necessary reconstruction of industry

at the expense of the possessing classes and to form an economic union with the surrounding countries. Such a revolution was an acute possibility during the earlier part of 1919, the time of the Soviet régime of Hungary. This solution was prevented at that time by the Renner Government and the Austrian Social-Democrats. Otto Bauer boasts of this in his recently published volume on the Austrian revolution. But the wise Otto Bauer seems to be unaware of the fact that the Social-Democratic leaders were no longer masters over the fate of Austria, that the march of events was leading inevitably to the enslavement of Austria by foreign capital, which is now being accomplished in the shape of the "reconstruction" of Austria by the international capitalist control exercised through the Finance Committee of the League of Nations in the person of its General Secretary, Zimmerman.

The Renner Coalition Government had based the whole of its policy on the prospect of aid by foreign capital. Indeed, at the time of the imminent proletarian revolution in Austria, the Renner Government secured a subsidy of 557 million Swiss francs, of which the capital and interest will naturally have to be paid by the Austrian masses. At the same time it would not hear of any economic improvement within the country at the expense of the possessing classes. The Austrian working class was lulled into maintaining "law and order" by the red herring of illusory increases of wages.

The policy of the Renner Coalition Government was carried on by the bourgeois Government, with ever-increasing disregard for the interests of the proletariat. During the years 1921 and 1922 the situation in Austria was going from bad to worse. The Austrian krone was rapidly depreciating, currency inflation was proceeding, while the deficit of the national budget was steadily growing. The masses were exploited not only by private enterprises, but also by the State and by the communities, particularly by the so-called Social-Democratic municipality of Vienna, which carried on a capitalist financial policy pure and simple. Matters were brought to a head, the cup of the people's misery was full to the brim, and something desperate had to be done to avert something "worse," i.e., a rebellion of the masses in defence of their bare existence.

Again it was Otto Bauer and the Social-Democratic Party who showed the way to the bourgeoisie for the defence of their interests. The Otto Bauer finance plan for October 1st, 1921, has acquired international importance. Hilferding and the German Social-Democrats are now following in his footsteps. The slogan of this finance plan was: "All classes must make sacrifices," which meant

that the masses were to submit without a murmur to the ever-increasing burdens of high prices, oppressive taxation and the like. Of course, the possessing classes were to share the burden; but the Austrian bourgeoisie, like the German bourgeoisie of to-day, knew quite well the true meaning of "sacrifices by all classes." The property taxes were merely a bait for propaganda purposes. It was to serve as a cloak, while the whole economic burden was to be foisted upon the masses without arousing the resentment of the working class, the deciding political factor in Austria.

It was under such circumstances that the bourgeois Government of Seipel (after years of preliminary negotiations), could carry out the dictates of the League of Nations. Had the Social-Democrats undertaken systematic action by the masses, as had been advocated by the Communist Party all along as the only sensible way out, had a system of property taxes been rigidly carried out—then there would have been no need for the control of the League of Nations and for the loan that was made on unparalleled political and economic terms. The only serious review in Austria—"Oesterreichische Volkswirt"—had advocated, from the bourgeois standpoint, the imposition of taxes on property or a compulsory internal gold loan, as a more effective measure than an international loan; because such a course would not have involved the least detriment to the productive forces of the country.

This solution was opposed by the interests of the Austrian and international profiteers. The Austrian bourgeoisie was not prepared to make any material sacrifices, and furthermore it wanted an international political backing for the oppression and exploitation of the Austrian proletariat. Such was the course of events which led to the desperate state of affairs in which Austria found herself in the summer of 1922. The events were somewhat similar to those which have been taking place in Germany recently, if not at the same pace. The official index of prices had shown a rise in the cost of living to have reached 124.27 per cent. from the middle of July to the middle of August. The Government was compelled in the autumn to issue credit notes to the sum of two billions. The working class was in a state of great unrest. It was at that hour that the Social-Democrats proposed the Coalition to the bourgeoisie. The bourgeoisie, led by Seipel, the prelate, felt itself strong enough to reject the proposal, preferring to continue the Renner tradition and to look for a way out in an agreement with international capital for the oppression and exploitation of the Austrian working class.

The foreign Powers were interested in such a solution, from the political and economic standpoint, for they had already been for some time advancing credits to Austria (Czecho-Slovakia had advanced 500 million kronen, England two and a quarter million

pounds, Italy 70 million lire, France 55 million francs), and were now anxious to insure repayment by means of a large international loan. Furthermore, they expected fat profits from a stabilised Austria. But the decisive factor was the political interest of the various States of the Big and Small Ententes, particularly of Czecho-Slovakia, who feared that Austria might become affiliated to one of the neighbouring States, e.g., to Italy, to whom the Seipel Government had made overtures in that sense, which would have upset the wonderful equilibrium in Europe.

Thus Austria was sold to the "League of Nations," and above all to the French, English, Italian and Czecho-Slovakian members of the League, who jointly with the Austrian Government brought about the Convention of Geneva. The Austrian Social-Democrats rejected the proposal of the Communist to organise a mass-action of the entire proletariat of Austria to prevent the Convention of Geneva by compelling the introduction of taxes on property. (To my mind it was a mistake for the Austrian Communist Party not to advance the slogan of the overthrow of the Seipel Government and the establishment of a Workers' Government when starting this political action.) If the Social-Democrats had not rejected the proposal, Austria would have been spared the dictatorship of the League of Nations.

The Geneva Convention has already shown itself to be a political method for the oppression of the Austrian working class. **Austria is forbidden under severest penalties to conduct an independent foreign policy.** This restriction is of great importance just now, for it means that the Austrian working class are to be debarred from taking any action of solidarity with a revolutionary Germany. **The Government of Austria has been handed over to the Control Committee of the League of Nations, but virtually to the General Commissioner of the League of Nations,** and for more than six months this function is fulfilled by the former Mayor of Rotterdam, Herr Zimmerman. **He manages the funds of the international loan, in entire accord with his own wishes and with those of his employers.** During the last two years the Austrian Parliament has been debarred from discussing the most decisive point of current legislation, the measures for financial recuperation. The so-called "Cabinet Council," in which the Social-Democrats have condemned themselves to impotence, can do nothing but dance to the tune of the General Commissioner and of the Government.

The Government had further **pledged itself at Geneva to govern the country with a strong hand.** This pledge is taken quite seriously by "Tzar" Zimmerman. Already in his first report to the League of Nations (six of these reports have already appeared) he emphasises that he will insist on a "strong political régime" that will carry out the radical reforms with full vigour. In his fourth report he

sharply criticises the Cabinet Council, for insufficient submission to himself and for being slow in curtailing the staffs of State employees.

The control of the League of Nations has strengthened the reaction in Austria and weakened the working class. The proletarian defence organisations have been completely disbanded, while at the same time the reactionaries were allowed to form their miscellaneous Fascist organisations (like the "Heimwehr," "Frontkaempfer," "Hakenkreuzer," and the like), which are becoming increasingly arrogant. The political groups created and maintained by the Geneva Convention are also responsible for the spread of the monarchist movement.

This political system had for its sole purpose the economic subjection of the working class, so as to carry out the "reconstruction" of the Austrian State finances, as well as to pay the exorbitant interest on the foreign loans, at the expense of the working class, including the systematic withdrawal of the social and political conquests of the workers.

This fact was predicted by the "Communist International" from the outset, and has been fulfilled with terrible accuracy.

The international loan to Austria amounted to 745 million gold kronen. Of this amount Austria got only 585 million gold kronen. Thus the foreign money lenders retain no less than 27 per cent. of the money advanced by them, which amounts to 2.3 billion paper kronen. This levy, together with the tremendous taxes, represent a large burden, which is borne solely and exclusively by the masses of the people. The budget estimates of the Austrian Government (Federal Finance Act No. 138) sets aside for loan payments during the year 1923 no less a sum than 651 million kronen. In order to protect the fat profits of the international capitalists, a "reconstruction programme" was devised by the League of Nations in conjunction with the Austrian Government, which means nothing else than the exploitation of the masses of the people. The Austrian State revenues, consisting chiefly of the salt and tobacco monopoly, were placed under the direct control of the General Commissioner as security to the money-lending States. This monopoly is to furnish the funds for the payment of interest on the loan and for the maintenance of the State. For this reason these revenues are pushed to the utmost, so that they are many times higher on the average than those prevailing even in countries with stabilised currencies. These duties are almost exclusively paid by the large masses of the people: the famous Reconstruction Law has seen to that. The excise duties (including the trading tax imposed by the reconstruction programme, which is to yield nearly half a billion this year), the railway, mail and telegraph tariffs, the monopoly revenues, in short all these mass-taxes and duties of various kinds are to cover an expenditure of approximately six billions. Only

recently there was an increase from 25 per cent. to 50 per cent. on a number of these duties, which means a two-fold increase of duties which are already higher than in any other country.

The programme of salvation consists merely of fiscal measures which are steadily forcing down the standard of living of the masses by reducing their purchasing ability. These measures are therefore positively detrimental to the interests of Austrian production.

Along with the measures for the increase of revenues, measures were introduced for the curtailment of expenditures which were drawn up in a similar spirit. This is shown clearly by a comparison between the budget of 1922 and that of 1923. Already the first budget was guided by the Geneva Convention, but it was the second budget that made a real start by way of incorporating the provisions of that Convention. The curtailment of expenditure is to be carried out at the expense of production and of the workers and employees. The explanatory note to the Finance Bill triumphantly boasts of effecting a saving of more than one and a half billions by curtailing the pensions and subsidies of workers and employees. Under the head of "workers' insurance" the second estimates provide only for 52 billions instead of the 118 billions of the first estimates. Altogether the expenditures for social welfare were to be reduced from 608 to 496 billions. The wages fund for the tobacco industry was reduced from 94 to 48 billions, for the State railways from 604 to 475, and for the telegraphs from 230 to 182. Thus the programme of retrenchment meant nothing else than the reduction of salaries and wages and the curtailment of production. This was accompanied by a brutal and perfectly unjustifiable reduction of the number of State employees to 30 per cent. of the previous contingent. No less than 75,000 State employees are to be discharged by the end of this year. Indeed, 45,000 employees have already been thrown on to the street.

So far these measures, without in any way reducing the deficit of the national budget, have effected a tremendous increase of unemployment, an extension of the working day and a reduction of the real wages of the workers.

During the first months of the rescue work of the Geneva Convention the number of the unemployed in little Austria has increased approximately from 40,000 in the summer of 1922 to no less than 170,000 in the winter of 1922-23. Official statistics are now trying to minimise the number of unemployed, but the official figures are lying in a bare-faced fashion, for they simply omit the number of those unemployed who are not obtaining subsidies. The number of the latter is 30,000. At all events, there are still in Austria about 130,000 unemployed, of whom 30,000 are not getting anything, and 100,000 are receiving ridiculously small subsidies.

By the unsystematic reduction of the number of State employees,

by the failure to provide for the most urgent work of the country, the Austrian Government and the General Commissioner are steadily increasing the number of unemployed.

To this must be added the so-called "intensification of work," which means the prolongation of the 8-hour day in the State industries, particularly on the railways, which the trade union bureaucrats even more than the Government are anxious to conceal. At all events, the condition of the Austrian railway workers is not much better than those of Mussolini-ridden Italy. A working day of ten and even twelve hours is being steadily introduced on the railways, which is paving the way for the private employers to do likewise.

The standard of living of the employed workers is getting even worse under the fear of unemployment and under the pressure of the great reserve army of the unemployed. The high cost of living was in no way reduced as a result of the Geneva Convention; nevertheless **real wages have dropped from 10 to 20 per cent.** It is officially admitted that the Austrian workers are getting only between 60 and 70 per cent. of their real pre-war wages. Yet the prices, with the exception of the rent for dwellings, are uniformly higher than those of pre-war times. Not so very long ago it was officially admitted in the National Assembly that the pre-war expenditures for the State administration, including the industries, represented 50 per cent. of the total expenditure, and that now they are rather less than 30 per cent. Yet the process of "sanitation" is being pursued further by the mechanical discharge of employees and the reduction of wages.

The tutelage of the League of Nations over Austria has brought about the economic and political enslavement of the masses, while the employers and reactionaries are allowed full play. The banking magnates, like the Austrian Rothschild, Castiglioni, and Bosel, are piling up billions upon billions. The coffers of the banks contain **rather more than 15 billion kronen**, but their income tax amounts to less than 1 per cent., viz., 150 millions. Of course, these gentry can afford to make quite liberal contributions to the reactionary organisations, which enjoy the open and avowed support of the Government.

The régime of the League of Nations is opening the eyes of the Austrian workers to what sanitation means in the **proletarian** sense. It can be possible only when the workers will seize the power of the State and throw off the yoke of the foreign and home capitalists. If the German workers will follow this course, the Austrian workers will also awake from their stupor, and from the slavery into which they were driven by the action of the Social-Democratic leaders, and will send the whole League of Nations and its Austrian Allies to the devil.

PAUL FRIEDLANDER



# The Lausanne Conference

## I.—The Defeat of the Greek Armies and the Beginning of the Revision of the Versailles Treaty.

In the campaign of August, 1922, the Greek armies in Asia Minor were smashed and began to retreat in panic towards the coast. The state of disorder amongst the retreating troops was so great, that the military defeat was accepted almost with welcome. The tide of exhausted Greek soldiers moved on to Smyrna and to the sea, where the transports were to take them away from Asia Minor out of the reach of the enemy troops.

The Turkish army, having seized the fortified line of Afium-Karagiseir-Eskisheir, moved irresistibly forward, without indeed encountering any further obstacles.

Towards the end of September, the Turkish army reached the coast of Asia Minor, the Bosphorus and the Dardanelles. The forcing of the Bosphorus and the occupation of Constantinople appeared to be an inevitable sequence to the onward march of the Turkish troops. This, however, did not occur. The reason is to be sought rather in political than in military and strategic considerations.

At this juncture Franklin-Bouillon, the initiator of the separate Franco-Turkish Agreement of 1921, arrived unexpectedly in Smyrna and conducted secret conversations with Mustapha Kemal Pasha. It came to light later that Franklin-Bouillon persuaded Kemal Pasha to halt the advance and refrain from forcing the Straits, promising in return that the French Government would support Turkey in the forthcoming Peace Conference. The authority of the French at that time still carried considerable weight with the Angora Government. Leading Turkish personalities hoped that with the help of France they would succeed in isolating Britain and securing the maximum advantages at the Peace Conference. The effect of the persuasive powers of Franklin-Bouillon revealed itself a few days after the Smyrna meeting, and the Turks gave their consent to the official proposals of the Allies that the advance should be halted and that a Conference should be summoned at Mudania for considering the terms of the truce.

The Mudania Conference opened on October 3rd. On the eve of the Conference, Mustapha Kemal Pasha, speaking before the Grand National Assembly, expressed his firm conviction that Constantinople and Thrace could be liberated without the shedding of blood.

But it very soon appeared that England was endeavouring to prolong the negotiations at Mudania, while at the same time she was bringing reinforcements to Constantinople. The attitude of caution

which the Turkish Press maintained at first towards the Conference became more and more suspicious. On October 6th, the official Angora "Enigiun" declared: "However strange it may appear, we have been forced to the conclusion during the last few days that the most dangerous thing for a nation at war is peace."

Turkish public opinion emphasised the "amicable and generous" attitude of France in contrast to the cunning tactics of Britain. On October 10 the Angora Press stated that differences existed between the instructions given to the Paris and London delegations. It appeared that a Franco-Turkish front against Britain was being formed.

But this hope was very soon disappointed. It became clear that the rumour of disagreement in the instructions of the Allied delegations was without foundation. Towards the end of the Conference, Turkey found herself faced with a solid united front of the Allies and was obliged to make concessions such as it formerly would not even listen to. She was obliged to agree to Constantinople and Thrace remaining in the hands of the Allies until the actual signing of the Peace Treaty. While holding these trump cards, the Allies (France above all) openly gave it to be understood that the settlement of accounts by Turkey was still to come. The French, British and Italian Chambers of Commerce in Constantinople addressed a memorandum to their Governments insisting that the capitulations be retained. General Pellé, the representative of France at Constantinople, presented the Angora Government, in addition to the economic demands, with a series of political demands, such as agreement with the Sultanate, the transformation of Turkey into a "real" Constitutional State, etc.

The unfavourable impression created by Mudania upon the Angora population will be easily understood. But Angora still retained its faith in French support. Outraged by a presumptuous interview given by General Harington (in which he ascribed the peaceful outcome of Mudania exclusively to the brilliant victory of the British armies), the Turkish Press turned the full force of its wrath upon England. About France it preferred to maintain silence.

The attitude of the Press after the Mudania Conference became more and more pessimistic. To the question as to who finally was the victor at Mudania it gave a gloomy reply.

It was in such an atmosphere that the preparations for the Lausanne Conference, the summoning of which was decided at Mudania, were undertaken.

The Turkish Press formulated the following conditions upon the fulfilment of which a successful issue to the forthcoming Conference

could be hoped for: (1) Turkey's rights to sovereignty. (2) The recognition of the national frontiers of Turkey. (3) The distribution of the Turkish State debt over the whole territory of the former Ottoman Empire. (4) The restoration of the devastated areas of Asia Minor at the expense of Greece (reparations). (5) The freedom of the Straits for the mercantile fleets of all countries.

This programme was regarded as a minimal one. Turkey believed that she would have the support of France at least on territorial questions. Meanwhile, an obstinate campaign was being conducted against Britain.

The Lausanne Conference was solemnly opened on November 20th.

The events which preceded the Conference did not offer grounds for optimism, but nevertheless the Turkish Delegation went to Lausanne fully determined either to secure peace or to break off negotiations.

In any case, the Lausanne Conference meant the beginning of the revision of the Treaty of Versailles as far as its Near-Eastern provisions were concerned—and through this breach there was clearly to be observed prospects of the further liquidation of the results of the great imperialist war.

## 2.—The Diverse Interests of the Entente in the Near-East.

At Lausanne the roles were distributed amongst the Allies in the following manner.

Britain undertook the defence of military and territorial questions; France, financial and economic; Italy, juridical.

Was this distribution accidental or deliberate?

During the years of the military struggle between Anatolia and the imperialist west, the country was economically almost completely isolated from the rest of the world. During this period the foreign powers were known to Anatolia chiefly by their military and economic participation in the anti-Turkish struggle. In this sense, there was no difference in quality between the western powers from the point of view of the young Turkish State; the difference could only be a quantitative one between the various degrees of oppression.

But from the moment the military struggle ceased, and a transition was made from military methods to diplomatic methods, there rapidly began a qualitative differentiation in the relations of the West European powers towards Turkey, depending upon their varying interests in the Near East.

In order to understand the progress of the Lausanne Conference,

it is necessary to give at least a general description of the British and French interests in Turkey.

As far as France was concerned, her interests were predominantly of a financial and economic character.

The most important stronghold of French capital in Turkey is the Ottoman State Bank. This bank is the chief mechanism of the financial and economic life of the country. Among its privileges are (1) a monopoly of the issue of bank notes; (2) the management of the income and expenditure of the State; (3) the agency for the execution of the orders of the Turkish Government in the home and foreign markets. The Ottoman State Bank has developed its operations over the whole of the East. It has eighty branches, of which fifty-two are in Turkey, seven in Egypt, five in Greece, etc. In this powerful piece of financial machinery, which controls the whole economic life of Turkey, the French bourse plays a dominating role.

The second stronghold of French capital is the "Administration of the Ottoman Public Debt." Loans are the main methods of imperialist expansion. Loans have played an extremely destructive role in the economic life of Turkey. It is enough to mention that from 30 per cent. to 75 per cent. of the whole State budget goes to the payment of interest upon loans. Towards the end of the 'seventies, the Turkish loans reached the colossal sum of £180,000,000 sterling. The Sultan's Government, under the pressure of the European creditors, decided to set up an "Administration of the Ottoman Public Debt," which was given the right of collecting a number of the most important State customs and excise duties, the proceeds of which were to go to the payment of the State debt. To understand the important part played by the "Administration," it must be remembered that it assumed the functions of a Government Department controlling the State finances, indirect taxes, the list of State taxes, and part of the customs service.

As Turkey's indebtedness grew, her dependence upon the "Administration" increased. As the largest creditor of Turkey was France, which up to the outbreak of the world war had lent her 2½ milliards of francs, i.e., five times more than Britain, the Administration of the Ottoman Public Debt was practically under the control of France.

This was the case too in the other fields of Turkish economic life. The collision between the imperialist interests in Turkey was most clearly seen in the competition for railway concessions. At the time of the outbreak of the world war the capital invested in Turkish railways was distributed in the following manner:—

France: 530,238,000 francs;  
 England: 114,683,675 francs;  
 Germany: 466,078,000 francs.

After the imperialist war, with the liquidation of Germany's interest in Asia Minor, the position of France in the Turkish railways became still stronger.

In Turkish industry, in the mining enterprises, in port construction and equipment, in municipal undertakings—everywhere, France occupies the dominating position.

If we take only the invested capital of France in Turkey, we get the colossal figure of  $3\frac{1}{2}$  milliard gold francs, i.e.,  $4\frac{1}{2}$  times more than the capital invested by Britain.

What were the banks which invested these tremendous sums? Who were the bankers who brought pressure upon the French delegation at Lausanne, through Poincaré, in order to demand the protection and the extension of their properties and privileges in Turkey?

Without exaggeration, they are the "flower" of the financial and usurious capital of France. What banks are the exporters of French capital to Turkey? They are the Comptoir d'Escompte, which found 400 million francs amongst its clients; the Société Marseillaise, 80 million, the Société Générale, 300 million; the Crédit Lyonnais, 250 million; the Banque Impériale Ottomane, 200 million; the Banque Française pour le Commerce, 100 million; the Banque Périer, 100 million; the Banque de Paris, 50 million; the Compagnie des Agents de Charge, 400 million. Other banks such as Rothschild, Union Parisienne, etc., invested from 10 to 20 million francs (clarté, October 15th, 1922).

While France from year to year strove to establish her financial and economic roots in Turkey, England endeavoured only to consolidate her position, which was comparatively of secondary importance in the country. Britain was represented in the financial life of Turkey only by two banks.

It is interesting to observe how the share of Anglo-French capital in the Ottoman debt fluctuated:—

	1881.	1898.	1914.
France	38.9%	35%	60%
England	28.9%	8.5%	14%

In the mining industry British capital was invested to the extent of only 6,250,000 francs, as compared with more than 40 million francs of French capital. In railway construction, industrial undertakings, etc., Britain invariably played a minor part, being inferior not only to France, but also to Germany. British capital in Turkey attempted to participate everywhere, but never to dominate. Britain occupied the position of an observer, and to this extent maintained its economic interests in Turkey. While France displayed a steady endeavour to strengthen her economic position,

Britain maintained her position only to the extent that was demanded for the defence of the military and strategic interests of the British Empire in the Near East.

Consequently, the distribution of roles amongst the Allies at Lausanne was neither accidental nor artificial, but was determined by the historically developed interests of British and French capital in Turkey. Italy played no independent role.

### 3.—The Occupation of the Ruhr and the Breakdown of the Lausanne Negotiations.

In the inter-Allied consultation which preceded the Lausanne Conference, Curzon succeeded in securing the recognition by the Allies of the British point of view on territorial and military questions. As is known, Curzon refused to go to Lausanne without the assurance that the "vital interests" of Britain in the Near East would be unquestionably and unreservedly supported by France and Italy. Having secured this assurance, Curzon naturally became the arbitrator of military and territorial questions at the Conference.

Turkey, who was endeavouring to secure the final conclusion of the war, the liberation of Constantinople and Thrace, and who desired to be free to proceed to peaceful economic work, proved herself to be entirely dependent upon Britain on these fundamental questions. Britain held the reins of Greece and she had Constantinople and the Straits in her hands. By conciliating Britain, Turkey hoped to secure her loyal support in the forthcoming struggle with France upon financial and economic questions.

These considerations determined the tactics of the Turks at the Lausanne Conference, namely, concessions and rapprochement to Britain on the one hand, and obstinate bargaining with France on the other.

Thus, Britain created a favourable position for herself at Lausanne from the very outset.

France, realising that the territorial disputes between Britain and Turkey would be settled without much difficulty, considered it essential to insist upon the maintenance of the *status quo* in Constantinople and the Straits, and thereby retain the possibility of bringing pressure to bear upon the Turks in financial and economic matters.

Thus, even on territorial questions, France proved herself un-conciliatory in her attitude to Britain.

The lack of faith in France gradually transformed itself into the conviction that France had deceived Turkey, and that she would not fulfil the promise given by Franklin-Bouillon in Smyrna.

The Turkish delegation showed itself very conciliatory in its attitude towards Britain. In spite of the externally strained relations between Ismet Pasha and Curzon, the Turkish delegation went a long way to meet the wishes of England and shortly after the commencement of the Conference, agreed to all the concessions on military and territorial questions demanded by Britain.

Towards the end of February, the news appeared in the Press that agreement had been reached even on the question of Mosul. This question had been omitted from the subjects of consideration by the Conference, to be settled within the next year by the Turkish and the British Governments.

Rauf Bey, reporting to the Turkish Grand National Assembly on the situation at Lausanne in the beginning of January, thus referred to the spirit of conciliation displayed towards Britain: "The Mosul district, as you know, is blessed with rich stores of mineral oil. It is far from being our intention to prevent everybody from enjoying the sources of wealth which Providence has given to mankind. We are always prepared to purchase and to sell these sources of revenue on reasonable and legitimate terms to nations which regard us as equals."

From the middle of January the position at Lausanne became extremely strained. Negotiations made no progress. The Allies, and especially France, displayed an extremely unconciliatory spirit. In addition, an intensive concentration of Greek forces began to be observed in Thrace. The French Press began a vigorous anti-Turk campaign. In view of this declared hostility of France, the Turkish Press, in its turn, initiated a campaign against France. There was no longer any talk of the French delegation not being the French nation, that France was generous and magnanimous, but was being led astray by England, etc.

Things were now called by their true names. The Turkish official "Enigiun" wrote on January 29th: "As regards financial questions, which interest our French friends, we are obliged to note the extremely hostile attitude displayed towards us by France at Lausanne. The colours have already faded, and we are obliged to declare quite openly that we were at first deceived at Lausanne by the lies of France and that we are only just awakening to the true consequences of her protracted destructive work. At Mudania, France, through Franklin-Bouillon, managed to persuade us to bring our advancing armies to a halt. At Lausanne, France is attempting finally to push us over the precipice."

On the following day, this paper proceeded to open menaces, and concluded with the cry: There is no place for France in Syria!

Towards the end of December in London, and the beginning

of January in Paris, conversations took place between Bonar Law and Poincaré on the question of the German reparations. The results of these conversations is well known: England finally refused to take part in the occupation of the Ruhr. France and Belgium proceeded to occupy the Ruhr independently. Having entered into this long and dangerous undertaking, and having freed herself from subordination to Britain on the Rhine, France considered it necessary to force the negotiations at Lausanne to a conclusion. This was all the more essential since the full menace to France of the English game at Lausanne was becoming apparent.

Barrère, who had shown himself very favourable to England at Lausanne, was replaced by Bombard, armed with new instructions from the French Government. He was instructed to abandon the method of ultimata employed by Curzon and to proceed to tactics of compromise. Poincaré made these instructions known to Angora and to the Turkish delegation at Lausanne.

But the change in the French policy came too late. The Angora Government, seeing the difficulties in which French imperialism had involved itself in the Rhine, correctly concluded that France, by her conciliatory attitude at Lausanne, was only attempting to bring pressure to bear upon England. This is the comment of the Turkish Press upon the French position: "In our opinion the Poincaré Cabinet is still deserving of suspicion. To speak frankly, France, having demonstrated her differences with England at Lausanne, is only attempting a counter manœuvre against Bonar Law in order to compel England to alter her position with regard to the German question. Only after France has recognised our point of view on financial and juridical questions shall we be convinced that she really desires a peace which shall be worthy of Turkey."—"Enigiun," February 3rd.)

Turkey made the directly opposite deduction from the change of policy of Poincaré from that which the French Government expected.

On January 31st the Allies presented Turkey with the full text of the Peace Treaty. The majority of the points of the draft imposed conditions upon Turkey which she had more than once declared at Lausanne were entirely unacceptable by her.

Curzon, fearing the conciliatory tactics of France, forced the breakdown of the Conference, and he did this all the more willingly since the majority of the military and territorial differences between England and Turkey had already been settled. Curzon announced his early departure from Lausanne. On the day of his departure the French delegate, Bombard, and the Italian delegate, Montagna, made a personal call upon Ismet Pasha. They tried to persuade him



to make concessions and thereby avoid the necessity for breaking up the Conference—but in vain. In a letter addressed to Poincaré on February 4th, Bombard describes this interview as follows: “While the British delegation was concluding its preparations for departure, I and Signor Montagna called upon Ismet Pasha in order to represent to him the full seriousness of the situation which his refusal had brought about. But he would hear nothing. Our attempts at conciliation were in vain.” At the same time Curzon, while awaiting the arrival of the Simplon Express at the Lausanne Station, declared to the Press correspondents that the Conference had been shipwrecked on the question of the capitulations.

Curzon left Lausanne with the reputation of being the tried friend of Turkey, while the Turkish delegation and the Turkish Press bitterly accused France of being responsible for the breakdown of the Conference.

On February 22nd Ismet Pasha reported to the Turkish Grand National Assembly upon the progress of the Conference. He met with the most serious opposition on the question of Mosul. It appeared that the loss of Mosul was regarded as equivalent to the loss of all the Eastern vilayets. The deputies accused Ismet Pasha of being timorous of England and of being excessively yielding. Rauf Bey, in the name of the Government, declared that it was impossible to denounce the concessions made to the Allies (i.e. England). The result of the discussion was that the Grand National Assembly passed a vote of confidence in the Government (it is true, by only 149 votes to 101), and decided to send a reply to the Allies setting forth the final proposals of Turkey. The Turkish note attempted to evade the solicitations of the Allies on financial and economic questions. In the point dealing with the Ottoman debt, the note categorically declared that the relations between the Turkish Government and the Administration of the Ottoman Public Debt was a purely internal question which must not figure in the Peace Treaty. On the question of the payment of the interest and sinking fund on the Ottoman debt, the Turkish note expressed the following point of view: (1) In view of the fact that the Turkish currency had considerably depreciated, there was a marked discrepancy between the Turkish paper currency and the bank notes of the various countries of the Entente, and this made the payment of yearly interest in gold by Turkey impossible; and (2) as it had been frequently pointed out at the Conference, the relations between the Turkish Government and its creditors was of a purely private character and therefore the question of the methods of paying interest should not have a place in an international treaty.

These were the principles lying at the base of the reply of the Turkish Government to the Allies.

#### 4.—The Second Lausanne Conference.

The general tone of the West European Press in its comments upon the Turkish Note gave little grounds for optimism. The Council of Experts held in London displayed a united front of the Allies.

The Council of Experts opened on March 21st. Its object was to draw up a common Allied reply to the Turkish Note. On March 23rd "Enigiun" wrote: "The Allies are trying to set up a united front in London. Their object is to refuse Turkey the peace she desires. The group of bandits which has met in London is preparing the place and hour for new atrocities."

The long awaited reply of the Allies arrived at Angora on April 3rd. It was far from representing a step in advance, as compared with the situation at Lausanne. The Allies insisted upon the payment of the interest on the debt in sterling; the economic section, which was formerly omitted from the Treaty, was again introduced. The evacuation of the regions occupied by the Allies was clearly being delayed.

The note proposed the renewal of the Lausanne negotiations. The Turkish Government replied consenting and proposed that the negotiations should be renewed on April 23rd.

The second Lausanne Conference opened on the day appointed. The Turks regarded it as their main duty at the second Lausanne Conference to secure the liberation of Constantinople and Thrace.

On these territories the supreme military and political authority was concentrated in the hands of the commander of the British land and sea forces in the Near East—General Harington. The declaration of the chairman of the British delegation, Sir Horace Rumbold, at the opening of the second Lausanne Conference, is therefore worthy of note. He said that they would be prepared to evacuate Chanak-Kale, Constantinople and Gallipoli immediately after the Peace Treaty was ratified by the Grand National Assembly and without waiting the ratification of the Allied Parliaments. Thereby Sir Horace Rumbold gave Turkey definitely to understand that the liberation of the occupied territories would depend solely upon the settlement of the financial and economic questions in dispute.

At the beginning of June the Conference came to a deadlock over the question of the methods of liquidating the Turkish public debt. The French delegation demanded that the yearly sinking fund should be paid in gold francs. The Turks replied by a definite refusal.

The Chairman of the Council of Peoples' Commissaries of the Turkish Grand National Assembly, in his speech delivered on June

11, declared, "Turkey can undertake to pay the interest on its debts only in paper francs and, being convinced that every other method of regulating this question is incorrect and impracticable, she refuses to agree to it from the outset."

A similar categorical declaration was made at Lausanne by the Chairman of the Turkish delegation, Ismet Pasha. The Turkish Press also took up an ultimatory position. The official "Enigiun" on June 25th wrote: "If the Allies refuse to give way on the question of the coupons, the Turkish delegation must return to Angora." What was the distinction between the two methods of paying the debt?

The Turkish public debt at the present day amounts to 140,000,000 gold lire.\* France's share amounts to over 60 per cent. Turkey is obliged to pay by way of amortisation of the debt, about 9½ million lire annually. At the pre-war rate of exchange this sum was equal to 220 million gold francs or 45 million gold dollars. This is the colossal sum which poverty-stricken and disorganised Turkey was obliged to pay annually to the French and the Belgian bankers.

The war brought about a great revolution in prices. Before the war one lira was equal to about 23 gold francs; it is now equal to only 10 and that, not gold francs, but paper francs. Thus, if Turkey pays her debt in paper francs, the 9½ million lire now amount to only about 100 million paper francs.

But not the defeated lire only fell, the victorious franc also fell. The difference between the Turkish and the French proposals would be greater if the amortisation payments were calculated in dollars. In 1913, 100 francs were equal to 19.26 dollars; but to-day 100 francs will purchase only 6.18 dollars. Thus, the amortisation payment (100 million paper francs) now amounts to only 6,200,000 dollars, in place of the 45 million dollars paid annually before the war.

The Turkish delegation insisted that the present rate of the franc should be fixed for ten years. This would represent a "loss" to the Allies of about 400 million dollars in ten years. No wonder, therefore, that the Allies found the Turkish proposals as unjustified and fantastic.

But the Turkish delegation started out from a perfectly clear point of view. A payment of 9½ million Turkish lire in gold francs, which the French demanded, would bring the annual amortisation up to 28-30 million paper lire. Since the whole Turkish budget does not exceed 100 million paper lire, the sinking fund on the debt would comprise one-third of the whole State budget.

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(\*) The value of the Turkish gold lire is somewhat less than that of the pound sterling; 11 lire equal £10 sterling.

It is perfectly clear that such a situation was absolutely unacceptable to a country which had just passed through 11 years of war.

At the beginning of May the Lausanne Conference reached a deadlock over the question of the methods of payment.

In order to influence the Allies and to secure a concession on this cardinal question, the Turks associated the question of the coupons with the question of concessions. The tremendous interest of the Allies, and France in particular, in Turkish concessions, was very obvious, and therefore the weapon chosen by the Turkish delegation was very disquieting. The latter insisted all the time that the question of the coupons had no connection whatever with concessions, and that they should therefore be treated separately. The Turkish delegation, on the other hand, attempted to prove that the two questions were closely bound up. "If," Ismet Pasha declared, "the Allies demand that we should recognise that the former concessions are adapted to the new economic conditions, then they must adapt the Ottoman debt to these conditions. If, however, the Allies refuse to consider changes in the question of the debt, then we shall refuse to consider changes in the condition of the concessions. For instance, railway companies will not receive from us permission to increase their tariffs in comparison with 1914."

While associating the final settlement of the question of concessions with the signing of the general treaty at Lausanne, the Turks in Angora began negotiations with a number of foreign concessionaires. By agreeing to give way to them on certain points, Turkey inflamed their appetites and thereby got them to bring pressure upon the Allied delegation to secure an early signing of the peace treaty. The Allies regarded these negotiations with little approval and frequently gave expression to the desire that the negotiations for concessions should be concentrated at Lausanne.

On the whole, the concessions negotiations ended successfully. A large number of concessionaires succeeded in coming to terms with the Turkish Government. Only a small group of large concessionary sharks, such as Vickers and Armstrong, the Turkish Petroleum Company, the Ottoman State Bank and others were opposed to private agreements.

But all this, however, failed to bring the Conference out of the deadlock as long as the fundamental question of the manner of paying the coupons remained unsettled. On this point, until quite recently, both Turkey and France remained firm and unyielding.

##### **5.—Aggravation of Anglo-French Differences on the Rhine and the French Capitulation at Lausanne.**

The position of France with reference to the coupons, namely, to get the money at all cost, is easily understood.

But the conduct of Britain was extremely interesting. Officially England was in solid agreement with France on the question of the coupons, and this encouraged the latter in her unyielding attitude. But behind the scenes the British delegation was also encouraging an unyielding attitude in the Turks.

Subkhi-Nuri, the correspondent of the authoritative Constantinople paper "Ileria," wrote from Lausanne on June 23rd, "In spite of the efforts for peace of both sides (Turks and French), the situation on the question of the coupons remains unchanged. The cause of this is that a certain country is interested in protracting the Conference indefinitely. On the one hand we are told that the French have no time for discussion, they are too much pre-occupied with the Ruhr; only hold fast and you will secure the satisfaction of all your just demands. On the other hand, the whole of their Press, even the most restrained, such as the 'Times,' prints articles directed against us of the most offensive character, not allowing the smallest opportunity to slip without reconfirming their solidarity with the French."

This statement throws an interesting light upon the causes of the French unconciliatory spirit, and at the same time, to a large extent, explains the ultimatory character of the Turkish declaration.

What was England hoping to secure by this double policy? She was first of all seeking to retain the valuable pledges of Constantinople and the Straits. In the March number of the "Fortnightly Review" we find an interesting article by Charles Wood entitled "Lord Curzon and Lausanne." Mr. Wood sings a hymn of praise of Curzon's firmness and decision and above all of his unyielding policy with regard to the Straits.

"And then the conditions applicable to the passage of warships prove that in the only three possible contingencies our position would be distinctly favourable. First, should we be at war with Russia, Turkey being neutral, the whole British Fleet would be entitled to pass in and out of the Black Sea. Secondly, were Turkey a belligerent and on our side, then British forces would have equal and, indeed, greater freedom of action. And third, supposing Turkey to be an enemy combatant, then she might try to stop our passage, but there would be nothing to prevent us from endeavouring to force that passage. In the past, no doubt, British diplomacy may have been outwitted, but history will contain no reproaches of that nature in regard to the Straits Convention."

British imperialism sought by delaying the signature of the peace treaty with Turkey, to keep the Straits in her hands as long as possible. We know that General Harington is carrying on the fortification of the territory of the Straits. Certain casual statements appearing the Press lead us to believe that when Lord Curzon

at Lausanne pathetically insisted upon England retaining the graves of the Anzacs on the Gallipoli Peninsula, where lie the bones of the British soldiers who fell in the attack on the Dardanelles, he had not so much in mind the protection of the sacred graves, as the preparation of a new strategic base. Was it not the expectation of this base which accounted for the optimism of Mr. Wood?

British policy at Lausanne, therefore, was aimed at retaining the control of the British Fleet over the shores of the Soviet Russian Black Sea.

But British diplomacy had still another end in view, namely, to control the supply of European oil to France. Owing to the absence of oil resources in France herself, the latter is obliged to satisfy her demands by importing oil from America on the one hand, and from Roumania and Galicia on the other. Roumanian and Galician oil, as a rule, is sent down the Danube to the Black Sea and from thence on French tankers via Constantinople to the French ports. In the event of conflict between England and France, the European sources of oil may prove the only ones available to France. British policy with regard to the Straits therefore implies not only a menace to Soviet Russia, but also a military strategic manoeuvre against France. This at least is the opinion of the policy of Curzon at Lausanne, expressed by the "Deutscher Allgemeine Zeitung," the organ of Stinnes.

Constantinople and the Straits are, for England, not so much an end as a means—an instrument primarily for the regulation of French activities on the Rhine. Whenever it was necessary to change the French music in Europe, England pressed on the pedal of Lausanne. "Enigiun" describes the mechanism of this instrument in its own way: "England holds in her hands the chain attached to the muzzle; by pulling the chain she compels France to sit up on her hind legs."

During the last weeks of the Conference, England made considerable use of the Lausanne pedal. The passive resistance of the German bourgeoisie, upon which British imperialism counted when it took up a neutral attitude on the question of the Ruhr, proved itself every day less effective. The German bourgeoisie no longer hoped for success. An industrial agreement between German and French heavy industry is being striven for (the agreement between the bank of the Schneiders Creusot Group, L'Union Parisienne and the bank of the Stinnes Group, Nieder Oestreicher Eskompt Gesellschaft, which controls the great engineering works, Alpina Montana). Rumours became more insistent of the formation of an independent republic of the Rhine under French protection, etc., etc.

According to all appearances, we are to-day, seven months after

the occupation, on the threshold of important, if not decisive, events on the Ruhr.

If England is to participate in the final distribution of prizes, she can no longer stand aside. From the commencement of July, the British Press undertook a vigorous campaign for the intervention of Britain in the Ruhr. Meetings were organised, opinions were canvassed, and all the springs of public opinion were manipulated in order to "induce" the Government to abandon its neutrality. At the beginning of July a number of important industrial magnates bombarded the Government on account of its policy of non-intervention.

The Government "submitted" to the pressure of public opinion and began to speak of the intervention of Britain in order to secure a "final and just settlement of the Ruhr question."

France, on her part, proceeded to concentrate her forces for the final grapple. In order to free their hands, the Poincaré Government decided to accept all the demands of the Turks with regard to the coupons, to put an end to the Lausanne Conference and thus secure the greatest possible independence with regard to the Rhine. On July 9th a Paris wireless message announced that agreement had been reached at Lausanne on the question of the coupons.

The French bourgeois Press, of course, adopted a very restrained attitude towards the Lausanne agreement, but the British official Press clearly expressed its opinions both as regards the agreement and as regards the Turkish Government.

The coming of peace was hindered by certain secret but powerful influences working behind the scenes. We do not know what strings were pulled in London in order to prevent the Lausanne agreement being transformed into a Lausanne peace. But on July 12th, on the very day when Baldwin in the House of Commons, and Curzon in the House of Lords, made their announcements of the intervention of Britain in the Ruhr, a telegram from Paris reported a new and unexpected crisis at the Lausanne Conference. The difficulty this time arose owing to the alleged impossibility of the Allies evacuating their naval forces from Turkish waters until the agreement on the question of the Straits was finally ratified by the Allied Parliaments.

On that very day the sitting of the Conference was broken off on this very question, and the British delegation declared in unambiguous terms that the agreement regarding the coupons would be annulled if the Turks continued their opposition.

Having undertaken active participation in the Ruhr, Britain attempted to bring the Lausanne Conference back to its former indefinite position.

But the French Government, having made up its mind to pay a dear price, if necessary, for the freeing of its Ruhr policy from Lausanne pressure, refused to agree to a further prolongation of the Lausanne Conference.

On July 24th, after 170 days of discussion, the peace treaty was finally concluded at Lausanne.

The question of the coupons was entirely omitted from the treaty: the solution of this question will be arrived at by negotiations between the creditors and the Turkish Government.

Similar results were obtained by the Turkish tactics with regard to the concessions. By the time the treaty was signed, almost every concessionaire had quarrelled with the Turkish Government. England attempted to make a stand on this question and to put an end to the Conference almost at the very last moment. Sir Horace Rumbold demanded that the Turkish delegation should agree to recognise the old debts of Vickers Armstrong and the Turkish Petroleum Company.

The reply of the Turkish delegation to these claims, was a categorical refusal. The refusal was particularly firm with regard to the recognition of the privileges of the Turkish Petroleum Company, which claimed a monopoly for the exploitation of the oil of the Mosul region. The question was finally decided by the declaration of the American delegate, Grew, to the effect that the treaty was not to be regarded as implying the recognition of old and doubtful concessions. "America demanded the recognition by Turkey of the principle of the open door." This declaration paralysed the French attack on the Chester concession.

The final question over which England attempted to wreck the Conference, was the old question of the evacuation of the Straits. On this point the Turks were obliged to make certain concessions and to allow the Allies the right of retaining in the Dardanelles one cruiser and two destroyers each until the final ratification of the peace treaty by all the Allied Parliaments, but not later than December 31st, 1923.

At the last moment, England wrenched this concession from Turkey, which gave her the possibility of maintaining her position in the Dardanelles during the period of sharp disagreement with France. For the sake of this, all the promises and vows made by Sir Horace Rumbold at the solemn opening of the second Lausanne Conference, were forgotten.

## 6.—Conclusion.

In spite of all its defects and contradictions the Lausanne Treaty, as a political document, is a glaring expression of the process of decay



and liquidation of the Versailles Treaty. The Versailles edifice has been shaken from top to bottom.

The military victory of the Entente and the triumph of democratic reaction in Europe, have aroused the forces of national vengeance on one hand, and of the social revolution on the other. Lausanne and the Ruhr are bound up together not only by the external similarity of all diplomatic manœuvring manipulation, but by the profound organic bond of two processes which contain within them the ruin of European imperialism.

The national revolution in Turkey, which received de jure recognition at Lausanne, in spite of all the compromises which the young Turkish bourgeoisie were obliged to make, and will be obliged to make, represents under present historical circumstances a powerful counter-force to European imperialism. In this sense, the result of the Lausanne Conference is not only a great victory for the Turkish bourgeoisie, but is also a factor which will assist the development of the social revolution.

The Lausanne Treaty is not merely the simple mechanical liquidation of the Treaty of Sevres; it is evidence of the profound revolutionary process which is taking place in the populations of Europe and Asia which have been enslaved by Versailles and who are seeking a path of emancipation. Lausanne is the first sign of this process. It is not for nothing that the French were obliged to admit that the Turks had lost the war, but had won the peace. The remark of the Japanese delegate was more frank. He said: "Turkey will be the only one of our former enemies who will come out of the war without loss of prestige and with the full possibility of peaceful development."

This is the first stage in the disintegration of the basis of the Versailles system.

But the Lausanne Conference also illuminated fissures in the superstructure. On July 16th, "L'Information" wrote: Nothing better illustrates the fragility of the Entente, which secured the break-up of Germany with such great difficulty, than the recent tragi-comedy at Lausanne.

The capitulation of France at Lausanne in order to facilitate her manœuvres on the Rhine, is nothing but an application of the strategic principle of concentrating superior forces at the decisive point at the decisive moment. Of the same order is the whole present policy of England both in the Straits and in Europe.

Versailles, which at one time embodied the victory of the

Entente over the Central Bloc, is now falling to pieces owing to mutual atomic repulsion. "L'Information" writes: "If in the draft of the joint reply to Germany now being drawn up by the Foreign Office, reference will be made to the conditions of the Versailles Treaty (which is now being forgotten, inasmuch as not a single one of the sanctions are being applied), the position of the Allies will be strengthened. But this is hardly likely to happen, in which case things will end at Berlin as they did at Lausanne in new concessions. But the French Government is setting a limit and declares that from henceforward these concessions will no longer be concessions made by France."

The final stage of Versailles is a new variation of the story of the two robbers who came to blows over the sharing of spoils. But the robbers' brawl in the story is perhaps of interest to a sympathetic reader.

Lausanne signifies the beginning of the liquidation of the Versailles system. If this liquidation is carried out from above, by an armed conflict between England and France millions of workers and peasants will be involved in new sanguinary wars. The result of such a war will be the annihilation of Versailles and the hegemony of some new imperial power. The war can be prevented only by the decisive and early liquidation of the Versailles system FROM BELOW—by the revolutionary pressure of the proletarian masses of Germany, France, England, and Italy.

S. BRIKE, August 8th.



# The Italian Socialist Party since the Meeting of the Enlarged E.C. of the Comintern

The Italian Socialist Party since the Congress of Milan and under the leadership of the new Direction, has been unable to make any considerable step towards the unification of the proletarian forces, nor towards the reorganisation of the party for the struggle against Fascism. The unfortunate congress was called for quite definite, but far from revolutionary, objects, under the pressure of the opportunist Right Wing and at a time when complete confusion reigned in the party. Ever since the capture of power by the Fascists, the present leaders of the Italian Socialist Party have been more concerned with their personal position and the prevention of the great struggle for which the rank and file of the party were evidently preparing since the Congress of Rome, than with the fate of the working class upon the head of which the most ferocious and brutal reaction had descended. The Rome Congress of the Italian Socialist Party had put forward the slogan: "Down with Reformism and Opportunism, and long live the Communist International and the revolutionary class struggle." However, Fascist clubs were being brandished and the petty-bourgeois opportunists crawling out of their hiding places and sowing panic in the party, agitated not for the union, but for the disruption of the revolutionary forces, and for a retreat. Thus, the Italian Socialist Party, which at the trying moment of the capitalist offensive had adopted a courageous and revolutionary resolution at the Rome Congress, six months later at Milan went back on its own decisions, thanks to the persistent work of the right wing, backed by the reaction, thus inscribing another dark page in the history of the betrayal of the working class.

The opportunist and reformist tactics, so baneful to the working class, is being persistently encouraged by the present leaders of the Italian Socialist Party, who endeavour to conceal their treason by references to autonomy, tradition, maintenance of the party, and so forth.

This fight for the maintenance of the autonomy, traditions and symbols of the party, is solely due to their shrinking from a real revolutionary fight, and their fear of the possible cessation of the present confused state of affairs which furnishes a happy hunting ground for political demagogues and opportunists of every shade and description. The Italian working class is definitely striving for a

union of revolutionary forces and for affiliation with the Communist International, in which it sees the only safe guarantee of victory; therefore the present Direction is exerting every effort in the opposite direction, which is bound to end in the ruin of the Italian Socialist Party. One might almost think that they were being paid for it. The leaders of the Italian Socialist Party have great political experience, and once having made up their minds, they vigorously and persistently carry through their opportunist and treacherous plans, which are obvious, in spite of all their diplomacy and hypocrisy.

Having usurped the Direction and seized the "Avanti" during Serrati's arrest, these gentlemen are endeavouring to transform the Italian Socialist Party into a profitable little business which may be sold up to advantage at the opportune moment.

The Milan Congress of party officials and deputies has for various reasons postponed the union with the Communists and immediate affiliation to the Communist International, although union is persistently demanded by all the workers who still adhere to the Italian Socialist Party. This victory has provided the opportunists with an excellent platform for the prosecution of their further plans, i.e., to break completely with the Communist International, to get the party into their own hands, and, having eliminated the revolutionary elements, to transform it into a field for the manœuvres and wire-pulling which have made the career of many a leader in the past. All the efforts of the Party Direction since the Milan Congress were directed towards a definite end, viz., to fight the real revolutionary elements, which still constitute the majority of the party. This was done under the guise of the reorganisation of the party, while the masses were misled into believing that the Direction did not at all intend breaking with the Communist International, but was merely negotiating to secure the autonomy and traditions of the party.

The first "organisational" measure of the new executive was to expel the Young Socialist League, which had voted in favour of amalgamation with the Communists. Thus by a single stroke of the pen, Vella, Nenni and Co. got rid of the thousands of young revolutionists who belonged to the Young Socialist League. The "energetic" Direction has founded a new league of the youth, which was placed under the charge of reliable officials, and which got together a few score of well-behaved and docile young people. All this was done in the name of "discipline" and of the strengthening of the party, which still pretends to adhere to the ideas of the Third International. No less vigour was displayed in the internal reorganisation of the party: all the best elements were removed from

responsible positions and their places were filled by "reliable men." Furthermore, the internationalists, i.e., the comrades who favoured immediate union with the Communists and affiliation with the Communist International, were branded as harmful and dangerous elements; not only were they removed from all responsible party work, but even the columns of the party papers were closed to them. Such a state of affairs became intolerable to those comrades who did not care to destroy the "discipline" of the Italian Socialist Party, but would not allow the opportunists to benefit by the conditions created by the Mussolini Government to bring about the total destruction of the party. In order to be able to express their views without violating the discipline of the party and while adhering to the resolution of the Milan Congress, a group of the best comrades, led by Serrati, Maffi, Riboldi, and Malatesta, decided to start their own paper, which would allow them to carry on a Marxian propaganda, even on the basis of the decisions of the Milan Congress. In the introductory article to this paper, which is called "Pagine Rosse" (Red Pages), the editors state their programme as follows: "The difficulties and obstacles of the present moment dictate the urgent necessity for strenuous efforts in the direction of co-ordinating the activities of the Italian Socialist Party and of the Communist Party, the only parties which are still waging the international class fight in Italy in order to revive the movement and lead the working class to liberty. The best means for the achievement of this difficult and complex task [after all the wire pullings and "reorganisation" of the opportunists—A.V.] in spite of all prejudice and petty interests, is to spread among the masses the fundamental principles of the doctrines of Karl Marx, not as a dead letter but as an excellent instrument for activity, not as an inanimate word, but as the manifestation of a live and active spirit. Community of ideas will surely and rapidly result in community of activities."

With this modest programme, which at all events does not contradict the decisions of the Milan Congress, the comrades of the Italian Socialist Party started the publication of their review, "Pagine Rosse." In a letter to the Party Direction, over the signatures of a number of comrades, they write: "The unrest and misgivings observable among the members of our party in consequence of your recent decisions prompt us to address you in this open letter. We should not have adopted this method if all other ways had not been closed to us, and if we had not become convinced that the present mood of many of our comrades may injure the party as a whole and hinder its activity among the masses." With all its pretended "adherence to the platform of the Communist International," the leaders of the Italian Socialist Party could not tolerate the existence of this outspoken review, which, within the boundaries of party discipline, dared to call a spade a spade and to bring to the light of day the dark and sinister schemes of the party big-wigs. "Pagine

Rosse " spoke quite frankly of many things which the new Direction did not care to have discussed. For instance, on the subject of the expulsion of the Young Socialist League, " Pagine Rosse " wrote :—

" In spite of the fact that the Youth Executive has definitely declared its adherence to the party and its submission to discipline, even rejecting the decisions adopted by large majorities at their congress, you have raised against them a negligible minority, to whom you have handed over the league, although they enjoy no confidence whatever among the membership. You have even revived a paper which has been suspended for inactivity during the existence of the old league."

" Pagine Rosse " observes that the new editors of " Avanti " deliberately obstruct the united front, and instead of seeking a rapprochement with the Communists, point out unimportant defects of the Communists, while praising the reformists and the " social-patriots " of the right. In regard to the relation between the Italian Socialist Party and the Communist International, " Pagine Rosse " recalls the unpleasant (for the new Direction) decisions of the Milan Congress to continue negotiations with the Communist International, while refraining from immediate amalgamation with the Communists, in order to find a platform for agreement. " In spite of this," " Pagine Rosse " reminds the party Direction, " you are flirting with the remnants of the shipwrecked Vienna International. While some of us have lost all hope in this ' movement ' which was captured by Social-Democrats of the type of Scheidemann and Vandervelde, you began to eulogise in the columns of ' Avanti ' the rotten remains of this movement in order to pave the way for a closer association with it. At the same time, there are people who are trying to gain a reputation in the bourgeois Press as ' Italian Socialists ' in contradistinction to those who are subject to ' foreign influence '." Thus, in this question also, the comrades of " Pagine Rosse," while adhering to the Milan Congress, are saying things to the Direction which the latter would have preferred to be left untold. The paper went on to discuss another question which was unpleasant to the Direction, namely, the creation of a special staff of " agents " of the Direction who had the power of reorganising the local organisations upon special and secret orders, and to appoint their own men everywhere.

On the other hand, " Avanti " had been transformed into a sort of family paper, which advertises the actions of a few chosen individuals, while maintaining absolute silence on most important political events. Disregarding the devoted services of the members, the " Avanti " editors betray a perfect lack of contact with the rank and file, and complete subservience to a narrow circle. Incredible

things have happened; old and trusted workers of the paper have been thrown on the street because they happen to have their own opinion about the present trend of the party. "All this, dear comrades," "Pagine Rosse" complains bitterly to the party Direction, "absolutely contradicts the decisions of our congress from Regio Emilia (1912) to Milan (1923), and does not testify to any particular discipline on your own part."

But Vella, Nenni and Co. are of a different opinion: they consider as undisciplined all those who hinder them in their job-hunting game, all those who hinder them in their gradual and diplomatic betrayal of the working class for the glory of the Fascist Government, of freemasonry and the Second International; they do not shrink from deliberately ruining the paper that was created by the strenuous efforts of the workers, by their hard-earned pennies and by their devoted care. They have, therefore, instead of modifying their conduct in any way, decided to apply the gag and crush every attempt at expressing an honest opinion in "Avanti." The new Direction of the Italian Socialist Party has therefore decided to expel from the party all the comrades who are associated with "Pagine Rosse."

Piero Nenni, the bourgeois agent who had only recently penetrated into the Italian Socialist Party, very well knew that he would have to quit the "Avanti" after great display of homage rendered by the masses to Seratti on his liberation from prison. But, in order to gain time, to deceive the unwary, and to make an outward pretence of fulfilling the decisions of the Milan Congress, the worthy Direction addressed a letter to the Enlarged Executive of the Communist International, informing the latter of the decision of the Milan Congress and asking to be accepted by the Communist International while retaining the "autonomy" of the party, or else to discontinue discussing a painful question which absorbs the attention of the masses of the workers, hindering the worthy Direction in its work of "reorganising" the party. The Executive of the Communist International has always given sympathetic attention to the Italian working masses, and knowing their present moods and sentiments, has met the wishes expressed in the letter of the Italian Direction. Taking into consideration the unusual circumstances under which the struggle of the Italian working class is now developing, the Enlarged Executive of the Communist International resolved to accept the Italian Socialist Party as at present constituted as a sympathising party, and invited the Direction of the Italian Socialist Party to send a delegation to the Executive of the Communist International for the purpose of final negotiations. The standpoint and the principles of this decision of the Enlarged Executive of the Communist International was stated quite clearly and frankly in Comrade Zinoviev's speech and in the resolutions adopted by the Enlarged Executive on the Italian question.

The opportunist Direction of the Italian Socialist Party addressed the letter to the Communist International under the pressure of the rank and file of the party, and they probably hoped and prayed for a flat rejection. The favourable answer, of course, was unpleasant to them, because it was likely to frustrate their schemes. Accordingly, "Avanti" (unhappy "Avanti," which, in addition to Fascist raids, has to put up with the contemptible lies spread by political adventurers through its own columns) has started a campaign in order to misconstrue the sense of the resolutions adopted by the Enlarged Executive.

In an article in "Avanti" (July 4, 1923), the new editors explain the resolutions of the Enlarged Executive. With regard to the dissolution of the Young Socialist League (not by order of Mussolini, but of Nenni and Co.), the editors say literally as follows: "The decision to dissolve the Young Socialist League was a necessary act. It was necessary to afford the youth an opportunity to demonstrate their adherence to the party and their devotion to our work." This brilliant statement deserves to become classic. Let the young revolutionary organisations of all parties know that if they have not been dissolved unceremoniously it is because the opportunity has not yet presented itself for demonstrating their devotion to the party and to its work. The article goes on to say: "The actions of the Direction are not inspired by hostility to the International [and nobody has yet thought of thanking them for it!—A.V.] they are directed towards the maximum development of the organisational strength of the party." [But in which direction Mr. Nenni does not say.—A.V.]

Further on we read: "All the congresses are to some extent passing episodes. If the Communist International thinks that a congress can dispose of the fundamental question of the 'preservation' of the party, then it is time for us to talk plainly to them upon this point." This "question" is indeed a most painful one for these gentlemen who managed to seize the central organs of the party, thanks to the indirect aid of the Fascist Government, and the confusion which ensued at the worst moments of the White Terror. To them the "preservation" of the party means the prevention of any changes that might oust them from office. Let the party perish; but if it suits the interests of Nenni, Vella and their tribe, it will be represented as the real preservation of the party and its autonomy. Once Mussolini has removed Serrati from the editorial chair as successor, what congress has power to change this? Let the Communist International cherish no illusions on that score!

Of course, the letter addressed to the Enlarged Executive was a voluntary act of the party Direction, but it (the Direction) "regrets to note, from the reply, how far removed are their views from those of the Executive of the Communist International."



Seeing no other way out, these poor martyrs of the Italian proletariat think the time has come to publish this sad and belated discovery. On the whole they are sceptical as regards the future, for the party has a tremendous problem to solve. The party "needs unity," hence it needs rigorous discipline and order. "Why travel to Moscow?" Indeed, why should they travel to Moscow where conditions are imposed, where the International Congresses adopt resolutions laying down the law in definite points, where strict centralisation is talked of, and so on? They can "be perfectly international" without an International (i.e., as long as they dare not openly adhere to the Second International)—such is the expert opinion of Vella and Nenni. Can backward Moscow and the all-too-young Third International appreciate the new measures of "reorganisation" and the "tremendous problems" which confront the new Executive of the Italian Socialist Party? If they did, they would understand that in order to unite the party it is necessary to expel at least three-fourths (if not nine-tenths, as has been the case with the Young Socialist League) of the members. If the Direction of the Italian Socialist Party is to disorganise the party completely and prepare for a new betrâyal, it is indeed confronted with a "tremendous task," yet all this "internationalism" must be prated about in order to humour the unenlightened masses whose money supports these gentlemen and the "Avanti" and is only a hindrance and a handicap to the "urgent and imperative work of the moment."

Nevertheless, the situation was such that the party Direction could not afford to abandon negotiations. After some deliberation a telegram was sent to the Executive of the Communist International asking for permission to postpone the sending of the delegation for three weeks, in view of the approaching Parliamentary work which would require the mobilisation of all forces. The Executive of the Communist International, taking into consideration the difficult position of the Italian workers under the Fascist yoke, was prepared in order to facilitate the union of the revolutionary forces in Italy to negotiate with these opportunists who have wormed their way into the proletarian party. The Communist International sent a letter signed by Zinoviev, chairman of the Executive, in which the proposal was accepted, while at the same time pointing out the consequences which may result from their recent measures. Meanwhile, the "urgent and imperative work" of the Executive, which consisted of preparing the party for the expulsion of the best and most revolutionary comrades with the assured aid of Mussolini if it should be unexpectedly needed, became so intense, that none of these honourable gentlemen could spare the time to leave Italy even for a

short time. Knowing that the membership would insist on continuing the negotiations with the Communist International, as resolved by the Milan Congress, the Direction wrote a new letter to the Executive of the Communist International, in which it no longer spoke of a visit to Moscow, but politely suggested (apparently with the preliminary consent of the Fascist Government and its black bands) that a delegation be sent to them "for a fraternal talk." The results of the "tremendous work" of the Executive were summed up in "Avanti" of August 4th (see the reference to the Young Socialist League.—A.V.). The new Direction, therefore, was inspired by the best intentions of saving and preserving the party, after all the splits and internal feuds which it had sustained. "But, unfortunately," says the resolution, "the intentions of the Direction have met with the hostility of those comrades who are obsessed with the idea of amalgamating with the Communist Party. The latter have grouped themselves around the 'Pagine Rosse' in order to conduct their propaganda within the party. The Executive could not help taking measures against such a perfidious attempt to disturb internal harmony and hinder the work of reorganisation."

All this was written in a style which for sheer hypocrisy is a good match for any Jesuitic documents. Nevertheless, out of personal consideration for the comrades who have put themselves at the head of such a regrettable and disruptive enterprise, the Executive has displayed a good deal of magnanimity in the application of its decisions. So Seratti, Maffi, and Riboldi and hundreds of other comrades who had served the party in most trying moments, should be grateful to Vella and Nenni, who did not expel them from the party immediately after the Milan Congress. Seratti particularly, who had befriended the new-baked Socialist Nenni and employed him as a technical help on the "Avanti," should be grateful to the latter. This was probably what the new Direction wished to convey by its arrogant resolution. The Italian comrades are not the only target for the severe condemnation of the bare-faced and brazen Direction, for they assail also the Executive of the Communist International for failing to rise to the moral heights of these noble proletarians of the new direction, who are permeated with the sentiments of discipline and of sacred autonomy, and of the desire to preserve the party.

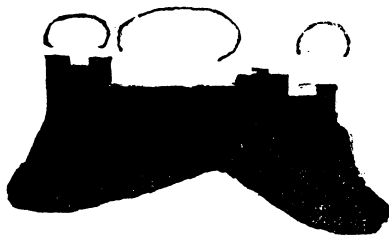
“ Unfortunately, we must observe,” they write, “ that the Executive of the Communist International, while claiming to support the Milan Congress in the maintenance of the autonomy of the party, has virtually violated its own declaration, by supporting the ‘ Pagine Rosse ’ and thereby countenancing the insubordination of that group towards the Direction.” This statement, which even the most reserved comrades of the Italian Socialist Party describe as a “ statement of political crooks,” is sheer mockery of the Italian workers. It is only under the Fascist régime that such a statement could be made with impunity in the columns of the “ Avanti.” The diplomatic Direction of the Italian Socialist Party probably thinks that the decision of accepting the Italian Socialist Party into the Communist International as a sympathising party was due not to the thorough purging of the party from the reformist pest at the Rome Congress; not to the real revolutionary aspirations of the rank and file; not to the revolutionary class policy conducted by—but to the diplomatic assertions of Deputy Vella and his faithful interpreter, Municipal Councillor Romitu. If the Mussolini régime encourages the present machinations of the wire-pullers of the Italian Socialist Party, the Communist International cannot do so. The Communist International has agreed to negotiate with these gentlemen merely for the sake of the masses of the workers to whom the “ Avanti ” is dear, for the sake of those revolutionary members of the Italian Socialist Party whose views and aspirations are expressed in “ Pagine Rosse,” and finally; in view of the decision of the Milan Congress (in spite of all the efforts of the adventurers) to come to an agreement with the Communist International at all costs.

The bitter attacks of the present Direction upon the “ Pagine Rosse ” were due to the fact that the paper reflects the views of a large majority of the party, which are diametrically opposed to those of the handful of opportunists. The expulsion by the Direction of the old stalwarts of the party would cause nothing but merriment in the party organisations, if it had taken place at some other time. Who is the expeller and who are the expelled? A few wily opportunists, hitherto barely tolerated in the party, are expelling those who have created the party, who enjoy the confidence of the party, in whose name the money contributions are sent to “ Avanti,” and

behind whose backs are the great majority of the party. The Rome organisation, which had unanimously condemned these "manœuvres" long before this decision, now declares that "only the accomplices of Fascism could act in this manner." But perhaps the thick-skinned wire-pullers hope to remain at the head of the Italian Socialist Party with the aid of the Fascist militia. Aid will not be denied them from that quarter, and in this manner alone will they be able to carry on their treason to the end and to remain in the possession of the paper stolen by them from the proletariat.

Rome, August 5th, 1923.

A. VITALI.



# A SPECIMEN CAPITALIST DICTATORSHIP

(" SHALL IT BE AGAIN ")\*

By I. A.

President Wilson's great flow of "idealistic" language led the world to believe that he had the highest motives in entering the war, and that his defeat at Versailles was due to the trickery and knavery of Old World diplomats. Wilson was weak, but Wilson was "ideal"; and America's participation in the war was based on altruistic considerations, it was said. The "whole-hearted" support that the American people gave to Wilson was attributed to their belief that they "were the trustees of the moral judgments of the world."

That the World War produced 21,000 American millionaires; that America changed from a debtor into a creditor nation, with debts piled up against the European Governments amounting to eleven billion dollars; that, during the war and after, America embarked upon imperialistic ventures equalling in brutality those of the imperialisms of Europe—all of this was considered incidental to the war, and in no way militating against Wilson's contention—which the great majority of the American people believed—that "the glory of this war, my fellow-citizens, so far as we are concerned, is that it is perhaps, for the first time in history, an unselfish war."

We shall examine how unselfish this war was—not for the American people, the American working class, but for the capitalist class of America. The capitalists were the loudest in advocating the war, and once it was declared, the noisiest in proclaiming their patriotism. They were the ones who were adjured by Wilson not to mix profits with patriotism. They became the "one-dollar" patriots, the men who "sacrificed" their business interests to serve the country. They offered their time, their employees in office and factory, for the promotion of the war. They were the sponsors of Liberty and other loans. They stood at the street corners, went to factories and made speeches on the war and the greatness that America would acquire by entering the war. They furthered the Red Cross, offered their villas as hospitals, their yachts as supplements to the Navy. They offered their plants to the Government at cost price, and in all ways were ready to serve the Government in securing victory as "instruments in the hand of God to see that liberty is made secure for mankind."

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\* "Shall it be Again," by John Kenneth Turner. Published by B. W. Huebsch, Inc., New York.

Wilson, as the country's spokesman, was so profuse in his professions that neither the country nor the world saw that behind the "democrat" was the autocrat, who operated not in the interest of the country, but in the interest of a clique of bankers and big industrialists. This clique used Wilson's "democracy" as a screen for their plans, which originated early in the European War, and were directed to America's speedy participation in the war. In his zeal to serve them, Wilson overrode constitutional provisions: he sent an ultimatum to a foreign power without notifying the Government; he broke diplomatic relations without consulting the Government; he refused mediation, armed private ships with naval crews, and ordered the crews to fire at sight on vessels of another nation with which America was not at war—all without consulting Congress. He sent the National Guard across the seas, which was clearly against the constitution. By coercion, he secured the right to use extraordinary war powers—to take over the railroads, to control prices and labour, to suppress free speech and censor the Press.

Nothing, however, was so brazen as his insistence upon breaking off relations with Germany, and refusing to make any attempt to mediate the "points in dispute." Why, then, did Wilson not seek a declaration of war when he broke off relations with Germany on February 3, 1917, and when he sought power from Congress to arm merchant ships—which authorisation was denied him? This was the trick that Wall Street employed in order to ensure a united people "standing behind the President." This was well explained by John Dillon, the British statesman: "The difficulties with which President Wilson has been confronted in the last two and a-half years have not been sufficiently appreciated in this country. He had to keep the nation united and bring it united into the war."

On February 26, 1917, when he asked the passage of the Armed Ship Bill, Congress was not yet with him, and the "people" had still to be propagated and made a unit in support of war against which they had re-elected Wilson on the slogan: "He kept us out of war," which meant that he would continue to keep us out. Skillfully turning the whole propaganda machinery in the direction of war, utilising Press, school, moving pictures, and pulpit for agitation purposes, by April 6 he persuaded the people that war was the most desirable path for America to tread, and by coercion and insinuation, convinced them that anti-war protagonists were pacifists. By remaining at the Capitol till the legislators did his will—which was an act quite opposed to usage—he forced Congress to declare war.

Despite Wilson's eloquence, the American people were unwilling to carry on the war. Recruiting, which was encouraged by every means possible, did not proceed. From April 1 to July 1 only 133,922 enlistments were received. Hence, Wilson went to Congress and demanded executive power to draft all males and to draw upon them at his own discretion. He forced Congress to enact a Food

Control Bill—a Bill whose ostensible purpose was the protection of the farmers, yet guaranteed to the farmers a price for wheat 1.05 dollars below that which they were receiving at the time of the enactment of law. Progressively asking more and more power from Congress, on the specious plea that failure to grant this power would show a “want of confidence in the President,” he did not cease until he reached a situation in which “no war lord in history, no kaiser, no czar, ever had such power.” Senator Underwood, one of Wilson’s party leaders, declared that “when Congress reaches the point where it is prepared to abandon constitutional limitations, and surrender government of law for government by a man, then danger is ahead for the people of the United States.”

Immediately war was declared, a terror was instituted beside which the provisions of lese majeste pale. The Sedition Law, the creation of patriotic societies whose function was espionage, the terrorisation of the workers into buying Liberty bonds, the “Work or Fight” Law, the declaration of Wilson that “woe be to the man or group that seeks to stand in our way,” showed clearly that before making war in Europe, Wilson intended to make “war on the American people.” Never before in the history of the American people has autocracy ridden so rough-shod over all so-called constitutional rights. In no country, not even in Germany, were the people made so completely the tools of the war machine. Although Wilson had declared that “every true believer in democracy believes that it is upon the voluntary action of the men of a great nation like this that it must depend for its military force,” and that “America does not want anything but the compulsion of the spirit,” a despotism of the grossest and most brutal form was established. Eight per cent. of the draftees (252,000) failed to appear; 50.62 per cent. put in formal claims for exemption; tens of thousands fled from the country. In ten months 14,000 desertions were reported. The offences that the men resorted to in order to procure dishonourable discharge from the Army, anti-draft riots, etc., clearly revealed that **between 300,000 and 500,000 men out of the first draft of 3,000,000 made efforts to evade military service.**

This was the “patriotism” that inspired the American people: this was the “faith” that the Executive placed in the people. If, despite the use of every trick imaginable, of every form of coercion and intimidation, the American people did not want war, if they could not understand the lofty meaning of this “unselfish war,” then who did want the war? If Wilson was not speaking for the people, whom did he represent?

The first armed ship that Wilson sent into the zone barred by the German Government was the “St. Louis,” a vessel of the American Line, a subsidiary to the International Mercantile Marine Company, whose stock was controlled by England, and whose financial head in the United States was J. P. Morgan, financial agent of

the British Government. "When one of the American Line ships, armed with United States guns, sails out to sea, the orders to fire will be given by Mr. Franklin's master of the ship, not by the United States gunner. The English owners give orders to Franklin. The English owners take their orders from the British Admiralty."

In the first eleven months of the European war, England seized 2,000 ships, with American cargoes, bound for Europe, including vessels consigned to neutrals; still, beyond a formal protest, the American Government did nothing to put an end to the practice. Wilson opposed warning American citizens of the danger of travelling on the armed ships of the Entente Allies; he refused to keep American ships out of the barred area; he unconditionally rejected the German offer to safeguard American lives. To have consented to an abridgement of the rights of American citizens, "in any respect," would have meant an "implicit, all but explicit, acquiescence in the violation of the rights of mankind everywhere, and of whatever nation or allegiance," he declared.

In the early months of 1917 the Allies were inclined to listen to the peace overtures of the German Government. By that time, however, "public opinion" was properly cultivated in the United States, and a new force of millions of men and billions of dollars was ready to enter the field against Germany. Had the Allies accepted the German offer they would have sat round the peace table as equals, to effect a peace between equals, "which alone is enduring." By the beginning of April, 1917, Wilson had convinced the American people of its having suffered wrongs which could be righted only by forcing Germany to "repent," and to accept a "dictated peace." Hence war went on with intensified hatred and multiplied vigour.

"Not since Woodrow Wilson became President has any utterance of his met with such instant and hearty approval, by leaders in the financial district, as his war address to Congress," said the "New York Times." "It (the war message) was exactly right," said Judge Gary, head of the United States Steel Corporation. "It was 100 per cent. American," said Frank Vanderlip, head of the National City Bank, and leading spirit of the American International Corporation. "The President's address was magnificent." "It was well worth waiting for," were the statements of other Wall Street bankers, which were "echoed in one form or another by bankers, brokers and executives in large number." The financial district was unqualifiedly for the war. "It is a good thing for the country," one Trust president declared. The directors of the National Safety Council, claiming to represent 2,814 American corporations, employing 3,000,000 men, pledged the "loyal support of this organisation in whatever measures may be necessary to defend the national honour, and to protect the lives and property of Americans."

Even before breaking off diplomatic relations with Germany, organisations of the richest millionaires were carrying on propaganda



for preparedness. The National Security League and the Navy League arranged large preparedness parades, filled the Press with propaganda, and had innumerable speakers flooding the country with the spirit of hate. In 1916 the United States Chamber of Commerce held a referendum of its 750 local Chambers on the question of preparedness, 95 per cent. voting in favour of preparedness. The war spirit was fostered by the Morgan interests financing a tremendous propagandist apparatus, embracing twelve influential publishers and 179 newspapers, for promoting sentiment favourable to America's participating in the war. The Government utilised unlimited newspaper space for war propaganda; millions of dollars' worth of advertising was donated by Wall Street. There was not a dissenting voice to this "patriotic" outburst. There dared not be, for the Press of the country was placed under the strictest censorship.

Immediately after the war began for America, the Government assumed nominal control of all industry. Even before, at a time when Wilson was "keeping us out of the war," he created two important organisations that were to function as special war bodies: the Shipping Board and the Council of National Defence. In its original composition, the Shipping Board consisted of an attorney for large lumber interests, a multi-millionaire lumberman and exporter, a railroad manager, and two shipping magnates. Although the Council of National Defence was composed of six members of Wilson's Cabinet, the real working body was an Advisory Commission, consisting of seven members. The chairman of this commission was the president of a large railroad. Three other members were a noted Wall Street speculator, a millionaire merchant, and the vice-president of a leading motor corporation. The minority consisted of a Labour leader, a college president, and a physician. The work was divided by the four business men, to whom was added a director, an official of the American Telephone and Telegraph Company.

The sub-committees of the Advisory Commission were composed of men dominating the field in which the committee was to function. The Steel and Steel Products Committee was composed of Gary, of the U.S. Steel Corporation; the president of the same corporation, and the president of the Bethlehem Steel Corporation. The Copper Committee consisted of the presidents of three prominent copper concerns. The same procedure was observed in the appointment of the Locomotive, the Express, the Brass, the Sulphur Committee, etc. The function of these men was to divide up the Government's business and to recommend—which, in reality, meant to fix—the price to be paid by the Government to themselves.

The Fuel and the Food Administration and the Ordnance Department were organised in the same manner. The Emergency Fleet Corporation had as its head Charles M. Schwab, the head of one of the largest shipbuilding concerns in the world. The president of

the International Mercantile Marine Company was given control of the routing of the merchant and passenger ships leaving America. The president of the Anaconda Copper Company, the world's greatest copper producer, became Director of Aircraft Production. One of Morgan's partners became Director of Purchase and Supplies for the War Department, buying billions of dollars' worth of merchandise.

Paul Cravath, chief counsel of Schwab's steel company, was America's representative on the Inter-Allied War Council. Thomas Lamont, one of Morgan's partners, was the official representative of the Treasury Department in the Peace conferences. When Balfour went to America, in April, 1917, he conferred in the same day with President Wilson, J. P. Morgan, and the head of the Department of Purchases and Supplies—a significant symptom of the unity of Wall Street and the Government.

The war fulfilled the prediction that "a million new springs of wealth will be developed." When the break with Germany took place, stocks reacted with great vigour—especially the stocks of concerns that were destined to make vast profits out of the war—steel, marine, munitions, etc. From the beginning of the war in Europe, America had exported tremendous quantities of goods—more than 10,500,000,000 dollars being shipped out of the country between August, 1914, and February, 1917. It was evident that if the war came to a close this trade would cease, and with it the profits. Hence, Wall Street regarded the termination of the war with horror. When peace overtures and parleys began, American stocks dropped violently.

To force America into the war, by interest in profits, the Allied Governments announced their intention of manufacturing their own munitions and steel supplies. American financiers were indisposed to grant the Allied Governments unlimited credits, whereupon they faced the possibility of losing a large part of the two billion dollars in loans, principal and interest, in case the war came to an end without the Entente being victorious. Wall Street, therefore, realised that America's entrance into the war denoted enhanced profits; her failure to do so would be tremendous losses. When the crisis occurred the financiers faced it with the greatest optimism: "Sentiment among bankers is patriotic, and it is bullish. . . . To many persons long on stocks, war apparently merely spells another long period of abnormal profits for our corporations. The big men hold stocks."

There was no question that, despite their constant reiterations that the war was solely for the establishment of democracy, and despite Wilson's continual exhortations not to make profits out of the war, the bankers and industrial magnates were taking advantage of the situation to reap huge profits. The newspapers industriously published reports endeavouring to prove that profits and dividends in 1917 were lower than in 1916. There were various ways of concealing

profits, and all of them were employed to the very limit. Nevertheless, the reports of the big corporations themselves show that their profits increased in 1917. The earnings of the U.S. Steel Corporation in 1917 were 528,757,625 dollars, as compared with 333,574,178 in 1916. The other steel concerns were earning profits in proportion. Dividends up to 500 per cent. were reported by the great corporations supplying material to the Government. The national banks had earnings for the fiscal year amounting to 667,406,000 dollars. The export trade of 1917 exceeded that of 1916 by 1,225,000,000 dollars. This trade was being done at a time when Wilson was hypocritically stating that "patriotism leaves profits out of the question. In these days, when we are sending hundreds of thousands of our young men across the seas, no true patriot will permit himself to take toll of their heroism in money, or seek to grow rich by the shedding of their blood."

The Bond Issue Bill was one of the biggest robberies that have been perpetrated in the United States. Bonds to the amount of three billion dollars were issued to guarantee loans to the Allies, the understanding being that the amount would be expended in the United States in payment of future orders from the Allies. The second condition was that the Government of the United States should buy the paper at par, which was several per cent. above what Wall Street had ever paid for Allied paper. These two features meant large gifts to the big banks. The banking firm that brought this about made a commission of 60,000,000 dollars.

In order to loan money to Europe it was necessary to procure the money in the United States. The Liberty Loans were the devices employed to entice billions from the American people. J. P. Morgan was on the advisory council of the American Federal Reserve banking system, while acting, at the same time, as the financial and munition representative of England in America. American bankers decidedly approved of the plan to issue the Liberty Loans. "If the record of the country's coming achievements carries a tinge of scarlet, the golden lustre will be undimmed," stated a prominent Wall Street firm. "The loan is a means of making patriotism profitable," said the "New York Times." Why should it not have pleased the bankers immensely? It was free from all taxes, including the very high super-toll on large incomes.

The various industries were quite content with the "supervision" that they were subjected to at the hands of the Government. "We have no reason to complain of the action and attitude of the Government." So pleased were the steel manufacturers that they urged the continuance of the supervision as "highly desirable." The copper producers accepted a price of 16 2-3 per cents per pound for copper at a time when it was offered at 5 1-8 cents per pound. This they did as a matter of "patriotism." Still they found that patriotism was entitled to its rewards, and the Government, "by

agreement," raised the price to 23½ cents. By the middle of 1918 they had persuaded the Government that their patriotism justified raising the price to 26 cents per pound.

The railroads coming under Government control received the benevolent care that the Government imparted to all big industries during the war. The companies were guaranteed a "fair return," in view of the higher profits being made in munitions. This meant the highest income they had ever had, and was subject to increase in "abnormal cases" at the discretion of the president. Half a billion dollars was provided to make improvements. Rates could be raised at the president's discretion; the companies were allowed to issue securities, which the Government was to purchase.

Shipbuilding was one of the scandals whose ghost could not be laid. Hog Island will be remembered by American soldiers who went across sea and suffered, while American pirates remained at home to rob and steal to their hearts' content. The yards originally were to cost 19,000,000 dollars. In December, 1918, without their having been completed, the cost had risen to 63,500,000 dollars. Vessels were to be built at the yards to carry American soldiers to Europe. Yet after 3,500,000,000 dollars had been expended, only a single ship crossed the Atlantic, carrying 50 soldiers.

Prices for coal were fixed and gradually increased, so that, according to a Senate document, profits ran as high as 7,856 per cent. The sale of German property in the United States, which was valued at nearly a billion dollars, was another gift to the buyers. The tariff was revised in such a way as to favour the big industries. Water, power, oil, and mineral lands were opened up to the great exploiting concerns, without any consideration to the idea of "conservation" which had been so loudly acclaimed by Wilson. In fact, the whole country, its resources, and particularly the Government, were free to be looted by the super-patriots.

As early as January 20, 1914, Wilson stated before Congress: "The antagonism between business and Government is over." Later he said: "I, myself, have always felt, when the Democratic Party was criticised as not knowing how to serve the business interests of the country, that there was no use in replying to that in words. The only satisfactory reply was in action. We have written the first chapter of that reply." Still later he made a promise to big business in the words: "Business can get, and will get, what it can get in no other way." The St. Louis election platform of 1916 contains the following significant paragraph: "We must now remove, as far as possible, every remaining element of unrest and uncertainty from the path of the business men of America, and secure for them a continued period of quiet, assured, and confident prosperity." What Wall Street thought about the Presidential nomination of 1916 may be gathered from the statement that: "The Presidential nominations are most satisfactory from a financial standpoint."

During the early years of the war, when Europe was busy slaughtering, and American bankers and manufacturers were busy making profits, American imperialism was unfolding its wings. Fostered by the Navy League, an organisation of millionaires interested in contracts for armour plate, munitions, and foreign financing; and the National Foreign Trades Council, representing the heads of large banks and industrial corporations, the campaign for a large Navy began. The billions that were accruing through the war were to be invested abroad. The European War was the opportunity of all opportunities. "Never did a nation have flung at it so many gifts of opportunity—a flood tide of wealth, of opportunity, which, added to our resources, puts upon the people of this country a responsibility of trusteeship of the world. . . . We have suddenly, by a world tragedy, been made heir to the greatest estate of opportunity that imagination ever pictured," said the banker, Frank Vanderlip. The first grounds for a lofty imagination, where America also had a "responsibility of trusteeship," was Mexico, and the President decided "to put the Army and Navy of the United States back of their financial enterprises in Mexico and throughout the world." In 1916, Wilson refused diplomatic support to Wall Street in the matter of a "consortium" loan to the Chinese Government. But in 1919 he consented to it, for it was secured by a mortgage upon wine and tobacco taxes; another loan was for the construction of a railroad and the improvement of a canal by a subsidiary of the American International Corporation. Haiti, Santo Domingo, and Nicaragua were the spoils of the same "enterprising" American bankers and industrialists. Murder and massacre, the deposing of presidents and establishment of others, were the means of securing control of these helpless countries, their railroads, and natural resources. These things were done to "put the countries on their feet."

While all these "noble deeds were being accomplished by our Government," and while American millionaires were being heralded for their "patriotism," the Government was repressing all voices of criticism. "Papers must not say that the Government is controlled by Wall Street." Legislation was asked by the Attorney General in order to stop the protests that were arising as a result of the unheard-of profiteering that was being engaged in, with the support of the Government. Newspapers that were so incautious as to indulge in criticism had their mailing privileges curtailed. Surely this was a war for "democracy."

The end of the war caught the Government with large supplies of merchandise and material in hand. The heads of the different departments announced that the Government would dispose of them in such a manner as "not to break the market." Six months after the war ended the Government and packers were acting together to hoard large quantities of food, doing so to protect the interests of the packers. The Government agreed to take all the copper output

at the fixed price of 26 cents a pound. It accumulated a surplus of 140,000,000 pounds. In the meantime, copper dropped to 15 cents a pound; the Government "co-operated with the producers" in disposing of the surplus. As soon as the latter had pocketed the tremendous gains they raised the price again above 20 cents per pound. Over a billion dollars was "lost" by the Government in operating the railroads—a sum that was practically presented to the railroad companies as a gift. The Government decided to hand over the vessels built by the Shipping Board to private enterprises. Accordingly they were sold at a scandalously low price.

As a crown to the looting that had been committed throughout the war, countenanced and supported by Wilson and the Government, was the presence at Paris of two financiers who enjoyed the confidence of the President, and did more in shaping the treaties than the people's representatives elected to the Senate, whose function it was to decide such matters. One of them, Mr. Lamont, a partner of Morgan, was permitted to send an advance copy of the Peace conditions to his Wall Street associates. A New York firm of lawyers had the complete data of the Conference, which Wilson persistently refused to submit to the Senate of the United States.

In no country of the world was there such a flagrant demonstration of the unity of big business and the Government as in America. Posing as a "democrat" and "idealist," Wilson opened up the Treasury of the United States for the pillage of big business. He entered the war at the instance of Wall Street; he conducted the war with the financial aid and administrative co-operation of Wall Street and the big industrialists; he concluded peace with the assistance and counsel of representatives of Wall Street. "The glory of this war," it was obvious, so far as they were concerned, was that it was, "perhaps for the first time in history an unselfish war." In fact, "we look for no profit. We look for no advantage. We will accept no advantage out of this war."

Hypocrisy is no definition of Wilson's real attitude. The whole war was a lie from beginning to end. **Big business determined war; big business made war; big business ended the war.** The Government acted as capitalist governments act—as the agents of big business. **Big business is the capitalist government.**



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