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## The Situation in Germany and the Communist Party of Germany

By August Thalheimer (Berlin).

\*\* The Dictatorship of Seeckt is, step by step, capturing new positions with the same bloodless methods with which it succeeded in obtaining power. It still considers it worth while to retain parliament and the remaining democratic lumber as a sort of screen, but only on condition that parliament, as well as the other so-called democratic institutions, shall be submissively subservient to the military Dictatorship. The cabinet of Marx which has succeeded to that of Stresemann, marks a great step in the degradation of parliament and of parliamentary government. It is not only that Marx before forming his cabinet, sought permission of the white General. — The composition of the cabinet itself is in accordance with the considered wishes of the white General. Social Democracy was thrown overboard. Nevertheless, the strivings of the Junkers to obtain possession of the Prussian administration, in consequence of the dissolution of the great coalition in Prussia were prevented by the General. The reason for this is obvious. It was not advisable having regard to the government of Poincaré and also the English cabinet to display, as it were, the coat of arms of the feudal Junkers on the Reichstag buildings. At the same time the General did not deem it meet to present the bread-profiteering Junkers openly to the workers. In return for this piece of indulgence the General obtained the appropriate recompense: The Centre, Democrats and Social Democrats, who in Prussia have such and such a number of administrative posts and offices to defend against the Junkers and the old Wilhelm bureaucrats, now prove themselves to be so much the more accommodating flunkeys of the military Dictator. Severing and Brauns fall over one another in their eagerness to slander and persecute the Communist Party. In the Centre and with the Democrats, the right wings (large capitalist and large agrarian) have won the upper hand.

The effects of this were to be clearly seen in the discussion of the Special Powers Act. Not only the governing parties, but the Social Democratic so-called opposition hastened to secure the Special Powers Act for the cabinet of Marx. The mere threat of the dissolution of the Reichstag which, according to their own reckoning would cost the Social Democrats about two thirds of their seats, and which would sweep away the old parliamentary leaders in favour of the so-called „left“ leaders — this threat sufficed to bring the Social Democrats to heel and cause them obediently to pass the Special Powers Act, in spite

of all the thousand oaths sworn against the state of siege. This means complete submission on the part of Social Democracy to the military Dictatorship. It is submission to victorious Fascism. It is characteristic that the so-called Social Democratic Lefts were, by the threat of expulsion from the party, induced on their part to submit to the right wing fraction majority, and thereby also to the military Dictatorship.

Petty bourgeois Fascism is also being rendered incapable of doing any harm by the triumphant great capitalist Fascism of General Seeckt. A portion of this wing has, after the settlement of the Hitler-Ludendorff-Putsch, completely capitulated to the dictatorship of General Seeckt. Another section is being rendered docile by the repressions which are bound up with the prohibition of the German People's Party. Seeckt has attached to himself the organisations grouped around the Bavarian dictator Kahr, by admitting representatives of the Bavarian reaction into the cabinet of Marx.

Meanwhile, General Seeckt is eagerly engaged in extending and completing his own political apparatus. He has brought together the old officers who served in the areas occupied by Germany in Belgium, France, Rumania etc. in the war, and is using them to control the civil administration and to form the elements of an independent military Dictatorship. The prohibition of the Communist Party is also being taken advantage of by the military Dictatorship in order to still further complete its own political apparatus.

The military Dictatorship, which need no longer expect any resistance on the part of the former bourgeois democracy, is now making it its task to carry out the Fascist programme of large capital.

What is this programme? Its general features can be inferred from the situation of the German bourgeoisie. It is necessary to set up, if only for a transitory period, an economic equilibrium. In order to attain this end a dictatorship of great capital has to work in two directions: In the first place there has to be a retrenchment in expenditure by the cutting down of all the educational services of the state and of the social and political services; secondly, there must be a raising of the capitalist profits and of the income of the state by means of increased exploitation of the working class and of the middle classes, by increasing exports — and by increasing the taxation

of property owners. So far as the first is concerned, the discharge of officials and the prolongation of the working time is in full swing. These measures are at the same time being made use of in order to weed out the democratic and socialist-inclined younger sections of the officials, and to create places for the old reactionary bureaucracy as well as for the new adherents to Fascism. With regard to the second, the employers have, by means of ruthless lockouts and closing down of factories, practically made an end of the eight hour day and introduced the nine and ten hour day. The Trade Unions have neither the will, nor were they in a position to offer serious resistance. The unemployed maintenance is being cut down; the same is happening to the other social-political services. But all these measures are in vain if the bourgeoisie does not succeed in bringing in a sufficient amount of taxes in order to balance, if only for the time being, the national and state finances. These necessary sums are not to be extracted either from the working class or the middle class sections of the population. The state expenditure is still only covered to the extent of less than one per cent by state income. It is, however, improbable that the bourgeoisie will constitute itself as a Fascist Dictatorship in order merely, to compel itself to yield taxes. There still remain foreign credits. But from whence shall these come? The United States is perhaps inclined to grant credits for the purpose of obtaining corn, for which it will take a definite portion of the state property (Mines) as security. But these credits can in no wise be granted on such a scale, as will enable an economic equilibrium to be again set up in Germany. England too, who also might be considered, does not appear to show any inclination to grant large credits. In a negative manner the attitude of the industrialists in the Rhine and Ruhr districts is a proof of how poor the prospects are considered of balancing German economics and finances. The agreement between the heavy industrialists of the Rhine and Ruhr areas and the Micum (the Belgium and Fench heavy industry), and the veiled constituting of a Rhineland state dependent upon France — all this proves that heavy industry is submitting to French imperialism and regards the rest of Germany merely as a hinterland.

The Communist Party is forbidden by General Seeckt, its press is suppressed, its printing establishments are confiscated etc. But it still continues to live. The Party of the Proletariat is showing itself to be the only power which is capable and willing to offer resistance to the white Dictatorship. In Berlin and a number of other towns it has succeeded in holding more or less large demonstrations in the streets. It is beginning to set up a resistance to the armed power of the military dictatorship and to school the proletarian advance guard for the deciding struggle.

The central task of the Communist Party in the present situation follows from the teachings of the October defeat. The October defeat of the German proletariat was not the result of "mistakes" on the part of the Communist Party. It arose from the relations of power in the working class existing at the given moment. It can finally be traced back to the fact that a great portion of the working class, under the paralyzing influence of the Right and Left Social Democracy, was no longer prepared to defend the November democracy against Fascism, that it is not yet prepared to fight for the proletarian dictatorship. Social Democracy, long since dead as an active force in the cause of the working class has shown itself to be still an enormous hindering force, or, in other words, Communism has not yet succeeded in drawing the majority of the working class away from the influence of Social Democracy. If any fault was committed by the Communist Party it was in underestimating Social Democracy as a hindering force.

The central task of the Communist Party is therefore the complete political and organizational liquidation of Social Democracy, and the seizure of the Trade Unions out of the hands of the Social Democratic leaders. Upon these tasks the Communist Party will concentrate its entire force. And only when this task has been solved will the conditions be ripe for enforcing a decision. In this connection it is quite clear that the chief attack must be directed against the so-called "Left" Social Democrats. With their radical phraseology, with their opposition to Fascism in words, and submission to it in deeds, with their strenuous clinging to the illusions of bourgeois democracy and Parliamentarism they are the helpers of the Fascist Dictatorship.

The struggle against Social Democracy and against Fascism will be conducted by the propaganda of the proletarian dictatorship and of Socialism as opposed to the Fascist Dictatorship.

The Party will continue to propagate with the greatest tenacity the idea of the armed uprising among the masses and to prepare for it by organization and technique. The Party now, after the victory of Fascism over the November Republic has eliminated from its programme the propaganda of those demands which are connected with democratic institutions and which should lead to the proletarian dictatorship, such as the slogan of the Workers' and Peasants Government, the seizure of values and the control of production. These demands have become irrelevant, for the democratic institutions no longer exist with which they were associated. The actions of the Party must of course be connected with the daily needs of the working class. With the present wholesale unemployment and short-time, strikes come little into consideration; so much the greater role therefore will mass demonstrations, party peaceful and partly armed, play.

Under the existing strict illegality it is necessary for the Party to base its chief organization work in the workshops. In addition to this it must set up the closest connection between the workers still employed and the unemployed. Under the blows of the white counterrevolution the Party will become the iron cohort of the revolution, which it could not become during the time when it was legal.

The proletarian revolution in Germany has not taken the rapid course which many had expected. Instead of rising out of the ruins of the bourgeois democracy, like the Russian October Revolution, it finds itself in a position when it must organize its victory under the fetters of Fascist dictatorship. Its victory, if it comes more slowly will therefore be all the more complete. The great capitalist dictatorship is, so to speak, the last attempt to maintain the capitalist power. In Russia the October victory was, so to speak, the result of a surprise attack. The Russian bourgeoisie only mobilized its reserves after its October defeat. The German bourgeoisie, which is far better organized, is mobilizing its reserves before the defeat. What is now taking place in Germany, is the last round of that struggle between the bourgeoisie and the Communist Party for the reserves, for the indifferent and Social Democratic workers and for the middle classes. This struggle for the reserves is the essential content of the political preparation for the proletarian revolution.

The foreign Communist Parties must not allow themselves to be discouraged by the October retreat, which was unavoidable and was grounded in the total situation. The Communist Party of Germany has, after a short pause, undertaken the reordering of its ranks and is preparing for a fresh struggle. The proletarian revolution in Germany is on the march. None of the fundamental problems of the country can be solved by the military dictatorship. Our foreign brother parties must clearly understand, that if the Russian Revolution in the year 1917 took a quite unexpected course, which differed from all previous bourgeois revolutions, the proletarian revolution in Germany has its own course, its own tempo and its own methods.

## GERMANY

### The Second Wave of International Revolution

By G. Zinoviev.

When, in October of this year, the full scope of the impending revolution in Germany became revealed, the Russian Party rose like one man. The manner in which the Russian Communist Party reacted to the prospect of revolution in Germany is of the very greatest importance. After two years of the New Economic Policy, the Party was called upon to decide what its attitude should be to the approaching revolutionary struggle in Europe. This was a severe political test. Would a regeneration of the tissue of the Party organism take place? Would some of the fatty deposit of "nepism" be discarded?

The Russian Communist Party stood the test. Its answer was unanimous. It reacted to the approaching revolutionary storm as a proletarian revolutionary party and one of the chief divisions of the Communist International should.

"Well informed" gossips have spread the legend that serious differences existed within the controlling organs of the Russian Communist Party regarding the German Revolution. Very knowing Social Revolutionary and Menshevik readers,

The pace of events has now slackened (November 1923). The proletarian revolution in Germany is again undergoing tremendous difficulties, and, as a result, depression is being felt among certain sections of our Party (especially among the youth). Rosy optimism is giving place to the blackest pessimism.

It is now obvious that in October we all somewhat over-estimated the speed of events and under-estimated the difficulties which stood in the way of a victorious proletarian revolution in Germany. The periods will be longer than we at first expected, although they are now calculated in months instead of years. The most prominent representatives of revolutionary Marxism, beginning with Marx himself, have been liable to mistakes as to time intervals. At the beginning of the revolutionary events of 1918-19 in Germany, the greatest of revolutionary realists, Lenin, in a letter addressed to the All-Russian Central Executive Committee in October 1918, wrote:

"The crisis in Germany has only just begun. It will inevitably end with the passing of political power into the hands of the German proletariat. The Russian proletariat is following events with the greatest attention and enthusiasm. The most backward workmen of all countries can now see how right the Bolsheviks were in basing their tactics upon the prospect of the support of a world-wide workers' revolution, and in not fearing to make many heavy sacrifices... But the Russian proletariat is not only following events; it is also exerting every effort to assist the German workers... During the last few days, world history has unusually accelerated its pace towards a world-wide workers' revolution."

Very much in the same way our Party, and in fact, all of us, estimated the situation in Germany during last October. We also believed that world history had unusually increased its pace towards the world-wide workers' revolution.

Comrade Lenin, in concluding his pamphlet "The Proletarian Revolution and the Renegade Kautsky" (November 10th, 1918), wrote:

"The foregoing lines were written on November, 9, 1918. On the night of November 9-10, news was received from Germany that a successful revolution had begun, first in Kiel and other northern coast towns, where power passed into the hands of the Soviets of Workers' and Soldiers' Delegates, and then in Berlin, where too power passed to the Soviets. The conclusion which still remained for me to write to the pamphlet on Kautsky and the proletarian revolution has now become superfluous."

The above quotation shows how Comrade Lenin and all of us were at that time convinced that this final victory, the proletarian revolution in Germany, had been won.

Having studied Marx and Engels, we can understand why such a type of error (over-estimation of the pace of events and of time intervals) were for them unavoidable. These errors proceeded from those powerful qualities of Marx and Engels, which made them not only great scientists and theoreticians of socialism, but also great revolutionaries.

We, at the end of 1923, are of course not indifferent to the question of time intervals. Whether decisive events will take place a year or two earlier or later is important. Yet, from the historical point of view this question is a secondary one. Fundamentally, the estimates made by our Party and by the Communist International in October 1923 were and are correct. Important, and in fact, decisive factors are continuing to operate in favour of revolution in Germany. The path which the German proletariat and its Communist Party is now pursuing is a difficult and thorny one. But ultimate victory is assured.

Looking back on the events which took place during September, October and November 1923 in Bulgaria, Poland and

analysing various articles in our press, arrived at similar conclusions. As a matter of fact, after mature examination, every decision, without exception, connected with the events in Germany, was adopted completely and unanimously. The same complete unanimity prevailed within the Executive Committee of the Communist International, which came to its decisions on the German events after careful examination in conjunction not only with the German Party, but also with representatives of many other closely concerned sections of the Communist International.

Germany, we are led to conclude that they mark the beginning of the second wave of international proletarian revolution. The first wave began in 1917 (with the great Russian Revolution) and ended somewhere about 1920, having spread to a number of European countries. The first wave began as a direct result of the world imperialist war. Its elemental sweep was tremendous. There was a time when we were perfectly justified in believing that the wave was so powerful that it would sweep away the bourgeois power over the whole of Europe. But at the time of the first wave, the influence of the Communists was insignificant. The very word "Communism" was, practically speaking, heard in Europe for the first time in 1919. During the period 1917-1920, the Communist International was in its stage of formation, and the heroic uprising of the spartacists in January 1919 was the uprising of a small minority. The wave of 1917-20 was unable to shake capitalism to its foundations. It was but the first reminder of death.

Then there came the ebb. 1921-22, and the first half of 1923, was a period of extreme and world-wide reaction, the capitalist offensive, the disintegration of Social-Democracy, the suppression of the old trade unions and the enfeeblement of the working class. At the last meeting of the Enlarged Executive Committee of the Communist International, it was felt, if not actually foreseen, that a new revolutionary wave was approaching. The slogan of the Workers' and Peasants' Government and the resolutions on the agricultural and national questions proceeded from this presentiment of fresh revolutionary struggles. That this second wave of the international proletarian revolution has already begun is now perfectly clear. The events in Bulgaria, Poland and Germany, whatever their immediate outcome may be, have proved that the bourgeoisie have not subdued Europe, and that new revolutionary struggles are not far distant. The second revolutionary wave, is distinguished from the first revolutionary wave (1918-20) by the fact that international Communism is now asserting a far more powerful and organized influence upon the march of events. The sweep of the movement which began in the second half of 1923 has so far been less widespread than that of 1917-20, which was directly connected with the imperialist war. But the element of organisation and communist conscience among the proletarian vanguard is to-day undoubtedly stronger. The experience accumulated during these years by the advanced section of the proletariat of the world will reveal its influence in the near future. We shall witness events which the wisest would have declared utterly impossible. We shall certainly see the great Social-Democratic parties, who are now playing a counter-revolutionary role, collapsing like houses of cards, and workers who now place their trust in the social-democrats, passing en masse into our camp.

It is true that the movement in Bulgaria and Poland has been crushed. It is true that General Seeckt triumphs in Germany. Nevertheless, the events that took place in Bulgaria, Poland, and Germany during September and October 1923 mark the beginning of the second wave of the international proletarian revolution. The pace of events is still not swift enough; our revolutionary impatience is therefore only natural. But speaking objectively, events are moving with unusual swiftness. Less than two months elapsed since the Bulgarian uprising was suppressed in blood before the Bulgarian Communists were again on their feet, and in the elections, conducted under the violent control of the Tsankov Government, the bloc of Communists and peasants gained important victories. That which the Russian workers and peasants after their defeat in 1905 required several years to perform, is being performed in Bulgaria in a few weeks. The same, in all likelihood, will take place in Germany. The workers will recover from the blows of reaction much quicker than many think. One need not be a prophet to foretell that in the Winter and Spring a new mass outbreak of the revolutionary movement in Germany is inevitable.

The second wave of the international proletarian revolution has begun. It rose higher in Germany than anywhere else. It did not however reach the height necessary for the victory of the proletariat and has now begun to subside. But it will inevitably rise again.

The second wave is still not the "World November", but it is a gigantic step towards the "World November". The second wave of the international proletarian revolution is already

beating heavily against the edifice of European capitalism. The edifice will surely crumble.

We shall err many times more in questions involving the time intervals, since there are no scientific instruments for determining such questions with exactitude. The Marxian method is a powerful weapon in our hands, but it cannot save us from over-estimating the pace of events and from inaccuracy in matters of time. But fundamentally we have not erred, do not err, and shall not err.

Whatever the immediate outcome may have been, the events of September and October 1923 mark an important stage in the preparation for the final victory of the international proletarian revolution.

## The Russian Famine in 1921 and the German Catastrophe in 1923

By Richard Oehring.

A comparison between the famine which struck Soviet Russia in 1922 and the catastrophe at present afflicting Germany is inviting.

In each case a great country was affected, which had played an important rôle in the world war. But even superficial consideration serves to point out that these two events are profoundly different in the nature of their causes as well as in their details.

The famine affected Russia after it had gone through five years of war, followed by a complete economic and political upheaval, and after the damage to economic life usually accompanying such events had for years been intensified by the continued isolation from the world market and by the blockade policy of Russia's enemies. The country was further injured by the policy of intervention and by the invasion of entire armies, which under the leadership of Wrangel, Koltschak, Denikin, Yudenitch, Semenov, etc., and with the support of foreign powers waged war for a long time in the country itself.

Despite all these difficulties there was noticeable all over the country at the beginning of 1921, after the protracted privations, to which all classes were equally exposed, a visible trend toward a general stabilizing of prevailing conditions and connected therewith an improvement of the food situation through the regulation of the means of transport and so forth.

Then, as the result of the frightful drought, there occurred the 1921 crop failure which particularly affected the most productive grain regions of Russia. In widespread districts the harvest was practically zero, and it was especially the peasantry which was most severely affected by the famine. Although voices were not lacking which sought to assign the catastrophe to other causes, it soon became a matter of common knowledge, thanks to the reports of the relief commissions and to the publication of all sorts of authentic material, that the famine was due to an appalling natural calamity. It was in no small part due to the effects of the blockade that this disaster was followed by such grave consequences. In previous decades Russia had also been visited by crop failures, owing to the great irregularity of the rainfall in the Volga region. It is a matter of record that under the Czarist régime these regions suffered from extremely severe crop failures and that revolts of the starving population were suppressed by troops.

When one compares the foregoing with the causes of the German misfortune, it is apparent at first glance that the privations in Germany have assumed the proportions of a famine in a year when the harvest was actually good and when the rural population is abundantly supplied with all the necessities of life as in past years. Further, though in Russia all sections of the population for years had to share in extreme privation, in Germany it is only the industrial workers, the petty bourgeoisie and various groups of intellectuals which are suffering want. When all this is considered, it becomes obvious that the causes of the German famine are closely bound up with industrial problems. The war cut off German industry from the world market, but brought it huge profits which were bound up with an impoverishment of extensive sections of the population. After the war the conditions characterized by the industrial depression of the entire world market began to make their influence felt in Germany, and of course the defeat in the war was also not without its effect.

In spite of the decrease in the means of production, the owners of capital strove to retain their profits unimpaired. The method by which they attempted to realize this, represents the actual cause of the famine and, has thrown the entire burden of the bad economic conditions upon the shoulders of the propertyless.

In order to retain the world market, German industry exploited the depreciation of the mark and under cut world market prices at the expense of wages and consequently of the domestic buying power of the country. After this method had enabled the capitalists to maintain their profits at the cost of the exchange value of the mark, the tendency arose, not to permit the loss of this source of income. Attempts to stabilize the German currency were foiled by those who benefitted by the depreciation. Germany's entire financial record was the expression of an unrestrained policy of bankruptcy. The German Reichsbank mark notes were collected several months later in greatly depreciated currency. The deficits which thus arose were covered by unexampled inflation. All the disadvantages of this financial policy were borne by the masses, while the owners of capital ensured themselves through the purchase of foreign currencies which were stable.

This financial policy is, in part, responsible for the fact that French imperialism found a pretext for its policy of blackmail and was able to occupy the Ruhr. With the occupation of the Ruhr the conditions which had forced the German people to undergo years of privation become inevitably worse, which accounts for the present famine. In the belief that they would be able to thwart the plans of the French, the German industrialists shut down their plants and thus brought about a decrease in production, which cut Germany off from the sources of aid upon which it had relied up to then and led to a severe unemployment crisis with all its bitter consequences. This policy also meant the unprecedented fall of the mark, because the German Government had to start the note presses going at a rate unknown up to that time to furnish the money for the Ruhr subsidies, and because the industrialists used these funds for speculation in foreign exchange instead of employing them for production.

All this necessarily led to the situation where these years of bankruptcy policy could no longer veil the real state of affairs, and where the economic chaos found expression in decreased efficiency and in an inability to compete in the world market.

Summed up, it appears that the causes of the German famine are not the work of nature nor of a single event, but are the result of a definite financial and industrial policy, which aimed at making the masses bear all the burdens of the war. This policy, which at first affected only the masses, finally made itself more and more felt and also hit a large section of those who, despite this state of affairs, for years had been able to make huge profits.

To this there must be added that the famine thus brought about was exploited by certain elements in Germany, so that the economic disorder and the perils of the famine were increased, and that certain groups followed a conscious policy of starvation in order the better to attain their goal and to force the starving to accept their dictates.

The fight against the German famine is therefore a means of combatting material poverty in a humanitarian sense, and at the same time of curbing the influence of the circles which desire to exploit the famine for reactionary ends. In Germany the spectre of Famine goes hand in hand with the spectres of Fascism and Reaction, which want to set Europe back 100 years. The famine has struck just those classes which economically, by tradition and culture, have always been a bulwark against reaction. At the same time, a relief action, carried through on an international basis and displaying the will to humanitarianism and international understanding, will not be without influence upon those groups which according to their intellectual training normally ought to express the culturally progressive will of a country, and which today in Germany are in their nationalism identified with the most reactionary tendencies.

While the famine relief campaign in Russia was intended to avert the consequences of a blockade and to give that country the opportunity of economic development based on self-determination, the relief action in Germany signifies the support of those groups which are uniting in their own country against reaction, against Fascism, and against the politicians of the starvation school, or in short, against the very causes of the famine.

## POLITICS

### The Problems of the English Labour Party

By Alex Bolgar.

Not only has the English Labour Party through its election victories become the most important political factor of its country, it has also become a deciding factor in the sphere of world politics. It is to be expected from it, that as in national problems, so also in international problems it will take an active part and help in the solution of much which its predecessors failed to solve. These problems, in their scope and complexity offer to the Labour Party not merely a large field of action in which it can demonstrate that it knows how to conquer, but also that it knows how to turn its victories to good account, they also involve many dangers which if ignored, can produce a critical turn in the victory. Let us attempt to examine more closely a few of these points.

1. With regard to the inner political problems of the Labour Party, the most important thing is its position within the party machinery, its relation to the other parties, and the measure of unity within its own ranks. For upon this depends the question whether the Labour Party can provide a promising Labour Government, whether it feels itself able to meet the new turn in the political situation, and whether it is in a position to meet all the dangers which in the nature of things exist. All these questions merge together in the problem of a Coalition Government. The party is perhaps being decisively influenced in this direction not only by its party opponents but also by its own right wing in a very definite manner, besides by the demands of Parliamentarism which it has always respected and those of opportunism, which is not always to be avoided. On the other hand, this same Parliamentarism alone, would make it possible for the party to remain outside the Government, ignoring the persistent encouragement of the opposition parties, and continuing the rôle of opposition party, perhaps a more useful and less thankless one at the present juncture of affairs. This would perhaps also be a more representative policy for the left wing of the party, which regards the socialistic development of the party as menaced by the excess of trade union bureaucrats, and late liberals. It is strongly within their recollection, that is the Scotch section and the leaders of the Independent Labour Party, that during the war period whilst the Labour Minister was boasting with the king, they themselves, also as "guests of His Majesty", were sitting in prison. If however, the question of a Coalition Government does not cause a split in the ranks of the Labour Party at present, it can be taken that the failure of such a coalition would strengthen the opposition within the party in the future.

A second point hitherto unexplained is that, assuming the loyal support and benevolent neutrality of the Liberals, what would be the attitude towards the Labour Party, of the bureaucracy, the police the army and navy, and the industrial and commercial apparatus? The Labour Party is in this respect thoroughly optimistic, but whether the officialdom, for the most part reactionary, of the Foreign Office and Treasury will not create sabotage against the Labour Government and the City will undermine its credit through its great international influence, causes concern to many farseeing Labour Party politicians in England as well as abroad.

2. Similar conjectures arise when one considers more closely the attitude of the Colonies to the central Labour Government in the great British Empire. Only a few weeks ago one saw at the Empire Conference the significance of the power of the dominions and colonies within the Empire. Is after all the whole turn in English politics during the last weeks a direct result of the Empire Conference, in which the independence of the colonies showed itself in a very clear light, and an indication of the decay of British Imperialism? Still at this conference the most important personality was the South African prime minister, General Smuts, who only ten months ago aroused much criticism when his barbaric suppression caused a rising on the part of South African labor. But is it then to be assumed that the spirit which evinced itself in Smuts activities and which was not restricted to South Africa alone, would be more favourably inclined towards a central Labour Government than it was towards a Conservative one? There are

certainly a number of Colonies with very strong Labour Parties but whether they possess enough strength to avert an attack, if only an economic one, against the governing party of the motherland, remains to be seen.

3. Continental politics also present no little difficulty for an English Labour Party. Certainly the Labour Government is much more favourably placed in this connection than an imperialistic one or one which is continually influenced by the war and the Treaty of Versailles, nevertheless many insurmountable obstacles can be put in the way of a Labour Government in discussion with France, in active participation in the reparations question, in the revision of the Peace Treaty, in connection with Fascist Italy, all of which are unavoidable problems. To these may be added the unavoidable consideration which must be paid to certain questions, perhaps not so important in world politics, but none the less significant for a Labour Government, such as the consolidation of succession states, which has already been embarked upon by the English, the reform and moderation of many League of Nations decisions which have been instigated by French Imperialism, etc. But an English Labour Government has a particular duty relative to Germany whose most pressing problem, that of the Rhine and Ruhr — demands immediate and active consideration from the side of England, not in the sense of a naive European internationalization of the Rhineland such as might be the proposal of a discreet Labour Commission, but that of a Labour Government which also has the prime duty of considering the welfare of the workers in other lands.

4. Further, the British Labour Party is the leading organization of the Socialist Labour International and thereby plays the same part as the German Social Democracy did in the Second International. It is also very similar to it in idealistic respects, but in political judgement, in adaptability, in qualification for statesmanship considerably superior to the German Party. Whether in regard to its international obligations as the government party of the chief country in Europe it fail in the present situation as the German Social Democracy Party did in 1914, depends in large measure upon how far the class conscious Opposition within the Labour Party can influence the actions of the Labour Government. Trade Union Leaders and ex-liberals alone will not be in the position to conform with these international demands and a rupture in this sphere would also cause considerable damage to the remaining activities of the Labour Government.

5. But what is most clear and least contestable, on the part of its opponents also, is the policy of the Labour Government and also any other government with respect to Soviet Russia, which has already been made known. The complete diplomatic recognition of the Soviet Government must be taken for granted in the policy adopted by an influential Labour Party and will also be supported by the middle class trade and industrial parties. The recognition of Soviet Russia is indeed already a demand expressed in the circle of Employers. If the former Government from political reasons did not fulfil these demands, it is certain that many of their supporters will be thankful in secret to the Labour Party if they can set up organized diplomatic and economic relationship between England and Soviet Russia.

## THE LABOUR MOVEMENT

### The Position of the German Trade Unions

By G. Obitz (Berlin).

The present position of the German Trade Unions is characterized in the first place by constant shocks and tremors, which no longer appear to bear the character of a passing crisis, but rather as if the whole structure were being shaken to its foundations.

With the progressive economic collapse and the continually growing acuteness of the political and social relations, the task imposed upon the German Trade Unions and the masses of their members by the reformist leaders themselves of shouldering the burden of restoring the tottering capitalist structure, becomes increasingly heavier. In spite of the fine promises the workers are sinking deeper and deeper into misery. Of all, the specious promises, ranging from the programme of "socialisation" to the payment of wages on a gold basis and in a constant valuta, not one of them has been fulfilled. Instead

of this, real wages have sunk to such a minimum that the workers are scarcely able to live on the level of a coolie, the rights of the factory councils have been restricted, an attack has been launched against the eight hour day, the right of combination has been encroached upon in every way, while an enormous army of unemployed has been created. According to an official report, on the 27th of October of this year, 19-1 per cent, that is one fifth of the total working class, of Germany was unemployed. In addition to this, states the same official report, about two fifths of the total working class is on short time, so that three fifths of the German workers were already in October either unemployed or on short time. Mean-time, of course, these figures have increased still further. On the 15th of November it was estimated that there were in the unoccupied districts of Germany alone, in round figures, 2<sup>1</sup>/<sub>2</sub> million unemployed. When the employers proceeded to their organized offensive in order to wrest further positions from the working class, when the workers were forced into such a position that their wages repeatedly sank as a result of the inflation swindle and did not suffice to assure a bare existence, then their desperation found expression in spontaneous strike movements. But in this situation the leaders of the German Trade Unions held it as their special task to stifle these movements. In the course of time this could not have any other effect than to evoke a continually growing discontent in the ranks of the members of the German Trade Unions.

The effects of the policy carried on by the reformist Trade Union leaders, particularly in recent times, have become so great that even the communists are not in a position to completely put a stop to the wholesale desertion of the members from the Trade Unions. This fact is symptomatic of the decline of the German Trade Union Movement. To this should be added that owing to the collapse of the currency, the greatly increasing unemployment and the secession of the members, the German Trade Unions are now in a wretched financial position. Even the largest of the Trade Unions have been compelled to undertake far-reaching reductions in their staffs. While these again are not even able to pay the salaries to the reduced staffs. According to a report from New York, the leader of the American Federation of Labour, Gompers, has called upon the members of the Federation to render financial support to the German Trade Unions, as — so states the report — in the opinion of the American Trade Unions, the German Trade Unions are the best bulwark against Bolshevism and Monarchism. It is in this light also that some of the German Trade Union leaders regard the danger of the decline of the movement. How far the leaders have already lost all contact with the masses and what means the reformist trade union leaders are adopting in their endeavours to maintain their influence under all circumstances, is evidenced by the fact that the German Trade Union leaders in Hamburg have decided to declare themselves neutral towards all political parties, and for this purpose to set up a press organ of their own. By this means they hope to throw sand in the eyes of the members and to create in them the impression that the reformist Trade Union leaders have broken with the pernicious Social Democratic policy.

The Communists in the Trade Unions are continually gathering around them further recruits of oppositional members. To what extent the dissatisfaction of the members of the German Trade Unions has spread, is shown by the Conference of the Local Committees of the German General Federation of Trade Unions (ADGB), which was held on the 28th of November last at Weimar. Although the Committee of the ADGB had decried this conference as being a "typical manoeuvre of the Communist Trade Union central of the Communist Party of Germany", it was exceedingly well attended. There were 273 delegates present. 225 of these delegates represented 181 local committees of the ADGB, while 42 delegates represented various Trade Unions and unemployed councils. In addition to this, messages were received from over forty local committees expressing their agreement and solidarity with the conference.

The result of the conference may be summed up by saying that the broadest sections of the members of the German Trade Unions have come to realize that every means must be adopted in order to prevent the threatened collapse of the Trade Unions. The first means to this end must be the entire break with the policy of collaboration with the employers which has prevailed hitherto. Further, there must be the most energetic defensive against the attacks upon the right to strike, on the rights of the factory councils and the freedom of the working class.

Pre-wartime real wages must be secured and the eight hour day assured. In order to absorb the unemployed, there must be a shortening of work time, unemployed relief work must be put in hand, and along with the abolition of the recently introduced unemployed insurance, the state must provide full and sufficient unemployed maintenance. The existing social legislation which is being threatened must be safeguarded with every available means. The present deductions in respect of wages tax must be done away with. The sabotage of production by the employers must be combatted by every possible means.

The conference decided to give the leaders of the Trade Unions yet one more opportunity of proving their readiness to carry out the will of the masses of the members. The trade union leaders are called upon to convene a special congress of the German trade unions, at which the most vital demands of the German working class and the appropriate measures for carrying out these demands shall be discussed. It is true that the congress cherished no illusions as to the goodwill of the trade union leaders. For this reason it decided, in the event of the leaders refusing to summon this conference, to convene it independently and at such time as appeared most convenient.

The congress, in the manifesto which it adopted, of course declared clearly and emphatically, that a real and lasting improvement in the position of the German workers can only be achieved by capturing political power.

The onslaught on the advance guard of the German proletariat has compelled the more advanced class fighters to undergo a fiery test in the fight for emancipation from the yoke of capitalism. This test has already shown that the ranks of those who are fighting for the freedom of the proletariat are being more firmly consolidated in order that they may march with all the greater determination to the accomplishment of their aim: the capturing of the German Trade Unions.

## IN SOVIET RUSSIA.

### The Main Problem of Present Russian Economics.

Comrade Trotsky's "Shears".

By Frida Rubiner (Moskovo).

That Russian economics are on the steady upgrade is a fact which even the most rabid enemies of the Soviet republic cannot deny. The traffic service improves visibly; in places it has reached 100% of the pre-war level. Industry develops more and more, both as regards quality and quantity. Big industry, now as before in the hands of the state, is making steady progress. But Russia is an agrarian country par excellence, and her economy can only develop along sound lines when progress is equal in every direction. Since the Autumn of this year, incontestable signs of an economic crisis are to be observed, expressed in a lack of markets. This crisis has been mainly caused by the disparity existing between the prices of agricultural products and those of industrial articles.

During the years of civil war, when the leading question was the preservation of bare existence amidst the struggle and its emergencies, bread was naturally the dearest article. And during the years of famine and failure of crops, the prices for corn products were relatively higher than those for industrial products. Since September last year these conditions have been reversed. Since this time the prices of industrial articles have constantly risen, and the price of bread has comparatively fallen. This divergence increased until the end of October 1922, then the curve of industrial products sinks somewhat — until about the middle of November — and then rises again uninterruptedly until the beginning of February 1923; about this time the price divergence came to a standstill which lasted until the middle of March. From here onwards the curve undergoes various vacillations, rises and falls, reaches its lowest point about the beginning of July of this year, since when it has continued to rise. Comrade Trotsky, speaking on political economy at the 12. Party Conference of the Russian Communist Party, held in March of this year, dealt in detail with the question of this price divergence. By means of graphic illustration he demonstrated the disparity between the prices of industrial articles and agricultural products. If the relation between industrial and agrarian prices before the war be represented by a straight line, the industrial and agricultural prices now form, two different lines, one tending upwards, the other remaining below the straight prewar line

Before September of last year the relation was reversed, that is, the line of the industrial articles was below that of the agrarian products. The resultant diagram gives the outline of a pair of shears, the two points of which draw more and more apart as the prices diverge.

Comrade Trotsky's "shears" are thus the representation of the deviation of industrial development from agricultural development, at present the main problem occupying the whole of Russian political economics.

The significance of these "shears" in actual practice may easily be seen; it signifies that the peasant — even when he exerts the utmost of his powers for intensification of work and extension of the area cultivated — finds that his products have decreased in buying power. The peasant who could buy an arshin of calico for 3-5 lbs of flour before the war, could not cost him on an average, 168 pud of rye whilst he could purchase an arshin of calico for less than 24 lbs of flour in the summer of 1923. At the present time a coat or pair of trousers costs him on an average, 168 pud of rye on whilst he could obtain these for 16 pud before the war. In districts rich in grain, where the crops have been specially good and the corn extremely cheap, the disparity is even more striking. The Ukrainian peasant has to give a pud of rye for a small package of tobacco, and so forth.

The result of this tremendous disparity between industry and agriculture is naturally that the peasantry is unable to buy anything. Light industry, for instance the textile industry, which plays such an important role in Russia, has made great progress within the last two years; but the home market, the vast tracts of country in Russia, cannot absorb the production, because the buyers, the Russian peasants, have not kept pace in the prices of their products with the prices of textile articles.

The most important political slogan of Soviet Russia during the last few years is that of the "Smutschka" — to employ the term coined by comrade Lenin — the alliance between the city proletariat and the peasantry. But it does not suffice for this "Smutschka" to be of a political nature only, before all it must be economic. The alliance, the union between the industrial proletariat and the peasantry, is naturally greatly endangered by the divergence in prices.

The following situation results: On the one side a trustified and syndicated state industry, banks, trade unions, a proletariat enjoying the eight hour day, and whose conditions of living improve daily in many material and cultural respects — and on the other side a poor peasantry, emerging ignorant and stupefied from Czarism, working with the primitive methods of their forefathers, and receiving a mere pittance for the work performed. It need not be emphasized that such conditions are impossible in a country where political power is in the hands of the working people, and where power is exercised in the interests of the toiling masses. It is not surprising therefore that a far-reaching discussion should be going on in the Russian press at present on comrade Trotsky's "shears", and on the measures to be adopted for the removal of the disparity between industry and agriculture.

Besides the constant — one might almost say organic — causes of the disparity between industrial and agrarian prices, due to the backwardness of Russian industry and technicians, there are a number of other causes of a purely Soviet nature.

Up to now the Russian factories have not been working at their full capacity. The whole of the machinery in the factories is not yet running, and where it is running all possibilities are not fully exploited. The consequence is that the factory, adjusted to this or that output and requiring proper maintenance, by no means reaches its full quota of production. This is bound to have direct effect on the price of the production.

The past Summer was a period of intense activity in repairing and improvement in Russian economics. The factories which had lain idle for years, and whose equipment had been neglected, were put in order again. Alterations, painting, repairs, and refitting fully occupied many undertakings for months. The costs of this restoration work again increased the price of the product, for the principle that an enterprise must pay has been insisted upon since the introduction of the New Economic Policy, and the adherence to this principle renders it impossible for the repairs to be otherwise covered.

This principle of profitability, proclaimed with the introduction of the "NEP", is however, exaggerated at times by state industry. It has been ascertained that the economic administration of state enterprises has sometimes raised the prices of goods

higher than the market could sustain, merely for fear of a deficit. The administration of the undertaking, the trust, calculates the prices for goods in such a manner that before all no deficit can arise.

The comparatively excessive bill-credits granted by the banks to industrial undertakings has been pointed out, these credits having enabled extensive stores to be accumulated; and another objection raised is that the goods take an unnecessarily long and tortuous path from the factory to the consumer. The price swells more and more, as the goods proceed from the factory to the trust, the syndicate, the central cooperative, the government cooperative, the local cooperative, and finally to the shop, on their road to the consumer. One archin of calico, priced by the "Centrosyus" (central cooperative) at 32 copeks, with an advance of 1 to 1<sup>1</sup>/<sub>2</sub> copeks (in gold) for the country, has attained a price of 60 to 70 copeks before reaching the peasant.

The question of the reorganization of industry, and of the cheapening of industry, is now one of the most important problems of the economic life of Soviet Russia. The reorganization of industrial administration is a step in this direction. Russia, which is passing through a period of primitive accumulation of capital, and which possesses no foreign credits, is dependent on her own powers. The fundamental premise of her existence is that every part of her political economy develops equally towards a sound condition. If the two points of the "shears" are to approach each other again, industry must either become cheaper or agriculture dearer. There is no lack of suggestions in the latter direction — even to suggestions as to a compulsory state rise in prices for agricultural products. The export of corn, and the appearance of Russian agricultural products on foreign markets will have the effect of raising the prices of Russian agricultural products. And hand in hand with this there is a general improvement and advance towards sound economics in Russian agriculture, of which the latest great agricultural exhibition in Moscow afforded the most striking proof.

The discussion on the "shears", and the endeavors of the Soviet government in this direction, bear conclusive witness to the fact that Soviet Russia has overcome the period of anarchist conditions in her economics, and is on the road to the establishment of a perfectly ordered system of economics, held and controlled by the state, and pursued in the interests of the working masses.

## THE YOUTH MOVEMENT

### The C. Y. I. on the Suppression of the Communist Youth of Germany.

To the Proletariat of Germany!

To the Young Workers, Peasants and Soldiers of all Countries!  
Comrades!

The white General Seeckt, the agent of the traitorous firm of Stinnes, Klockner, Wolf & Co., has carried out the will of his principals and, in addition to our battle-ried German Communist Party, has dissolved our brave Communist Youth of Germany. The white General has thereby openly admitted that the Communist Youth of Germany is the only Youth organization in Germany, whose activity in the interests of the proletariat and peasant Youth is feared by those plunderers of the working class and of the middle class, Stinnes & Co.

The young Communists of the whole world acknowledge with pride this honour conferred on their German brother league. They can well appreciate the qualms of the white Generals and their employers and the Social Democratic lackeys. In unceasing steady work, and devoted enthusiasm, the young Communists of Germany have converted their organization into a powerful, firmly-welded weapon of the proletarian Youth. Today, 80,000 young workers and peasants are organized in its ranks, while hundreds of thousands follow its flag and stand under its leadership in the struggle against the great capitalist robbers and their Fascist mercenaries, for the establishment of the Workers' and Peasants' State.

Young Workers and Peasants of Germany! The existence and the self-sacrificing activity of the Communist Youth of Germany, of the organization, the sole proletarian Youth organization which unwearily and unceasingly defended your interests, which led you in the fight against hunger, distress and misery, endangers the moneybags of the capitalist sharks. Its fight, your fight, has become a danger to them. Therefore you are deprived

of your leadership. Therefore your Communist workmates are thrust into prison. It is hoped in this manner to render you defenceless and docile!

Prove to the Generals, the exploiters and the Social Democratic leaders that they are reckoning without you. A storm of protest against the prohibition of your fighting organization, a powerful wave of sympathy and enthusiasm, an energetically carried out act of solidarity, of help and support for the forbidden Communist Youth, must bring to nought the astute plans of the exploiters.

You also, young Social Democratic worker, must now recognize what action, with the help of your leaders is intended against the proletarian Youth. The fate of the young Communists today will tomorrow be your own fate! The proletarian Youth must take up the gauntlet which has been flung down. Away with those who, by splitting and treachery, weaken you in the fight which is forced upon you. Over their heads to the fighting United Front of the young workers and peasants for the defence of your interests — that is the need of the hour!

The working Youth must welcome this unintended testimonial on the part of the ruling class.

With all means and with all forces strengthen the forbidden Communist Youth! Gather more firmly round your red flag! Every young worker and peasant must be a new fighter for the Communist Youth! Tear to fragments the prohibition which will deprive you of your best weapon! Down with the Dictatorship of the White Generals! Down with the White Terror conducted with the help of Social Democracy!

Long live the prohibited and dissolved Communist Youth of Germany! Long live the brave proletarian Youth of Germany which in the battle for the future, stands at the side of the fighting proletariat and in the front ranks!

Moscow, 25th. November 1923.

The Executive Committee of the Communist Youth International.

### DOCUMENTS

#### The Declaration of the Communist Fraction in the German Reichstag on the Dissolution of the C. P. of Germany.

The law against the Communists is here!

The Fascist military dictatorship declares the Communist Party to be dissolved.

General von Seeckt obeys the commands of the treasonous Kahr!

The revolutionary will of the working class embodied in the Communist Party is to be crushed with the mailed fist.

The military dictatorship tears aside the last constitutional and democratic trappings which concealed the grim reality.

The working class laughs at this prohibition by a general who has sprung up from the rubbish heap of history.

The leader of a troop of yokels will, with the sanction of this so-called parliament and this so-called government, dictate the will of heavy industry to a people numbering sixty million.

In the name of the Weimar Constitution which has been torn into a thousand pieces, the hirelings of Stinnes and his consorts have driven out the democratically elected workers' government in Saxony. In the name of this Weimar Constitution, they have destroyed the press of the revolutionary workers and their organizations, so that the working masses, the only hope for the salvation of the German people, shall remain without leadership in the struggle and in order that the final victory of Fascism and militarism may be assured.

In the name of the torn up Weimar Constitution, in the name of the German nation we call out:

Away with this government of starvation, of suppression of the working people, of the dismemberment of Germany!

Away with the military dictatorship!

General von Seeckt exercises dictatorial powers in the most brutal manner. It was he who organized the Hun-like campaign against Saxony. It was he who abolished the right to strike. As a recompense therefor he has conceded two favours. He permits those who possess gold to obtain money of a constant value, and gives expression to the wish that the bourgeoisie and profiteers shall not regale themselves openly in the public restaurants, but shall carouse and feast in their own resplendent dwellings. The dictatorship of General von Seeckt is not a

national dictatorship, but is a dictatorship of those who drove the German people into the criminal war, who, out of lust for territory, caused it to bleed in the war, who for five years after the war have greedily exploited it, and who today wish to set up a despotism in order to plunder shamelessly what yet remains of Germany.

The national dictatorship is a lie. The dictator von Seeckt does not venture to impose taxation on the Stinnes, the Krupps and the Junkers in order to provide bread for the starving Rhine and Ruhr districts. He intends to deliver them to the French. General von Seeckt will not venture to take bread from the Junkers in order to feed the two and a half million industrial workers in the occupied portion of Germany who are unemployed through no fault of their own. The dictatorship of Seeckt is helpless when it is a question of representing the interests of the Nation, i. e. all those who are working with brain or hand either in town or country; it only attempts to scourge the people, to place it under the yoke of exploitation and robbery. We therefore proclaim a life and death struggle against the dictatorship of suppression and exploitation of the working people, against this dictatorship of bourgeois bankruptcy.

In this hour we summon the German proletariat to the fight for the dictatorship of all those in Germany who are toiling and suffering. It is History which is calling all who are suffering need, whether in town or country, at the bench or in the office, to gather together, to set up the dictatorship of the great majority of the German people and, with iron determination, to lead the German people out of misery and disruption.

Social Democracy, which has not yet expelled such a man as Ebert, who gave his sanction to the setting up of the Fascist dictatorship of General von Seeckt, — this Social Democracy has become the accomplice of Fascism, it bears the full responsibility for all the shame of this dictatorship, for the misery of the masses of the people and for the collapse of Germany. Whoever fails to break with the Social Democracy is equally guilty, and he who seeks to hide this guilt by oppositional phrases is an even more dangerous enemy, because he seeks to deceive the workers, while Ebert and Wels have lost the entire confidence of the people. We call upon the left Social Democrats to prepare for the deciding struggle. Will they participate in the uprising of the working class, or will they finally rot in the slough of the Socialist Party of Germany?

If the latter is the case, then the corpse of left Social Democracy must be removed from the ranks of the workers.

The Communist Reichstag Fraction calls upon the proletariat to prepare for the final struggle. The revolt of the proletariat is the only thing which can save the German people. The military dictatorship seeks to render this impossible by forbidding the workers' organizations and suppressing the Labour press. Now is the time to set up everywhere illegal organizations. The military are converting the Reich into an armed camp. Well now, we will obtain these weapons and use them for the emancipation of the workers. We will not wait for the collapse of the military dictatorship. It is necessary to expedite it by our struggle. It is necessary, day by day, to reply to each of its blows; to answer its attempts to stifle the voice of the people by demonstrations in all the streets of the German towns.

To its attempt to starve us out it is necessary to reply with the marshalling of the unemployed.

In the fight against the military dictatorship, we shall prepare the armed uprising and the victory of the proletarian dictatorship!

Long live the Communist Party of Germany!  
Long live the Communist International!

#### To Our Readers

After a four weeks interruption the "Inprekorr" is again being published. It retains its previous character and will furnish readers with detailed and exact reports concerning the most important events and happenings in the sphere of Economics, Politics and the Labour Movement in all countries. Owing to technical reasons, the present English issue is limited to eight pages but the edition will be enlarged as soon as circumstances permit.

Readers will please note the New Address to which all communications should be sent: Postamt 64, Schließfach 29, Vienna VIII.

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## The Bankruptcy of Germany.

By E. Pavlovsky

Two years ago when I published a booklet which predicted the collapse of Germany, my views were only shared by quite a small group of comrades. Many comrades accepted the thing as a basis for propaganda without being convinced of its absolute correctness. Among the bourgeoisie my views were universally rejected.

Today, the fact that the German state is bankrupt is universally recognized. The state was not in a position to pay its officials their salaries on the 17th December. They received only the half of their pay with the intimation that what is intended that the remaining half shall be paid on the 24th December. The state railways which have recently been separated financially from the German state, are equally bankrupt. The bankruptcy is not limited to the Reich and the business enterprises of the Reich, every individual state and every town is likewise bankrupt.

Production itself is involved in a most severe crisis. The number of the unemployed among the six most important trade unions were, on the 31st October, according to the returns of the skilled trades unions as follows:

Union	Member ship in 1900	Unemployed (percentage)	Short time (percentage)	Total
Building workers	487	25.8	12.6	25.8
Wood workers	394	18.5	33.3	31.9
Metal workers	1152	18.9	77.1	96.0
Textile workers	685	10.6	58.3	68.9
Factory workers	676	11.0	22.0	33.0
Printers	68	18.2	59.0	68.1
Total	3462	17.2%	41.6%	2177

According to these figures there were at the end of October, in the most important branches of production, already 57.3 per cent. of the workers either unemployed or on short time. Since then the situation has become still worse. Production in Germany is labouring under the most severe crisis which can be imagined. This crisis is bound up in the closest manner with the bankruptcy of the state.

The present bankruptcy of the German state finances, which is becoming so plainly apparent, is no new phenomenon. The German state was already financially bankrupt two years ago. But this fact was concealed by the continually increased output of paper money. By the Autumn of 1923 all possibility of further concealment came to an end as the agrarians and peasants refused to sell their products in exchange for paper money. As a result it became impossible to supply the towns with food and the imperative necessity arose of creating a new currency which would be accepted by the peasants. This led to the creation of the Rent Mark and put a check to the further covering of the deficit, and thereby to the concealment of bankruptcy by the unlimited issue of paper money.

The cause of the bankruptcy of the German Reich — apart from the foreign political and social relations, into which we will not go further in this connection — lies before all in the absolute taxation sabotage of the German bourgeoisie. The total taxation paid by the German people reckoned in gold marks at the official dollar course, amounted

	In the year 1922	In the year 1923
January	1178.2	57.2
February		43.3
March		54.8
April		35.8
May		122.6
June		48.3
July		48.3
August		13.0
September		14
Total		474.7

Of these amounts the greater portion was derived from taxes on the working class (wage tax reductions) and on the "consumers" (which likewise means in an overwhelming measure the working class) in the form of taxes on the turnover of businesses and taxes on articles of consumption. The taxes paid by the German bourgeoisie and the German agrarians