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The Labour Government Disturbs Nothing!

By Karl Radek.

The English Labour Party is in office.

The British Empire holds in bondage 350 millions coloured folk. British governments have changed more than once, but whether they consisted of Liberals or Conservatives, the Hindoo tiller of the soil did not perceive any difference. And now, the Labour Party has come into power. The Labour Party already counts 20 years of existence. During these twenty years, not one of its members has felt the need of helping the Hindoo peasant and worker on the spot. From time to time, eminent representatives of this Party have made the trip to India, have put up at the best Hotels, and, having returned, did not fail to enrich the English literature with sentimental works full of complaints against English Imperialism.

Now the Labour Party is governing. Lord Reading, whose sole aim is to divide the Hindoo nationalist movement, is still Vice-Roy of India. An old colonial functionary, ex-Governor of Jamaica, Sir Sidney Olivier, is Colonial Secretary. In his program speech in the House of Commons, Ramsay MacDonald did not devote one word to the situation in the colonies. The Central Committee of the Labour Party, in a manifesto, has demanded the setting up of a Parliamentary commission in order to study the reforms to be carried out in India. For what purpose is this manifesto? To whom is it addressed? Why a Parliamentary Commission? Has not the Second International, to which the Labour Party belongs, dealt with the colonial question? And if it has not enough authority with the Independent Labour Party, we are in a position to remind it that there exist two excellent books on the Indian question, one of which was written by Keir Hardie, the founder of the I. L. P., who though lacking in clear ideas had a great proletarian heart, and the other written by the present Premier, Ramsay MacDonald. Mr. MacDonald needs only to read this book again and get to work! A Parliamentary Commission will serve no other purpose than to make it appear to the public that something is being done, although all the

while nothing is being done. The colonial slaves of the British Empire have nothing to expect from the Labour Government.

The Labour Party succeeds to power in the sixth year of Peace, when he must be blind indeed who does not see that the Imperialist War is not to be the last war and that others will follow if the workers do not prevent it. The Labour Government has recognized Soviet Russia de jure: it merely acknowledges a fact. But the Labour Party has continuously fought against the secret treaties, against secret diplomacy. Commander Kenworthy, a liberal M. P. bearing this fact in mind, asked in the House of Commons whether the Labour Government intended to make known to the public the secrets of the intervention in Russia. Mr. Ponsonby, the Under Secretary of State for Foreign Affairs, a member of the I. L. P., and (together with Morel and Brailsford) original founder of the Union of Democratic Control, the aim of which was to fight against Secret Diplomacy, has vouchsafed an answer to this insidious question. Having come over to the Labour Party from the Liberals, Mr. Ponsonby has obviously forgotten a good deal of what he had previously been preaching. The secrets of Churchill and of Lloyd George, he declared, will not be betrayed. For the rest, Great Britain demands from Russia the recognition of the old debts. — Lord D'Abernon, Ambassador at Berlin, where he has never ceased to prosecute the policy of Lord Curzon and to encourage the resistance of Germany against France, in order to enable England to arrive at an agreement with France at some time or other, is still Ambassador at Berlin. — The Labour Government declares that it desires the most cordial entente with the France of Poincaré. Regarding France, its situation is more difficult than was that of the Conservative Cabinet of Baldwin. The latter could either come to an agreement with imperialist France, or arm itself against her. The entente with France involves either the cancellation of the French debts or the granting to the French debtor of facilities for payment, without which M. Poincaré on his

part cannot make economic concessions to Germany. Mr. Baldwin left this question undecided. Ramsay MacDonald will also not decide this. There remains no other way open than that of armaments. But to commit oneself in this direction would involve such an increase in taxes that, as H. N. Brailsford admits in the "New Leader", the Labour Party would not be able to maintain power. This is why Ramsay MacDonald pays compliments to France while allowing armaments to proceed their normal course. Those who expected from the Labour Party an energetic defense of peace, are disappointed.

The Labour Party came to power with the promise to diminish the heavy burdens of public debts by means of a capital levy, and to take energetic measures against unemployment. England has an annual revenue of about one milliard pound sterling, of which about 30% is absorbed in the payment of interests and by the amortisation of the public debt. This is a reward to the capitalists who caused the war. Singular enough the Labour Government has no scheme for a capital levy. Its President of the Board of Trade, Sidney Webb, one of the most renowned English economists, has treated this question profoundly in his book "How to Pay the War Debts", and its Chancellor of the Exchequer, Philip Snowden, is the author of a work setting forth an entire program of financial action. The Commission will in this respect also be nothing else than a first class funeral. Ramsay MacDonald has for the rest clearly stated that he does not intend to present a scheme for a capital levy to the present Parliament.

By abandoning the capital levy, the Labour Government renders itself unable to fight against unemployment. On this vital question for the working class, it has no program. It contented itself with uttering the profound truth that it is necessary to fight against unemployment, not only by insuring the unemployed, but also by seeking to increase industrial activity. There is little doubt that Mr. Mac Donald, so far as helping the unemployed is concerned, will go no farther than his Conservative predecessors. Those who were expecting the Labour Government to take determined, even if slow action against capital and for the defense of the cause of the workers, are disappointed.

The English Labour Government will not shake the world... It has no other care than to avoid tremors to capitalist England. It does nothing else than renounce the revolution. It abandons the democratic defense of the interests of the working class. When the Labour Party came to power, Lloyd George wrote: "This Government will not be able to remain in office a single day without our support." Mr. Mac Donald realized this and conducts a liberal policy. The only point where he falls into error, is in believing that he can thereby avoid social upheavals. He will shake the working class, he will prove to it that it has nothing to expect from parties which stand in fear of social conflicts.

The international Communist press must follow every day the experiences of the English Labour Government. This experience is destined to reveal once more the difference between the Communists and the Second International Socialists, between the revolutionary adherents of Proletarian Dictatorship and the reformist adherents of Democracy. — The difference consists in our will to act against Capitalism and their unwillingness to do so.

The Fifth Anniversary of the Proletarian Revolution in Hungary.

March 21, 1919 — March 21, 1924.

The 21st of March marks the fifth year since the proclamation of the Hungarian Soviet Republic. For over four months this Advance Guard of the Proletarian World Revolution carried on a titanic struggle against its exterior and interior enemies, including among the latter those most treacherous foes of the Workers' Cause, the Social Democrats of the II. International. In spite of the heroic resistance offered by the proletariat of Hungary, this bold attempt was destined to failure and was followed by the most brutal and bloody white terror that has ever been exercised by a privileged and exploiting class lustful for revenge. Although crushed for the time being, the proletariat of Hungary is bound finally to emerge victorious in its struggle for emancipation. The news which has come to hand in the last few days bears witness to the fact that the Hungarian workers are once more inspired with their old fighting spirit and showing their will to prosecute the class struggle in defiance of the edicts of the Social Democratic friends of the bourgeoisie.

POLITICS

The changing Political Situation in the United States.

By Earl R. Browder (Chicago).

All political forces in the United States have been manoeuvring for position in the coming presidential election. But within the past few weeks, unforeseen events have thrown confusion over the scene, bringing well-laid plans to nought and many hopeful candidates, heartache. Graft exposures, with ramifications in the various Departments of Government, including the Treasury and Cabinets of two administrations, hitting Republican and Democratic parties almost equally, are having political effects that, without touching fundamental issues, are reaching wide and deep. Complicating the situation, a halt in the downward trend of industry of a more or less temporary nature, is definitely making itself felt.

The Economic Situation.

Without doubt the United States is headed towards a deep-going industrial crises. The analysis upon which this judgement is based has been gone over many times and is doubtless correct. It would be a mistake, however, particularly in judging the effects of this trend upon the political events of this year, to conclude that it will be fully felt in the next few months. Statistics for December and January indicate that this development is being checked by a temporary counter-movement upward.

Evidence that the financial interests, with an eye to the political situation, are stimulating this upward tendency, is seen in the increase in the unfilled orders for steel reported in December and January, and in the production of pig iron, while the railroads are still undecided upon the proposed extension and replacement program of from \$1,000,000,000 to \$2,000,000,000. The Ford industry announces plant extensions for 1924 amounting to \$150,000,000; building permits issued in January show an advance of 10% over a year ago, although the forecast for the entire year is 10% below 1923. The general trend is still downward, but at a decidedly slower pace, and in view of the development in steel and building may turn upward and stand at the present level until next fall and winter. The effect of the stimulation of the basic industries is to buoy up production of commodities of general consumption, check the threatening unemployment, slow down the wage-cutting campaign, and relieve the financial pressure upon the middle class (outside agriculture) which is an important factor in the "third party" movement in the present political struggle.

The Political Situation.

A few weeks ago the political line-up seemed to be crystallized in fairly definite directions. The Republican Party was tightly in the grip of finance capital, with Coolidge as the annointed standard-bearer; the La Follette group faced the alternative of complete submission or a split. Within the Democratic Party a labour-progressive group was campaigning for McAdoo, son-in-law of the late Woodrow Wilson, with hopes of capturing the Democratic nomination. The Socialist Party (or what is left of it) was in alliance with the Conference for Progressive Political Action, supporters of McAdoo, afraid to cut loose from this last port of refuge, and hoping against hope that the C. P. P. A. would break with the capitalist parties. The Farmer-Labour Party forces, including its extreme left, the Communists in the Workers Party, and its right, the followers of LaFollette outside the Republican ranks, had agreed upon a call for a national convention on May 30th.

Under pressure of the severe agricultural crisis and the threatening breakdown in industry, the likelihood was present of a serious split in the Republican Party, with LaFollette leading the discontented agrarians, petty bourgeoisie, and the Farmer-Labour Party mass movement, in a "third party". Should McAdoo then have been defeated in the Democratic Convention, many of his followers would have swung over to the LaFollette movement, even including the C. P. P. A. (led by the railroad unions), if the Democratic nominee proved to be distinctly reactionary. La Follette was playing very carefully, quite evidently with such a development in mind.

During the last half of 1923, and early in January, this was the trend of political development. The economic upturn,

described above, was promising to slow it down a bit, but no major changes were in prospect, until the rapid succession of graft exposures broke in Washington. There was the disclosure of \$ 800,000 "winnings" of General Leonard Wood's son on the stock exchange through transactions carried on by cable from the Philippines; the uncovering of huge graft in the Veterans' Bureau; the partial disclosure of forgery of millions in Liberty Bonds in the Treasury Department; and the culmination, the Teapot Dome Naval Reserve oil scandals, with revelation of wholesale purchase of Cabinet members and a thousand rumours of shady transactions in all parties and circles of the bourgeoisie. All political alignments were thrown into confusion and a mad scramble began.

Political "prophets" in many camps, from the liberal Villard, and the Socialists Berger and Hillquit, to labour leaders in the Farmer-Labour movement, hailed the storm as a signal for the LaFollete split in the Republican Party. The "third party" was inevitable, so they thought; only a miracle could prevent it. One and all they put their hopes upon La Follete leading all the forces of revolt to Armageddon in November.

But politics is not so simple, and the men who lead various sections of the labour and farmer forces are not even so courageous, that a large break-away from the Republican and Democratic parties can be safely prophesied. LaFollete did not announce his adhesion to the May 30th Convention in St. Paul; on the contrary he inspired a move to postpone that gathering. The C. P. P. A. did not endorse McAdoo, because of his newly acquired oil taint, but neither did it commit itself to LaFollete or to May 30th, and its vague talk of a "third party" was evidently but a stop-gap to fill in a lack of any policy.

The net results of the Teapot bomb seem to be: McAdoo was seriously damaged, and his labour following is now wavering uncertainly between him and LaFollete; his chances of the Democratic nomination are not so good as they were. LaFollete has received new hopes of becoming the Republican nominee, and thus a Republican president, through the blow delivered Coolidge by the scandals; the chance of his splitting has been reduced to the extent that the Republican machine has been demoralized by the shake-up. LaFollete is directing all his forces toward obtaining the Republican nomination in June; he is the one candidate in the capitalist parties that gained strength from the Teapot being spilled.

Within the Labour Movement.

Until February 12th, the Farmer-Labour Convention agreed upon for May 30th at St. Paul was the only rallying center for the organizations wishing to unite for the presidential election against the Republican and Democratic parties. The elimination of McAdoo created the situation that forced the "progressive" leaders on February 12th to talk of a "third party" and call a Conference in Cleveland for July 4th, "to consider the question of presidential candidates".

This has created a dangerous situation for the Farmer-Labour movement. Both the LaFollete and McAdoo forces are now out to knife the May 30th convention, wishing to use the threat of a later split to force consideration for their old-party conventions, and hoping to split the Farmer-Labour forces and drag away sections for the Republican or Democratic Party if LaFollete or McAdoo obtain nomination. There is not the slightest guarantee that July 4th will be anything but another great betrayal of the farmers and workers, and there are many new reasons to expect that it will be such a betrayal.

Dangerous as the situation is for the Farmer-Labour movement, it forces one development that is favorable for the left-wing. All the class-conscious elements among the workers and farmers can be made to see the great danger, and to fight for the holding of the May 30th Convention as the only safeguard and guarantee of the Farmer-Labour movement against betrayal, while the door to July 4th can still be left open for the possibility of that gathering breaking with the old parties. Thus we are now witnessing, in the line-up for and against May 30th, the beginning of the true class division between the representatives of the Farmer-Labour class party on the one hand, and the petty-bourgeois and capitalist-lackey elements on the other.

The struggle for a Party of the farmers and workers in the United States has thus, due in large measure to the effects of the Teapot being upset and dripping oil over the political landscape, become a fight against postponement of the May 30th Convention in St. Paul. The date, fortuitously selected last November, becomes a historic one in the political history of Labour.

Roumania's Reign of Violence in Bessarabia.

By W. S.

The whole of the Roumanian press is at present occupied with the Vienna Conference between representatives of the Soviet Union and of Roumania which assembles on the 24th March next and has the Bessarabian question as the principal item on its agenda. It is obvious that the press is trying by every possible means to prove that the Bessarabian population has "voluntarily flown to the bosom of its mother". At the present time, when the fate of the Bessarabian province is to be decided at the Conference, it is very important to expose the real state of the whole affair: Why was Bessarabia occupied, and what is the attitude of the population with regard to the occupation of their country?

Long before Roumanian troops marched into Bessarabia, at the time when it was cut off from Russia by Ukrainian insurgents, a little group of adventurers: Inkulec, Pintja, Kazako, Pelivan and Co. organised a "Soviet" (Svatuli-ceri), in order to further their own interests by means of the peculiar military situation, and to fish in troubled water. Theis "Soviet", with the exception of a few of its members, worked from the very beginning under Roumanian direction, as Pelivan later on quite openly declared in the Roumanian Parliament. But in order to give the "Soviet" the veneer of a democratic institution, and to conceal its real nature, the adventurers invited the leaders of various parties and organizations to work with them. These did not see through this "Soviet" and sent their delegates without any idea whatever of the provocative part, which this Institution was to play later. Roumania was thus able to occupy Bessarabia at the times when Russia was in the throes of the fiercest civil war.

According to the proclamation, which the Roumanian general Presia had posted up by Roumanian troops, on the occupation of Bessarabia, this occupation was alleged to have taken place in order 1. to protect the inhabitants from the troops fleeing to Russia, and 2. to protect the railway lines and the Roumanian private estates. But the first steps of the army of occupation indicated the real import and aim of the occupation.

On the one side preparations began immediately for the annexation of Bessarabia to Roumania. The adventurer-group of the "Soviet" receives big grants in money, and out of gratitude therefore immediately begins the "purification" of the Soviet from those elements which are injurious to it, that is, those elements which might prevent the union of Bessarabia with Roumania. They stuck at nothing in order to drive out of the Soviet those elements which immediately spoke against the Roumanian occupation, and for this purpose had recourse to the most bestial crimes and murders. Under the pretence of transporting over the Dniester N. Grinfeld, Kovsan and many others, who in the very first days had exposed to the public the provocative work of Inkulec, they had these men drowned in the river. At the same time in all the towns, the elected (!) municipal bodies ("Duma") and provincial administrations were forcibly driven out, and in their place "Bun-rumani" (good Roumanians) were installed. Public officials, beloved by the people, heads of various revolutionary bodies, teachers, editors of progressive newspapers etc., were dismissed, so that the "Svatuli-ceri" alone remained as the sole "ruling organ". This organ, which in reality is a group of adventurers who have sold themselves to the Roumanian Government, then began to speak "in the name of the people", and today is "solving" the Bessarabian problem.

On the other hand, there is beginning an unheard of terror among the town and country population. Already in the first days in Kishineff every third soldier in the local Bessarabian garrison, in all more than 70 men, were shot before the eyes of the people. — In Bendera (in Roumanian Tighina), the whole of the population which had spoken out against the occupation, were driven into a field, surrounded with machine guns, 240 rail way-workers picked out and shot down before the rest. The next day 46 University Technical Students were shot.

Such is the voluntary annexation of Bessarabia to Roumania. In the last few years, the situation is supposed to have improved, so at least the Roumanian newspapers (Adeverul) claim. How the situation has really "improved", a few facts indicate:

In the Chotin district, the peasants who could no longer endure the Roumanian terror, were driven to revolt. As punishment, their villages were burnt down, the male population shot, and the women sent into other districts.

Bessarabia has been occupied by Roumanian soldiers now for six years, for six years the Bessarabian problem has been "solved" by martial law and unheard of terror.

THE LABOUR MOVEMENT

Capitalist Offensive in India.

By M. N. Roy.

The strike in the textile industry of Bombay, which in the closing days of January developed into a general lock-out throwing over 150,000 men, including 30,000 women out of work, took the form of the decisive battle in the offensive of the Indian capitalists. The causes that led to the strike and the preliminary stage of the struggle have been dealt with in a previous article. At the time of writing this, no news of the termination is at hand.

On Feb. 1, the strike had been almost general. 81 out of 83 mills were closed; and the strikers numbered more than 150,000. The owners flatly refused to consider the demand of the workers. The demand was the continued payment of the annual bonus, amounting to a months wages, which had been suspended. The Millowner's Association gave an ultimatum: if the strikers would not resume work unconditionally on Feb. 4, all the mills would be closed down for two weeks. The leaders made frantic efforts to induce the men to give up their resistance. The strikers were in a fighting mood and took up the challenge of the owners, contrary to the advice of the leaders.

As far as the leaders were concerned, the situation was very awkward. Neither side would listen to them. The employers rejected all proposition of compromise; the workers, on the other hand, were determined upon a fight to the finish. Consequently, there was no new development for several days. On top of this came the release of Gandhi. The petty bourgeoisie, whose sense of justice had been somewhat outraged by the attitude of the capitalists, found a new diversion. They went wild with the rejoicings and thank-givings over the release of the Mahatma. The strike was almost forgotten, except to offer the workers occasional injunctions to remain non-violent. Sankaral Banker, a rich mill-owner of Ahmedabad (the second largest textile centre where six months ago the workers had been beaten down) and the chief lieutenant of Ghandhi, appeared on the scene and advised the strikers to take to the primitive spinning-wheel, to earn their living and to follow the command of the Mahatma.

The situation, however, was too grave to be forgotten or to be tided over with such quaint suggestions. The froth and foam of petty bourgeois rejoicing over their hero, clouded the situation for a few days only. The "public sympathy" for the strikers abated; the determination of the latter continued unlagged. Some of the leaders adopted new tactics. In the beginning, they did not dare to oppose the demands of the workers. Now, thinking that the workers' power of resistance would be nearing its end, some of them began dwelling upon the illegality of the bonus system and advised the workers to be "reasonable".

All the time the employers had a thoroughly sinister scheme up their sleeves. Their intention was to attack the wages as soon as the workers were beaten down in the fight over the bonus. The workers felt instinctively that they were engaged in a decisive battle. The resistance they put up disquieted the owners, who evidently did not expect such a stiff fight. The talk of over-production was all nonsense. Indian mills are far from supplying the needs of the local market. In a few days there was a run on the slender stock and the prices hardened. In another week or so, the godowns would be empty, and if the mills failed to supply the market, foreign competitors would gain ground which would be very hard to recover. Therefore the prospects of a continued lock-out were no more welcome to the owners than to the workers. The Union leaders, who in India stand much closer to the capitalists than to the workers, sensed the situation, and approached the Governor with the request to intervene. He, of course, expressed his desire to remain neutral in the dispute between capital and labour, notwithstanding the fact that from the very beginning the police and the military had been gratuitously placed at the disposal of the former. Anyhow the Governor took the hint, and invited the Committee of the Millowner's Association for an informal talk. The nature of this talk was not intimated to the public; but it is generally believed that the Governor advised the owners to seek "an honourable and satisfactory settlement". He also advised them to make a declaration to the effect that, within the next twelve months, no wage-reduction would be made. The Committee expressed its inability to say anything definite without consulting the Association. The Governor let it go at that.

The position within the camp of the employers became very interesting. There developed two hostile tendencies. This was the first victory of the workers. They succeeded in creating discord in the enemy camp. The enormity of this victory is appreciated when it is remembered that the ignorant, largely illiterate, unorganized workers have been fighting without leadership and without a strike fund. The so-called leaders were trying their very best to sabotage the fight. The public sympathy was waning and an opinion decidedly hostile to the workers was crystalizing all around. Nevertheless, the first victory of the workers was quickly followed by a second one.

The strike had commenced the second week of January. Nearly 130,000 men had been two weeks on strike before the lock-out was declared. The wages for January were due just on the day the lock-out order was issued. The employers refused to pay any wages for the strike-period. After the interview with the Governor, an influential section of the Committee of the Millowner's Association recommended a revision of the position. Pending consideration of the Governor's request for the declaration about future wages, the owners issued a notice that if the men would resume work at the end of the lock-out period, the January wages would be paid within two days.

On the question of future wage-cuts, however the majority of the owners remained obdurate. The minority, led by Sir Fuzulbhoy Currimbhoy, pleaded for a compromise. They went so far as to recommend the payment of 50 per cent of the bonus. They contended that the dead-lock was causing more loss to the industry than otherwise, and they were correct. But the die-hard majority were prepared to sacrifice a portion of the amassed profit in order to break down the resistance of the workers.

On Feb. 11, the Association adopted a resolution to the effect that the question of future wage-reductions did not enter into the present dispute, and that it had not been considered therewith. Sir Fuzulbhoy moved an amendment which sought to guarantee the existing scale of wages for the current year. The amendment was defeated by 571 votes against 405. So, although the first round ended in but a partial victory for the workers, it caused a serious schism in the capitalist camp. Had the workers been endowed with a consciously revolutionary leadership, this initial victory could be pushed very far. But as it is, the odds are overwhelmingly against the workers. An instinctive sense of class solidarity, and a small and partially developed vanguard, are the only weapons at their disposal. At any rate, these weapons they are wielding admirably. India had seen other great strikes, but this one is unparalleled in that it has practically repudiated the leaders hailing from the capitalist camp, and has thrown up the rudimentary elements of class leadership. It may fail to win all its immediate demands, but consciousness is awakened and the experience gained will never be lost. On the contrary, it will be a valuable asset for the entire proletarian movement.

The growth of a class-leadership has been such a remarkable phenomenon that the nationalist papers, which at first gave a sort of half-hearted support to the strikers, are talking disapprovingly of the "few extremists" who are holding the men back, in spite of the fact that a majority of them are not prepared to go to the bitter end." The appearance of the "few extremists" is the principal feature of this strike. Obviously it is the influence of these "few extremists" that has liberated the workers from the unholy domination of the "leaders", in league with the capitalists and the government. There has not been one strike meeting in which a number of the strikers did not speak, and this in order, to oppose the compromise propositions of the "leaders". The nationalist *Bombay Chronicle* reports: "The men are intelligent enough to understand their own interests, and there could be no better proof than their rejection of Baptista Kaka's (Joseph Baptista, a rich lawyer with Fabian leaning, a former president of the Trade Union Congress) inopportune advice to resume work unconditionally. The operatives know that while they are losing in the shape of wages, the millowners are not gaining either."

In view of the fact that mere spirit, however undaunted, cannot overcome economic disabilities, and that 30,000 women with children are counted among the locked out workers, it cannot be expected that the struggle will end in a clear victory. The offensive of the capitalists is very sweeping and will not be warded off so easily, although it is clear that the corner has been turned. The Bombay men will not be so totally beaten down as their comrades of Ahmedabad. While the issue is being fought out in the heart of the industry, strikes have been won

in the secondary centres of Cawnpur and Nagpur. It is very likely that the Bombay fight will end in a compromise. The men would accept a reduced (50 p. c.) bonus plus a declaration against wagecut. This would be the best that could be expected under the circumstances. In fact, the possibilities of the struggle ending in results still worse for the workers are not inconceivable. The "labour well-wishers" are busy with their nefarious efforts and the men cannot hold out indefinitely.

Now, what effect will a victorious capitalist offensive have upon the British proletariat? This question is very easy to answer. If the capitalists can reduce their wage-bill, they will be better equipped to face British competition. English cotton fabrics will, therefore, have to be either partially withdrawn from the Indian market or sold cheaper. This will mean either increased unemployment or wage-cuts in Lancashire. The English cotton trade has been experiencing a slump for some time; of late, the talk of a lock-out is to be heard. On the other hand, a victory of the Indian workers will strengthen the position of the Lancashire operatives. But the Labour Government is totally oblivious to this chance of giving protection to the Indian working-class, not as a charity but in the interests of the British proletariat. The leader of the Lancashire cotton operatives, Tom Shaw, is a partisan of excise duty on the Indian cotton industry; he does not know that this does not solve the problem. It ultimately falls on the bent back of the Bombay workers, and the effect rebounds upon the Lancashire men, as is shown by the present situation.

According to news received since the above was written, the lock-out was extended for another two weeks, because the workers refused to go back unconditionally on Feb. 18, on which date the second lock-out period expired. Even at the present time of writing the struggle continues. That means, that the lock-out has been on 40 days, while the strike broke out another two weeks before. This prolonged resistance on the part of the Indian workers is almost unbelievable, when their economic condition is taken into consideration. Naturally enough, the solidarity of resistance is weakening. In order to take advantage of this weakening, notices were posted up by the owners announcing that the mills would be opened from March 8 for the workers willing to resume work unconditionally, and that January wages would be paid to such workers two days after. The suffering of the workers has reached its limit. Several deaths are reported from starvation. Nevertheless as a body, the strikers still would not permit blacklegging. Attempts were made to set fire to mills which posted up the above notices. Conflict with the armed police guarding the mills occurred, and so far three strikers are reported killed and several wounded.

The government remains indifferent to the suffering of the men. It refuses to shoulder the responsibility of feeding so many people. It is said that if the millowners will not, the public must undertake the duty. We have heard much of the "responsibility" of ruling India. The Labour Government has also voluntarily shouldered this "responsibility". Will the British proletariat demand that the MacDonald Cabinet shall not remain sublimely indifferent to the responsibility it owes to the Bombay workers?

The Congress of the German Metal Workers Union.

By August Enderle (Berlin).

From February 17th to 23rd the sixteenth general meeting of the German Metal Workers Union (D. M. V.) was held in Kassel. According to the statutes of the Union, a general meeting must take place every two years to decide the policy and tactics of the Union and to elect an entirely new executive. The 16th general meeting was called for September 1923, but owing to financial difficulties it was indefinitely postponed and has only now taken place. As the delegates had been elected in August of 1923, the composition of the meeting offered no real reflection of the present views of the members. If a new election had taken place in January or February there is no doubt that the majority of the Amsterdammers would have been considerably smaller than it was in Kassel.

The meeting of the D. M. V. was awaited with great interest by the whole of the German working class. This union is the largest, not only in Germany, but in the whole world; in August it numbered 1,600,000 members, but in the meantime it has gone down to an estimated number of about 1,000,000. The decisions

of the largest of the German unions are naturally of great significance and exercise a very strong influence upon the tactics and policy of the A. D. G. B. (*) Alongside of this fact, the significance of the Kassel convention lay in two important political and economic factors. First of all it was the first large convention of a German trade union which has taken place since the proclamation of the state of siege, the unhampered rule of the military dictatorship and the general offensive of the capitalists (Emergency Powers Act, Abolition of the eight hour day, reduction of wages, and the dismissal of officials etc.), and secondly that the opposition led by the Communists with its 140 members out of 400 was stronger than it had ever been at any trade union conference. Added to these were the so-called left Social Democrats under the leadership of Dissmann, who is very well known for his revolutionary way of talking, who numbering between 70 and 90 delegates and who repeatedly declared that they were prepared to make common cause with the Communists to put the right Amsterdammers in the minority and to steer the Union towards the left. We will soon show how the deeds of these mouthing heroes of the "left" compared with their words.

From a purely external point of view, the proceedings of the convention were relatively quiet. It only came to a few stormy scenes, when both officials of the Berlin local organization, two absolute rabid Amsterdammers, moved a resolution in favour of annulling the mandates of all the 38 Berlin representatives, all belonging to the opposition, and on the occasion of the expulsion which directly outrages all proletarian feelings of numerous oppositional colleagues out of the D. M. V. For the rest the proceedings bore the character of a bourgeois Parliament with sharply defined political fractions, as to be seen when the presidium and the sub-committees were elected in a full meeting without debate in accordance with the strength of the two largest fractions.

There were very few points on the Agenda: Annual Report, International Metal Workers Congress and Social Politics. Most of the time was taken up with the first item. In this question it was not merely a matter of settling accounts as to the past, but it was necessary to struggle over the policy, tactics and leadership of the Union for the future. If the "left" Social Democrats had to prove to the great majority of the workers that behind their radical phraseology and the "struggle" which they have so often proclaimed against the right wing of the trade unions, who work hand in glove with capital, there was anything more than verbal radicalism, the report of the executive delivered by Dissmann showed that the left Amsterdammers are just as reactionary and counter revolutionary as the right. Both groups are absolutely agreed that the old trade union policy must be continued and that the struggle against the revolutionary opposition must be continued more sharply with every means even including that of a split. Of his speech which lasted three hours and a half, Dissmann devoted more than two hours to a raging attack against the Communists. The struggle against the Communists was the only "positive" feature of his speech which was delivered in the name of the Executive. To all the questions which are stirring the proletariat today such as how the struggle is to be conducted for the maintenance of the eight hour day, against the reduction of wages and the mass dismissals, against unemployment, against the offensive of the capitalists and the white terror, and by what means the mass withdrawals from the trade unions is to be stopped, Dissmann, and with him the whole of the Amsterdam majority, gave no answer.

Through their speakers as well as in the resolution which they moved to the Annual report, the opposition exercised a sharp, pitiless criticism of the Amsterdammers, irrespective of whether they call themselves left or right. Besides showing up all the mistakes and treacheries of the trade union leaders, who have led the proletariat into the abyss, the opposition both in their main resolution as well as in a number of motions dealing with all the acute questions of the day, pointed out the way that the trade unions must go in order to make a break with the previous injurious policy and tactics and to lead the proletariat to victory upon the way of the class struggle. But the Amsterdammers threw all reminders and warnings to the winds and did not even take the trouble to discuss the vital questions of the proletariat. With the rare exception of a few Social Democrat delegates, they voted in a solid block against every resolution of the opposition. In their hatred against the opposition,

(*) A. D. G. B. = Allgemeiner Deutscher Gewerkschaftsbund (General German Trade Unions Federation).

they even went so far as to vote down a resolution directed exclusively against the white terror, in which every justified criticism of the reformists, who are equally to blame for the white terror, was intentionally left out. The craziness of the Amsterdamers showed itself even more blatantly in the vote over the exclusion of several dozen revolutionary colleagues. The fact that those excluded comrades enjoy the confidence of hundreds of thousands, and that their exclusion, which took place merely on political grounds, robs hundreds of thousands of workers of any confidence in the union, did not prevent them approving all the exclusions that had been carried out by the executive.

Although all the motions of the opposition were rejected the majority did not take up any attitude whatever towards the burning questions of the day by means of resolutions. Both their resolutions upon the annual report were, as regards the first part, an empty jingle of words which have the tendency to leave everything as is has been in the past, and in the second part an express approval of the large-scale splitting policy which was begun by the A. D. G. B. with its decision of January 15th 1924. According to the majority decision, all revolutionary workers who do not submit peacefully to the dictates of the Amsterdamers are threatened with expulsion. One hindrance existed for the Amsterdamers. They could no longer alter the constitution as they wished, because that requires a two thirds majority and, as has already been mentioned, they no longer possess it. In this way some of their reactionary intentions, such as the limitation of the franchise within the union, and restriction of the right of self-determination of the members etc. were prevented. In the discussion of the statutes, the tactically important question of proportional election was upon the agenda, but the Amsterdamers rejected it unanimously.

In deciding their attitude to the **International Metal Workers Congress** which takes place in Vienna in June 1924, the whole difference between the Amsterdam and the revolutionary tendencies appeared openly. Both Reichel, the chairman of the D. M. V., and Ilg, the chairman of the international union, spoke. They sang the old well-known song that the International was so powerless because "the others" were too weak and could not carry out their tasks. To the acceptance of the Russian Metal Workers Union in the Berne international they attached the shameful condition that the Amsterdam international should be recognised, and the struggle against the Soviet state should be taken up. The acceptance of the revolutionary organizations of metal workers which were split of by the Amsterdamers, such as the Revolutionary Metal Workers Union of France and Czecho-Slovakia, were rejected on principle. In this way they have deliberately barred the way for the creation of a real international of metal workers.

On the item of **social politics**, in which the whole question of the terrible repulse which the German proletariat has suffered by the betrayal of the revolution on the part of the reformists should have been opened up, the "struggle" of the Amsterdamers did not go farther than appealing to the workers to elect as many Social Democrats as possible to the Reichstag.

Although the right Amsterdamers had the definite intention, right up till the convention, to squeeze Dissmann out and not to elect him again to the executive, it was shown by the election of the executive that Dissmann and his other friends of the left had proved to the satisfaction of the right by their attitude during the convention, that they were capable and worthy to represent the Amsterdamers still further, and to continue in the administration of their office. And thus against the votes of the opposition the whole of the old executive was re-elected.

The proceedings and results of the Kassel convention constitute an important lesson, not only for the whole of the revolutionary workers, but especially for its advance guard, the Communist Party of Germany. In Kassel it was shown that every attempt to go even a little bit of the way with left leaders of the Social Democratic Party is a hopeless effort, and will always end in damaging the revolutionary cause. The lessons which were gained by the Communist Party of Germany last October and November must be learned without reserve by the party in the field of the trade unions. In the same way as the Left proved worthless politically during the events in October of last year, they proved worthless in Kassel in the field of the trade unions. Therefore, war to the knife against the mouthing heroes with their radical phraseology — war for the winning of the masses for a truly revolutionary trade union policy.

Since Kassel, the situation in the German trade unions is more critical than ever. It is apparent that the Amsterdamers wish ruthlessly to carry out a split of the German trade unions. The opposition under the leadership of the Communists will do everything possible to prevent this crime, but it must be prepared, in order that it be, properly equipped in the event of the Amsterdamers regardless of the interests of the proletariat succeeding in carrying it out.

IN THE INTERNATIONAL

Five Years.

The Constituent Congress of the Communist International.

By G. Zinoviev.

The Congress was slow in assembling. Soviet Russia was at that time almost completely cut off from the world. It was well-nigh impossible for foreign communists to make their way into Russia and even to send a message or a newspaper.

The storm of the first German revolution had just burst. The gates of the Hohenzollern prisons had been thrown open to let Karl Liebknecht and Rosa Luxemburg free. The first journey Karl Liebknecht made when he left prison was to the Russian Soviet Embassy in Berlin. Baring his head before the red banner of Soviet Russia, Liebknecht called upon the German workers to follow in the path we had taken.

In January 1919, isolated communists from the various countries of Western Europe began to make their way into Russia, although the Congress had been summoned to meet in March. On March 2nd, our first, our constituent Congress, was opened. The number of attendants was small: 33 representatives from 19 parties and organisations with the right to vote, and 19 other representatives from 16 organisations with the right to take part in the deliberations. The first group consisted mainly of communist parties which formerly formed part of the Russian Party: the Communist Party of Ukraine, the Latvian Communist Party, the Estonian Communist Party, the Armenian Communist Party, the Communist Party of the German Colonists, etc. Countries in which the working class movement was most important, such as England, France, Czecho-Slovakia, Bulgaria, and America, were represented at the first Congress by isolated groups which, in view of the smallness of their membership, enjoyed the right only of participating in the discussions.

The Congress was opened, of course, by Vladimir Ilyitch. His speech was brief, externally "dry", but in fact, permeated by genuine enthusiasm and an unshakeable confidence in victory. It was Comrade Lenin too who made the chief speech at the first constituent congress — on bourgeois democracy and the dictatorship of the proletariat. To-day, the ideas contained in that speech have become part of the flesh and blood of the communist movement in every part of the world. But at that time they were something entirely fresh and truly prophetic.

On March 4, 1919, we, the Russian delegates, together with the delegates of the Austrian Communist Party, the left Social-Democratic Party of Sweden, the revolutionary Balkan Social-Democratic Federation, and the Hungarian Communist Party, put forward an official resolution demanding that the Third Communist International should be founded immediately. This proposal had been preceded by prolonged disputes among the assembled delegates.

Most unfortunately, the German Communist Party was opposed to the immediate formation of the Communist International. By that time the January Spartacist movement had been crushed. Karl Liebknecht and Rosa Luxemburg were dead. The prime leader of the central Spartacist groups was the late Tyshko (Yogiches). Only one delegate from the German Communist Party, Comrade Albert (Eberlein) managed to get through to Moscow to attend the constituent Congress. He had a definite mandate from Tyshko to support the first International Communist Conference, but to declare that the creation of a Communist International was premature. The German communists considered that the movement was still too feeble to run the risk of proclaiming the Third International. Certain of them were still suffering from the effects of the severe defeat of January 1919, and others still had not sufficient faith that the Russian Communist Party, upon which, of course, the burden of the leadership of the Communist International would fall, was capable of assuming so great a task.

We Russian delegates, and especially Comrade Lenin, were profoundly convinced that the time was ripe for the foundation of the Communist International, and that the hour for decision had come. But, it was extremely hard to take this decision against the votes of the representatives of the German Communist Party. So undesirable did we think this, that we were already beginning to incline to the opinion that only an organisation committee should be set up to arrange for the summoning of the next Congress, but that at the present Congress the Communist International should not be proclaimed.

At this juncture, however, the delegates from Austria arrived. It was only with extreme difficulty that they had managed to make their way into Russia. Two of them practically rode the whole way on the buffers of trains, pretending to be prisoners of war. They brought with them a whiff of the powder and smoke of the great combats which at that time were taking place in many countries. And they were entirely on our side, — on the side of those who thought it necessary to proclaim the Communist International at that very Congress. Their speeches influenced the conduct even of the representatives of the German Communist Party. The vote was taken. The resolution in favour of the foundation of the Communist International was adopted without a dissentient voice, the delegates from Germany abstaining from voting.

"The foundation of the Third Communist International in Moscow was a record of the triumph of the Russian proletariat, and not only the Russian proletariat, but the proletariat of Germany, Austria, Hungary, Finland, Switzerland, and in fact of the whole world. That is why the Third Communist International will last." Thus wrote Lenin on March 5, 1919, the day after this historic decision was taken.

"All of us know, all of us have seen, felt and witnessed in our own countries that a new proletarian movement has sprung up, unprecedented in its strength and profundity... It is moving forward towards the dictatorship of the proletariat; it is moving forward to the Soviet Power, in spite of waverings and in spite of terrible defeats", Vladimir Ilyitch continues.

"On March 4, 1919, in Moscow, the Third International — the Communist International — was founded. A great and memorable day, which will be hailed for all time by the toilers of all countries, and will be remembered with gnashing of teeth by the exploiters and oppressors until such time as we have swept our planet of the bourgeois filth that encumbers it." So I wrote in my article "Paris, Berne and Moscow" shortly after the first Congress was concluded.

On March 6, a united session of the All-Russian Central Executive Committee and the Moscow Soviet was held in honour of the constituent Congress of the Communist International. At this meeting the writer, speaking in the name of the Executive of the Communist International which had just been set up, said: "Karl Marx stood at the cradle of the First International. He stood at the bedside of the First International when it expired in 1873. In a letter to a friend, he wrote: 'Do not be distressed, dear friend, because the International is dying; a few decades will pass and a new and better International will spring up.' And now the prophetic words of Karl Marx have been fulfilled. The First International has been resurrected, it is living in us, in every honest and class-conscious worker... It is resurrected as the Third International founded on March 4, 1919."

In 1919 the Communist International was chiefly a society for communist propaganda. But very soon, in 1920, it began to be a fighting organisation of the workers, directly organising the attack against the strongholds of capitalism. And now in 1924, at the time of its fifth anniversary, the Communist International — that mighty world organisation of the proletariat, created by the genius of Vladimir Ilyitch and the efforts of the communists of the world — is well on its way to becoming a single great international Communist Party, which is already beginning to shake the whole capitalist world, and which will finally overthrow capitalism.

"Much work is needed, many mistakes will inevitably be made, many difficulties will be encountered on the way. The chief duty of the Second Congress is to work out, or at least to indicate practical principles, so that the work which hitherto has been carried on among hundreds of millions of people in an unorganised fashion, shall be organised, consolidated and systematised." Thus spoke Comrade Lenin at the Second Congress of the Communist International.

In the manifesto on the First Congress of the Communist International, published on January 24, 1919, and written by Vladimir Ilyitch, it is stated:

"The gigantic and rapid strides made by the world revolution, which is continually throwing up fresh problems; the danger of the revolution being crushed by the capitalist states... the efforts of the treacherous parties... to assist their governments and their bourgeoisies in once more deceiving the workers; and finally the accumulation of vast revolutionary experience and the internationalisation of the whole revolutionary movement, compel us to take upon ourselves the initiative in the summoning of an International Congress of the revolutionary proletarian parties."

Never was revolutionary initiative so timely as that taken by Comrade Lenin in this instance. The foundations of the Communist International were laid, and in spite of all difficulties, in spite of the tricks of fortune, in spite of ill-success and defeat, the Communist International has led the vanguard of the international proletariat into the struggle for the dictatorship of the working class.

"Our task is to generalise the revolutionary experience of the working class, to purge the movement of the disintegrating admixtures of opportunism and social-patriotism, to unite the forces of all the truly revolutionary parties of the proletariat, and to hasten the victory of the communist revolution throughout the world." So ran the first manifesto of the first constituent congress of the Communist International to the proletariat of the world.

Such has been and such will continue to be the task of the Communist International until the final triumph of the international proletariat is achieved.

The Prisoners of War and the Russian Revolution.

By Josef Grün (Vienna).

With the entry of the Communist International on its sixth year, it seems opportune to call to mind the work achieved by some of the modest and little-known pioneers of the Third International. We refer here to the numerous prisoners of war in Russia, who, in the most critical days for the revolution, rallied to the proletarian cause and helped to establish and consolidate the Soviet Power and who, ever since their return to their own countries, have worked persistently for the diffusion of the ideas of the Third International.

The world war, introducing as it did among the peoples of different races, entire masses of prisoners of war, has in some respects brought about results similar to the epoch of the great migration of peoples. This before all was the case in Czarist Russia, where 1,500,000 prisoners of war from the Austro-Hungarian Empire, some hundred of thousand of prisoners coming from Hohenzollern Germany, and many thousands of Bulgarians and Turks, lived for several years dispersed throughout the vast territory of Russia. Up to the overthrow of Czarism, they were interned in concentration camps or were engaged in agriculture, in the factories, in the mines, in the construction of railroads, etc., subjected to frequent ill-treatment and continuous exploitation. The Kerensky period brought them at first some alleviation; but beginning from the new offensive of the Russian Army, which Kerensky attempted on the orders of the Entente imperialists, and especially after the defeat of the Bolsheviks in June, the treatment of the prisoners of War again became worse. The "republican" government sought by every means to prevent fraternization between the revolutionary Russian workers and the foreign workers, whose minds became continually more susceptible to revolutionary propaganda.

After the October Revolution, the situation suddenly changed. The foreign proletarians, the "prisoners of war", were treated as brothers by the Soviets and by the Factory Councils. Economic and political organizations of prisoners of war were formed in all parts of Russia. Owing to their international character — although the German and the Hungarian elements predominated numerically — and to their revolutionary tendencies, which became continually more marked, they formed a most striking contrast to the legions which had been formed previously by the Kerensky Government from the prisoners of war of Slav, Italian and Roumanian nationality for the reinforcement of the Russian Army.

The first Conference of Delegates of internationalist Prisoners of War took place from the 14th to the 18th April 1918 at Moscow, and decided to unite all the organizations in the "Federation of Foreign International Socialist Revolutionary

Workers and Peasants". A Central Committee was elected which continued to carry on its functions until the 30th of September of the same year, when this organization could be transformed into the "International Federation of the Foreign Groups of the Russian Communist Party". The Central Committee directed the activities of the local organizations, several of which constituted District Federations, and published a number of weekly and bi-weekly papers in the chief languages spoken by the prisoners of war. The Central German organ „Die Weltrevolution“ (“The World Revolution”) took the place of the paper „Der Völkerfrieden“ (“The Peoples’ Peace”) previously published by Karl Radek for distribution among the solidiers of the enemy front. All these publications were written, printed and distributed in the midst of the greatest difficulties, frequently in the face of the enemy, frequently when subject to his direct blows. It is not without interest to mention here the German paper for the Ural district edited by the author of this article, the first number of which appeared on the 2nd June 1918, before the foundation of the Communist International and already, as the first of all Communist German publications, bore the title: „Die Dritte Internationale“ (“The Third International”).

It was not long before the organizations of the revolutionary prisoners of war had occasion to prove their devotion to the proletarian revolution. When, in June 1918, the Czechoslovakian Legions rallied to the counter-revolution and seized the railroads communicating between Russia and Siberia, from the Volga to the Ob, great numbers of the revolutionary prisoners of war took up arms to defend the Soviet Power. They formed **International Battalions** or **International Auxiliary Legions**, which played an heroic part in the campaigns of the Red Army. Their losses were very heavy. When captured by the enemy, they rarely received quarter. Ex-prisoners of war also carried out the dangerous task of carrying propaganda into the very ranks of the enemy, partly into the National Legions allied with the Whites, partly into the armies of occupation of the Central Powers. It goes without saying that many of our agitators paid for their revolutionary courage with their lives.

After the crushing of the Central Powers, these prisoners of war were confronted with a new duty. While a great number of their fellow countrymen were exchanged and returned home safely, those of our comrades who had taken an active part in the Russian revolutionary movement were very often obliged to adopt illegal means in order to return home and continue their work of propaganda. Others ex-prisoners of war, shut out from Europe by the counter-revolution and compelled to remain in Siberia, fought there for a long time in the red formations, thereby contributing to the definite liberation of Siberia from the regime of white terror.

Besides the military aid which the prisoners of war afforded to the Soviet Power, they also carried out exceedingly useful propaganda work among the Russian population, in the first place among the proletarian and semi-proletarian elements of the country. Finally, contact with the Russian formed a valuable experience for the peasants who constituted the mass of the prisoners of war. The agricultural labourer, formerly limited to his native village and with a mental outlook equally restricted, now, having been mobilized and led to the slaughter by the Central Powers, after having seen the Russian Revolution and having lived in its midst, brought to his native home, either consciously or unconsciously, the message of the Russian Revolution. Surely, not one of these obscure tillers of the soil has forgotten that the Russian Revolution has given the land to those who render it fertile by their labour.

Many a doughty Communist fighter, who has taken part in the foundation of sections of the Third International, received his training as a soldier of the Revolution in the ranks of the former organizations of prisoners of war in Russia. This is before all the case in the countries once constituting the Austro-Hungarian Monarchy.

The anniversary of the foundation of the Communist International, as well as the International Red Relief Day, which latter is dedicated to the memory of the fighters for the first proletarian state, the Paris Commune, and also to the fighters of the present Proletarian World Revolution languishing in the prisons and being persecuted as refugees, serve to call to mind the sacrifices rendered by numerous comrades for the cause of the Soviet Power and thereby to the cause of the Communist International.

ECONOMICS

The International Economic Situation.*)

By Eugen Varga.

I. Introduction.

The general view of the world's economics has in many respects taken another form, than what might have been expected.

The decline of the American market has not increased. The data so far available do not suffice for an exact pronouncement. It appears however, as if production has remained on the same level as in the third quarter, during which business in the textile industry and other articles of general consumption declined, while on the other hand, business in the investment industry — railway material, building industry — had somewhat improved.

In England the expected increase in unemployment did not occur, on the contrary, the number of unemployed sank during the last quarter, although an increase in the number of unemployed was expected during the winter months on account of the seasonal work. The cause of this improvement is partly due to the numerous orders from the railways, partly to the gradual falling in the value of the pound sterling, which fact favoured business. A certain bettering of the market can also be observed in the neutral states.

On the continent, the most important events are: the stabilization of the Mark in Germany and the rapid sinking of the French franc. In connection with the stabilization of the Mark, a production crisis has arisen in Germany of unprecedented severity. The number of unemployed exceeded by far the number of unemployed in England. The central point of the crisis has thus been shifted from England to Germany. While the Mark was stabilized in the last quarter, the French franc began to fall.

The wave of inflation seems to invade all the belligerent countries of Europe. The economic import of this fact seems to be, that Germany, having got rid of her internal debts through the inflation, the competitors of Germany must use the same means to retain their ability to compete on the world market. The existence of immense internal debts, as in England and France, means that production is burdened with the amount of the interest on the public debts. This means again, that the owners of public bonds receive indirectly by means of taxation an important share of the yield of capitalist production. At the same time, this means a movement in the distribution of income between the classes. The owners of public bonds are usually persons of the middle class: annuitants, officials, peasants, etc. In other words: the great former belligerent industrial countries are no longer economically able to maintain a large mass of idlers without losing their ability to compete on the world market.

This fact finds expression on the part of the different capitalists and capitalistic groups of England and France, in that on the one hand they set up a front against the heavy burdens of taxation, while on the other hand they proclaim their preference for a financial policy which leads to increased prices at home and to greater ability to compete abroad (See the well-known attitude of the Federation of British Industries, of McKenna, Keynes and of the “Comité des Forges” in different numbers of the “Usine”). In addition to France, a perpetual sinking of the valuta is to be observed in Poland, Hungary, and again in Denmark.

The crisis of European capitalistic economics was further accentuated by this new decline of valutas and by the stabilizing of the Mark. Although France is endeavouring to evade the fate of Germany, both in regard to finance and economics, we can hardly doubt that international action will not stop the course of events. In this situation there are only two possibilities:

An international action by the world bourgeoisie for regulating the reparations. This would mean cancellation of the interallied debts, granting a loan to Germany in order to maintain the stabilizing of the Mark and to prevent the further fall of the franc. This means a similar action, but on a much larger scale, as was the case with Austria. In this case, Germany would be delivered over to the financial and economic control of the Allies. As these sums would be furnished by England and the

*) Beginning with this number, we shall print in instalments the General Section of Comrade Varga's report on Economics and Economic Policy in the Fourth Quarter of 1923. (Concluded in the middle of January 1924.)

United States, this would essentially mean the hegemony of the Anglo-Saxon powers over the whole capitalist world. The negotiations over the reparations, will certainly show whether the international bourgeoisie is able to overcome its discordant interests and whether it will try to carry out an international action for saving European capitalism. In that case the consequences, in the course of a few months would be a huge crisis which would include the Capitalism of Central and Western Europe, the industrial workshops of the whole world. We must not forget that the relative improvement in the situation of the countries bordering on Germany in the year 1923, was achieved at the cost of an industrial standstill in the Ruhr area, and by the diminution of production in Germany as a whole. If, as a result of international action, production could be started in Germany, the consequence would be a trade depression for the whole of European Capitalism which would be followed by the acutest social struggle throughout Europe, and it is rather doubtful whether capitalism, weakened as it is, could sustain such new convulsions.

The other alternative is: no international action by the bourgeoisie, no settlement of the reparations, no loan for Germany. In this case a collapse of the Mark stabilizing and a further rapid sinking of the Franc are unavoidable. We consider this second prospect the more probable. The international settlement of the reparation question, the rendering of Germany and France solvent through cancellation of the interallied debts and by means of loans, would mean, as we mentioned above, an Anglo-Saxon hegemony over Europe. For the present, however, the military and political predominance of France is too strong on the Continent and the weakness of her economic basis not yet so obvious, that the French rulers would resign their political ambitions and content themselves with a secondary part in world politics. We believe therefore that the present reparation negotiations will be without result, and that the chaotic dissolution of European Capitalism will still continue.

To show the general state of affairs we give the following tables.

Unemployment.

Percentage of the unemployed among the trade union organized workers.

	Workers England	Engl. % of all insured	Belgium	Holland	Denmark	Sweden	Norway	Germany fully un- employed	Workers on short time
July	11.1	11.3	2.6	10.6	7.4	9.7	7.9	3.5	14.5
August	11.4	11.5	1.9	11.4	7.8	8.7	6.9	6.3	26.0
September	11.3	11.7	1.5	13.2	7.4	7.9	6.8	10.0	39.7
October	10.9	11.7	1.9	13.0	7.6	8.1	7.6	19.1	47.3
November	10.5	11.5	2.7	13.4	11.4	9.1	—	23.4	47.3
December	9.7	10.7	—	—	16.0	—	—	28.0	42.0

Absolute Figures in Thousands.

	England	France	Italy	Austria	Czecho- Slovakia	Germany ²⁾
July	1324	2.2	183	87	217 ¹⁾	186
August	1355	1.6	179	84	198 ²⁾	249
September	1375	1.4	181	78	—	533
October	1348	0.4	199	76	—	661
November	1325	0.4	—	78	—	877
Dezember	1227	0.4	—	—	—	1450 1528 ³⁾

The number of unemployed in the whole capitalist world has increased, in the last quarter through the immense growth of unemployment in Germany. The sum total of the unemployed and workers on short time amounts to about 6 to 7 millions. The published figures in most countries only refer to the unemployed in receipt of maintenance. The actual number of the unemployed, and especially of the workers on short time, in Germany, is considerably greater. In England especially the

¹⁾ On the 1st Jan. 1924, in receipt of full unemployed dole, not including occupied territory!

²⁾ The Number in receipt of unemployed maintenance.

³⁾ 1st of Jan. 1924.

young workers who have become eligible for work during the last three years are not included in the above given figures, because they were unable to find any position at all and therefore could not be counted among the unemployed.

The Valuta Crisis.

The development of the conditions of the valutas in the past quarter shows the following main features:

1. The German valuta was stabilized in the middle of November. The stabilization was carried out on the basis of one billion to equal one gold mark. Since that time the German Mark has remained steady. We shall deal more fully with the circumstances of this stability later on. Here we will only remark that the German Gold Mark (Rentenmark) is a means of payment for the interior of Germany, which is not quoted on the foreign exchanges. All export and import business is transacted in foreign values, so that the worth of the Mark has become an interior German affair.

2. All European valutas, with the exception of the Mark, show a further tendency to fall in comparison to the Dollar. This was especially noticeable in regard to the English pound as well as the French franc. In addition to this the depreciation of the Polish Mark and the Hungarian Crown has taken place at a rapid rate. As a new factor, there has arisen the continual depreciation of the Danish crown, a neutral valuta. The relative value of the various valutas can be seen from the following table:

Quotations in New York (Month's Average).

	dollars for	parity	Jan. 23	Sept.	Oct.	Nov.	3rd Jan. 24
Switzerland (Fr.)	100	19.30	18.8	17.86	17.86	17.54	17.44
Sweden (K.)	100	26.80	26.86	26.55	26.40	26.30	26.42
Holland (fl.)	10	40.20	39.56	39.30	38.91	38.00	37.83
England (Pd.)	1	4.87	4.65	4.54	4.50	4.38	4.30
Spain (P.)	100	19.30	15.66	13.58	13.41	13.08	12.78
Denmark (K.)	100	26.80	19.79	18.16	17.43	17.20	17.55
Norway (K.)	100	26.80	18.66	16.08	15.41	14.57	14.33
France (Fr.)	100	19.30	6.68	5.86	5.93	5.52	4.90
Belgium (Fr.)	100	19.30	6.08	4.91	5.10	4.74	4.39
Italy (L.)	100	19.30	4.88	4.44	4.53	4.36	4.30
Finland (Fmk.)	100	19.30	2.48	2.70	2.69	2.63	—
Czecho-Slov. (K.)	100	20.26	2.85	2.99	2.96	2.91	—
Yugoslavia (Din.)	100	19.30	0.96	1.09	1.17	1.15	—
Roumania (L.)	10,000	19.30	51.94	46.77	48.00	50.00	—

	Doll. for	Parity	Sept.	Oct.	Nov.	Jan. 24
Germany (Mk.)	10,000	2382	0.0018	0.00001	0.37 for 1 Bill.	—
Hungary (K.)	10,000	2026	0.55	0.55	0.54	—
Poland (Mp.)	10,000	2382	0.035	0.0087	0.53 for 1 Mill.	—
Austria (K.)	10,000	2026	0.14	0.14	0.14	=

The relationship of the European values to the English pound is shown by the following table. For one Pound there was quoted in London:

	Parity	12th Jan. 23	5th Oct. 23	11th Jan. 24
France (Fr.)	25.22	66.3	76.15	89.10
Italy (L.)	25.22	93.5	101	97.70
Germany (Mk.)	20.43	48,500	2.25 Billiards	18 Billions
Austria (K.)	24.02	330,000	322,000	305,000
Czechoslovakia (K.)	24.02	162	154	147
Hungary (K.)	24.02	13,000	85,000	118,000
Poland (Mp.)	20.43	95,000	2.50 Millions	38 Millions
Roumania (L.)	25.22	845	985	860
Bulgaria (L.)	25.22	725	460	600
Jugoslavia (D.)	25.22	445	400	385
Greece (Dr.)	25.22	382	310	230
Spain (P.)	25.22	29.74	—	33.54
Denmark (K.)	18.16	23.40	—	24.45

The course of the continental values is not uniform in this quarter. The Austrian, Italian and Czecho-Slovakian valutas remained stabilized and show, in comparison with the fall of the English Pound, an increased value. The Greek valuta shows a great improvement, while the French, Polish, Hungarian, Bulgarian, Spanish and Danish currencies show a continual tendency to fall.

It is important to point out in this connection, that the process of depreciation of the various valutas is no longer connected with the war and the issue of the war. Among the countries with stabilized values are to be found victorious countries, defeated countries and neutral countries all lumped together. That is a sign that the crisis of capitalist economics has become a general phenomenon independent of the conclusion of the War.

The Movement of Prices.

Prices in the countries with a stabilized valuta show but a small change. In the countries where the valuta is not stabilized, the prices follow the movement of the valuta, but with considerable delay. The example of France shows the well-known fact, that at the commencement of the fall of the valuta, the purchasing power of money in interior transactions declines much slower than the valuta on the international market. This process of depreciation leads to the well-known result which was to be observed in the history of the Austrian and German valutas: a change in the distribution of income, which burdens the middle-class and the workers and favours the capitalists. The economic basis of the increased ability to compete along with the sinking of the valuta consists of the expropriation of the middle-class and the pauperisation of the working class in the countries concerned. The course of the prices in the most important countries shows the following picture:

	U. S. A. (Broadst.)	Sweden	Switzerland	Japan	England (Econom.)	Denmark	France	Italy	Germany	Official Govt. Figures
July	139	157	175	193	163	207	407	566	(Frankfrt. Ztg. of	74,787
Aug.	140	160	173	—	163	202	412	567	28. 8.): 1,9 Mill.	944,041
Sept.	142	155	181	—	168	205	424	568	25. 9. : 36,2 Mill.	23,8 Mill.
Oct.	143	153	182	—	168	207	420	563	25./10. : 14,6 Md.	7,1 Md.
Nov.	—	152	183	—	177	210	446	571	1650	726
Dec.	—	—	—	—	179	—	—	—	1472 ²⁾	1220 ²⁾

The Prices of the Agricultural and Industrial Products.

The Problem of the shears.*

The great importance of the relatively low prices of agricultural products, especially of corn, in relation to the prices of industrial products in the economic life of Russia, makes it also desirable to investigate this problem on an international scale. Unfortunately, such an attempt meets with great difficulties.

A "normal", "correct" relation of the prices of agricultural and industrial products cannot be stated theoretically, as too many varying factors influence the price: Ground-rent, cost of transport, monopoly prices of industrial products, custom etc. We must therefore take as our normal standard a previous relationship of prices, when there were neither agricultural nor industrial crises, and compare the prices at the present time with those of the former time. 1913 is generally taken as such a normal year. Present day prices are generally compared with those of 1913 or eventually with those of five years before the war.

We give a few statistics, which show the development of the wholesale prices in the different countries. The figures relate to the middle of October, as the more recent data are incomplete.

Movement of Prices of Important Goods (1913 = 100).

	England (Statist.) October 1923	France (Stat. Gen.) October 1923	Sweden (Comm. Coll.) October 1923	Switzerland (Dr. Lorenz) October 1923
Vegetable food	144	347	140	145
Animal food	152	418	157	176
Grocery and other victuals	191	437	147	260
Metals and coal	141	394	154	253
Textiles	166	572	175	212
Hides and leather	—	—	86	212
Clothing	—	—	—	194
Provisions	155	394	149	173
Indust. materials	147	442	150	201
All goods	150	421	161	182

(1) The Figures refer to the beginning of the months.

(2) 3rd Jan. 1924.

(*) "Shears", a term used in Russia with reference to the diagram illustrating the disparity between the prices of industrial and agricultural products Ed.

German Wholesale Index Figures (National Office for Statistics).

	In Goldmarks (1913 = 100) average November
1. Corn and potatoes	98.8
2. Fats, sugar, meat and fish	207.6
3. Grocery, hops	183.1
4. Hides and leather	154.6
5. Textiles	169.6
6. Metals and mineral oils	114.7
7. Coal and iron	160.3
8. Provisions	130.0
9. Industrial materials	155.8
Total Index	139.0

Germany. Wholesale price index ("Industrie- und Handelszeitung") in gold mark over course of dollars.

Average figures of various groups of goods (End of 1913 = 100)	Week-average	
	6th-12th Oct.	8th-14th Dec.
1. Coal, iron, metals, building materials, oils	185	163
2. Textiles	202	246
3. Hides, skins, leather, rubber	116	128
4. Corn, flour, potatoes, fertilisers	47	79
5. Meat, fish, fat, milk, sugar	51	129
Total Index	128	145

Wholesale index ("Frankfurter Zeitung") in millions of paper marks (Middle of 1914 = 100).

	18th Oct.	13th Dec.
Provisions and victuals	2095.4	1583.9
Textiles, leather etc.	3046.4	1818.9
Minerals	3915.7	1560.1
Miscellaneous	2214.3	1481.8
Industrial end products	2463.2	1470.0
Total Index for 98 goods	2664.1	1565.2

United States of America (Bureau of Labour Statistica) 1913 = 100.

	October 1923	
Farm products	(56) (1)	144
Provisions	(110)	148
Cloths and clothing	(65)	199
Fuel and lighting-materials	(20)	172
Metals and metal products	(37)	142
Building materials	(46)	182
Chemicals	(43)	129
Household articles	(31)	183
Miscellaneous	(25)	120
All goods	(404)	153

The difficulty is that the basis of all these index-figures varies. A great difference results, of course, according to the measure, which is taken for the index of single groups of goods. This difference is very glaring when we compare the German index figures with one another. According to the "Industrie- und Handelszeitung", the prices of corn in October were 60% lower than the price-index of all other goods, but according to the "Frankfurter Zeitung" the difference is considerably less. In December, the "Industrie- und Handelszeitung" still showed a difference of the index of 50%, while the "Frankfurter Zeitung" has a higher index figure for food and victuals than the total index figures. If we consider the reports of the "Industrie- und Handelszeitung" as correct, then there exists in Germany the same disparity between agricultural and industrial products as in Russia, whilst according to the reports of the "Frankfurter Zeitung" there would appear to be a balance of industrial and agricultural products.

This fact must therefore cause us to exercise the greatest caution in drawing conclusions from these figures. And we can only accept these conclusions as correct, if they are confirmed by the actual course of economic development.

Keeping this in mind we can assert, that in most countries of the capitalist world a change of prices took place unfavourable to agricultural products. This is even the case in England,

(1) The figures in brackets betoken the number of articles taken into consideration.

where the index of prices shows the same relation as in 1913. That in England, there exists a pair of "shears", is proved by the fact that the area of land under cultivation, especially that devoted to corn growing, is decreasing year by year and the profits made by English agriculture during the great war are lost. The English farmers prove by deeds that the relation of prices is unfavourable to them. The plan of Baldwin's Cabinet to give a state subsidy to the English farmers for every acre of ground cultivated is the best proof that there exists a pair of "shears". (1)

It is a well-known fact which it is unnecessary to emphasize, that there has taken place a great change of prices in the United States in post-war times, which was unfavourable to agriculture. Millions of Farmers have, as everybody knows, given up their business and have gone to the towns as workers. In the United States the area under cultivation has likewise diminished. (2)

The process of diminuation of the area devoted to corn growing has not yet ceased. According to the official report of the American Ministry for Agriculture, the area sown with autumn wheat showed a falling off in the year 1924 of 12.8% in comparison with 1923 and that of rye of about 15%. This fact is sufficient to prove that "shears" exist in the United States.

The conditions in Germany are much more confused. To judge this question rightly, we must take into consideration the relation of the price which the farmer obtains for his products on the spot and the price which he has to pay for the finished products when finally delivered on his own premises. The strange effect of inflation which, as is well-known, is based mostly on the expropriation of the middle class — merchants, manufacturers, etc. — appears in Germany to have resulted that while the prices of agricultural products remain far behind those of the products of heavy industry and of textile raw-materials, the finished products come into the hands of the peasants relatively cheap. In this respect, a great change took place with the stabilising of the valuta and the introduction of the Goldmark. The difference between the prices which the peasant obtains for bread and cattle, and the prices which the industrial worker has to pay for bread and meat, is much greater at the present time than in pre-war times. It seems to be the same with regard to the end products which the peasant has to purchase. To illustrate this fact we shall give a few figures: (2)

	1913	Middle of Nov. 1923	Increase (1913 = 100)
Production price of rye for 50 kg (in Goldmark)			
Rye-bread	8,22	9,75	119
Retail price of rye			
Rye-flour	15	31,50	210
Rye-bread	14	22,50	160

With an increase of the production-price of rye of 19% there is to be seen an increase of retail-prices of 60% and 110% respectively.

(1) The cultivated area in England amounted to:

	1923	1922	Average 1917/21
	in 1000 hectares		
Wheat	704	796	854
Rye	30	34	36
Bearley	537	552	611
Oats	800	873	973

(2) The cultivated area of the United States amounted to:

	1924	1923	1922	Average 1917/21
	in 1000 ha			
Wheat	16,265 (*)	23,574	24,779	24,970
Rye	1,771 (*)	2,118	2,513	2,212
Barley	—	3,229	2,991	3,251
Oats	—	16,498	16,486	17,311
Maize	—	42,152	41,152	41,635

(*) Without Summer-wheat.

(1) Supplement of the December-Bulletin of the International Agrarian Institute in Rome.

(2) „Berliner Börsencourier“ of Dec. 9th, 1923.

	1913	Middle of Nov. 1923	Increase (1913 = 100)
Production price for oxen (Living weight)	52	115	221
Wholesale price for oxen (Slaughter weight)	73	325	445
Retail price of beef (beef for soup)	87,50	400	444

With an increase of the production prices up to 221% we see a double increase of retail prices. The difference between production price and wholesale price has risen from 41% to 183%, between wholesale price and retail price from 20 to 23%.

	1913	Middle of Nov. 1923	Increase (1913 = 100)
Production price of hides of cattle Munich (1/2 kg)	0,61	0,60	98%
Wholesale price for sole leather (1 kg)	2,25	3,36	149%
Retail price for box calf shoes	12,50	24,67	197%

While the prices of raw hides have decreased by 2%, the retail prices have increased by 97%.

We see in many respects the same situation in Germany as in Russia. There also this increase of prices includes a number of items, yielding revenue to the state: various taxes on sales, increased transport expenses etc. In general we can assert that, in spite of the defective foundation of the statistical data, the change of prices unfavourable to agriculture is not a phenomenon peculiar to Russia, but appears also in most capitalistic countries.

The cause of this development seems to be the following:

While in agriculture, there exists free competition not only within the country itself, but also internationally, the effectiveness of corn taxes is very small at present, monopoly prices prevail in industrial products, especially in heavy industry, and since 1913 on account of the vast extension of cartells and trusts in all capitalistic countries. Besides this, profits in agriculture during the war were very high. The profits were, as is the rule in capitalist economics, quickly transferred to ground rents and appeared as an element in the costs of production with those farmers, who bought or took a lease of ground for these higher prices.

This is the explanation of the agrarian crisis, which made itself felt in many countries. This crisis is rendered more acute by the industrial crisis of capitalist economics, which is reducing the consuming capacity of the wide masses of workers.

We wish to remark in conclusion that, according to the normal course of capitalism, prices should move in the reverse direction, as progress of technics forces down the costs of production in industry more than in agriculture. The big "agrarian crisis" is not due to new achievements in agriculture which cheapen production, but to the opening up of previously non-cultivated areas of the world for the growing of corn (United States, Canada, Argentina).

The Situation of the World's Shipping.

The continuation of the crisis of capitalism is characterized by the persistence of a great crisis on the international market, as regards shipping. The reports however are contradictory. Some reports sound quite hopeless, while others speak of a considerable increase in the rates of freights in the period under review. A Special Report of the "Berliner Börsencourier" of January 3rd states:

Wherever we look, the same picture is to be seen: an enormous supply of cargo space, and at the same time a continual diminution in offers of cargo. We must not deceive ourselves as to the fact that the world's navigation has reached the limits of its power. If we still have a long time to wait for a change of market conditions and, as a matter of fact, there is not the least sign of a betterment at the present time, we shall have to meet with severe financial collapses in the international shipping trade."

As against this, the index of freights of the "Economist" is as follows (1913 = 100):

Aug.	Sept.	Oct.	Nov.	Dec.
110.16	103.04	107.86	111.21	111.81

This journal makes the following remark:

"The general outlook for the first months of the new year is encouraging for the shipping trade."

The freight index of the "Federal Reserve Board" and the International Agricultural Institute in Rome shows a similar development.

The State of the Iron and Steel Production.

We can take the production of steel and iron as a rather reliable indicator of the condition of world economics.

We therefore give here the statistics of production of the American "Iron Trade Review" which were published last year:

Pig Iron	1923	1922	1921	1913
	(in 1000 engl. tons)			
United States of America	39,500	26,851	16,506	30,653
Great Britain	7,360	4,902	2,616	10,250
France	5,000	5,147	3,308	5,126
Belgium	2,118	1,578	862	2,428
Luxemburg	1,350	1,650	955	—
Germany	4,000	8,000	6,096	19,000
Czecho-Slovakia	590	539	532	—
Poland	492	458	640	—
Japan	300	300	200	56
World (including the countries not mentioned)	64,580	51,938	34,700	77,182
Steel bars and plates				
United States of America	44,400	35,603	19,744	31,301
Great Britain	8,480	5,881	3,703	7,664
France	4,750	4,464	3,010	4,614
Belgium	2,185	1,539	780	2,428
Luxemburg	1,117	1,368	747	—
Germany	5,000	9,000	8,700	18,631
Czecho-Slovakia	738	630	904	—
Poland	935	930	1,476	—
Japan	500	500	558	13
World (including the States not mentioned)	72,573	63,098	42,487	75,010

The table shows with striking clearness the changes in the world economics since 1913. The whole iron production is somewhere about 16% less than in pre-war time; on the other hand the production of the United States is about 30% larger. In the year 1913 the production of the United States was about 40% of the total production, in 1913 it amounted to 60%.

With regard to steel production, production is only a few percent lower than in 1913, but the share of the United States has increased in the same measure as is the case with pig iron. The development shows very clearly that the preponderance of production has gone to the United States.

Silver.

Besides other causes of crises, which are at work in the capitalist world at the present time, there threatens the new danger of over production in Silver, a fact which would have a specially unfavourable influence on Asiatic business. During the great war, the United States have pushed a great quantity of silver which had been stored up a long time, into India because the export of gold to India was prohibited. This gave the United States the possibility to buy — thanks to an old law — the production of silver from the American producers (100 Cent per ounce), while non-american silver was to be had for 65 Cent per ounce. This opportunity is now at an end, since the silver reserves provided by the law are filled up. On the other hand, there are signs that the stream of silver to India and China is meeting with obstacles. If, as a result of the elimination of American purchases, a great collapse of prices appeared on the world silver market, it would be of catastrophic consequences for Chinese and Indian business, which is of specially great importance to England.

To Our Readers

For the purpose of compiling our Table of Contents for the half year from July to December 1923, we require the following back numbers of the International Press Correspondence, of which, owing to the circumstances connected with our enforced transference to Vienna, we have no copies:

No 58 (37)	30, August	1923
" 69 (45)	3, November	"
" 70 (46)	10, "	"
" 71 (47)	17, "	"
" 72 (48)	24, "	"

We should be greatly obliged, if any of our readers could supply us with these missing numbers and thereby enable us to publish a complete Table of Contents.