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The Beginning of Barmat. A Chapter from the Reichstag Investigation Committee.

By Arthur **Rosenberg** (Berlin).

The Barmat scandal, the Ruhr credits and the Tcheka trial are the three chief sensations of German politics at the present moment. The Barmat scandal and the Ruhr scandal belong together as an expression of the corruption of the German bourgeoisie which is at present in power. The Tcheka trial on the other hand is a manoeuvre for distracting attention, by which the guilty persons are trying to put the public off the scent. The corruption of politicians develops a particular growth in the bourgeois parliamentary system. When a member of parliament has the apparatus of State in his hands, when the parliamentarian is in the position to satisfy the wishes of his capitalist employers even in small details, he demands appropriate compensation. In a parliamentary State, the government is in the hands of the big capitalists, though usually their rule is not a direct one. The cases are rare in which a Stinnes gets himself elected a member of the Reichstag in order to direct the German people's party. As a rule, business magnates keep in the background and send forward politicians who then have to carry out their orders.

A real bourgeois politician however does nothing for mere love. He presents his bill. He must either be given lucrative posts on boards of directors or be otherwise rewarded. The big capitalists have various methods of compensating their political agents. Parties which by their nature are allied to capital, make smoother and more elegant bargains and are rewarded in a more distinguished manner. Such worthy politicians quite openly and legally become members of the boards of directors of old, renowned, large companies. The more a party is petty bourgeois in character, the clumsier and more unworthy are the methods of payment it accepts. If a gentleman of the German people's party wishes to get into touch with "Industry", he goes to the Board of Directors of "Deutsch-Luxemburg" or of "Rhein-Stahl". Richter, the member of the SP. of Germany on the contrary has five 1000 mark notes pressed into his hand.

The Ruhr credits are a specially characteristic manoeuvre by means of which the parliamentary parties give expression to their tractableness towards the big business concerns. The Barmat scandal shows how the bourgeoisie pays those of its political agents who are least valuable and lowest in the social scale, i. e. the petty bourgeois parties. It is no mere accident that the Barmat scandal concerns both the SP. of Germany and the Left Centre Wing,

for those are the two typical petty bourgeois tendencies which came into power through the revolution, which were thrust forward for a few years by the bourgeoisie. For the Barmat scandal has its forerunners in the Left Centre as well as in the SP. of Germany (since the right centre stands sociologically on the same level as the German people's party). It is only necessary to recall the **Erzberger** affair and **Sklarz** and **Parvus**.

The leaders of the SP. of Germany and the Left Centre who were involved in the Barmat scandal, looked out for those firms and business concerns which were most accommodating towards them. They dared not approach the old established German banks and industries. Thus they got into touch with the inflation profiteers, with lucky speculators, with doubtful characters such as Barmat, Kutisker and Michael. But these names also necessarily belong to German capital as a whole. It is true that **Barmat** came from the East, but the Barmat concern comprised important works belonging to German industry and was a decisive factor in the stock-jobbery and the speculation manoeuvres which actually are the characteristic features of German industrial economics at the present time. If the leaders of the SP. of Germany allowed themselves to be bought by Barmat, Barmat is nevertheless no exceptional case, Barmat is no black sheep within the fold of the "distinguished" German industrial undertakers and bankers, Barmat is neither better nor worse than Herr **Litwin**, the Eastern Jew, the protector, of the German people's party, than **Castiglioni**, the partner of the late **Stinnes** or than hundreds of others whose names are well-known in the German world of finance. Barmat's story therefore illustrates how the SP. of Germany sold itself to capital. But it is not the SP. of Germany alone, it is the whole **2nd International**. The Barmat scandal is an international scandal. Already, as well as the SP. of Germany, the socialist parties of Holland and Belgium, even of England are involved in the affair. The Barmat case shows the social democratic workers to what an extent they are under the thumb of capitalism. **The Barmat affair is a companion picture to the black, red and gold "Reichsbanner"**. Politically both have the same significance, that of the insoluble connection between the leaders of the SP. of Germany and German capital.

After the Prussian Diet had concerned itself for many weeks with the Barmat scandal, the German Reichstag took action in February. The Reichstag formed an investigation

committee which was to ascertain in what way State money had been squandered on Barmat and similar firms, and which politicians were responsible for this manoeuvre. The Reichstag committee concerned itself at first with the question in what way Barmat had come to Germany. The investigations were very thorough. For this purpose the committee made use of: the documents of the German Foreign Office in so far as they referred to Barmat, the documents of the German Embassy in Holland and the documents of the office of the President of the Republic. The following were put on oath as witnesses: **Hermann Müller**, of the SP. of Germany, former Chancellor of State, Foreign Minister in 1919, Herr von **Rosen**, who in the years 1918/19 was German Ambassador in Holland and later temporarily Minister for Foreign Affairs, Herr von **Malzahn**, the present German Ambassador in Washington who became known as the director of the Eastern division in the Foreign Office (Malzahn was Secretary of the Legation in Holland in 1919), and Secretary of State **Meissner**, head of the President's Office, to a certain extent **Ebert's** right hand, finally Secretary of State **Töpfer**, who, in 1919 was head of the economic department of the Foreign Office. In the Committee, the Communists demanded that President Ebert himself should be examined as to his connections with Barmat, but the majority of the Committee delayed the interrogation of Ebert. The following report is based entirely on the contents of documents and on the evidence of witnesses on oath.

Julius Barmat was actively engaged in Amsterdam even during the war. He introduced food into Germany by illicit means and carried out certain underhand transactions as agent for Germany. Needless to say, this shady agent of the Germany of **William II** had nothing to do with the Labour movement. Towards the end of the war however, Julius Barmat developed a taste for politics. He was not satisfied to be an illicit dealer in foodstuffs on a small or large scale, he wanted to play a part in politics in order to drive better bargains under the cover of politics. He tried zealously to obtain the post of an ambassador of Soviet Russia in Holland, he did not succeed however because the Soviet government will have nothing to do with such adventurers. Then Julius Barmat took a bold step. In 1918 he became a social democrat.

This profiteer with whom no decent business man in Holland would have anything to do, with regard to whom the worst reports were in the hands of the authorities, this typical war speculator became, so to speak over night, a personality who enjoyed the esteem of Dutch Social Democracy, the friend of **Troelstra** and of other important members of the SP. of Holland. Barmat immediately established connections with Belgium Social Democracy and gained especially the attachment of **Huysmans**, Secretary of the 2nd International. Barmat behaved as a patron of the Social Democratic International, and offered it hospitality. In the Spring of 1919 the office of the 2nd International in Amsterdam was in Julius Barmat's house! Hermann Müller stated this on oath to the Reichstag Committee.

Barmat was not content with these laurels. He saw the revolution in Germany and decided to seek union with the SP. in that country. The opportunity offered. In April, **Hermann Müller** and **Wels** came to attend a Socialist Congress in Amsterdam. Barmat got his Dutch and Belgium friends to introduce him to these leaders of the SP. of Germany and told them wonderful tales, of his intention to found a pro-German paper in Holland, to send food to starving Germany etc. His wealth and his style made a great impression on Müller and Wels. Thus the first link was established.

Barmat now wished to have a permanent visa so that he could at any time pass unmolested from Holland to Germany. Here however he met with violent opposition of the German Embassy in Holland, who knew the gentleman and did not wish him to obtain entry into Germany.

Barmat then prepared to play his trump card, he persuaded his friend **Huysmans** to write a letter to **Ebert** and went straight to Berlin. **Wels** and **Hermann Müller** immediately procured him the honour of being received by the President. That was at the beginning of May. Barmat was received by **Ebert**, handed over his letter, was invited to supper and then came to **Ebert** again to fetch the answer. In the mean-

time he complained to **Ebert** that the German authorities in Holland had made difficulties on account of his visa.

In Berlin, Barmat made at once three new momentous acquaintances. His three new friends in the SP. of Germany were **Franz Krüger**, director in the President's office, **Heilmann** and **Bauer**. Heilmann as the uncrowned king of Prussia and Bauer as the Minister of the Republic were most valuable acquisitions. It has been proved that all three immediately entered into a close alliance with Barmat, who induced them to participate in his transactions. At the dinner given by **Ebert**, at which Barmat was present he met one of the leading social democrat delegates, presumably Heilmann. This person lost no time in informing State Secretary **Töpfer** of the Foreign Office that Barmat had complained to **Ebert** of the difficulties made in the question of his passport. Herr **Töpfer** had nothing better to do than to write a private letter to the Ambassador von **Rosen**, informing him that Barmat was intimately associated with President **Ebert** and must be given a permanent visa.

But the German Embassy in Holland still made difficulties. It is much to the credit of the Embassy that in spite of the tremendously strong patronage which Barmat now enjoyed, it tried to remain objective, and repeatedly warned the authorities against this adventurer. Barmat however now had the pull on his side. When he turned to Holland and his permanent visa was still not ready, he wired to **Wels** in Berlin. **Wels** took the telegram to **Ebert** and **Ebert** made a pencil note on the telegraph form, expressing the wish that the Embassy in the Hague should once more look into the matter. There was nothing more to be done. Barmat was given a permanent visa and shortly after this took up his abode in Germany. Bit by bit he brought his whole family, including distant relations, from Poland and the Ukraine to Berlin. All difficulties with passports were smoothly and elegantly brushed aside. In these cases Heilmann went to the Minister **Hermann Müller** and **Hermann Müller** gave orders that passports and permits to enter the country were to be granted, "as long as there was no positive reason for objection". Positive reasons however did not exist.

The officials in the German Embassy in the Hague have given the wildest accounts of the position held by Barmat at that time. He was more quickly and better informed on all questions of policy and personnel than the Ambassador in the Hague himself. Barmat had a private wire from Holland to Berlin. All complaints against Barmat, all unfavourable information, however secretly they were sent to Berlin, were, within a few days, in his possession, and he made good use of them. When Barmat was in Berlin, he went to the President's office, and from there carried on his private conversations with the gracious permission of **Franz Krüger**. This went on until even Herr **Ebert** thought he was going too far and forbade him this abuse of privileges.

On one occasion, a secretary of the German Legation in Holland a certain **Cöster**, dared to call the attention of the German custom's officers to Barmat's trunk. Barmat complained to Heilmann in Berlin, Heilmann passed on the complaint to Hermann Müller, and Hermann Müller sent an excited telegram to the Embassy in the Hague, demanding that **Cöster's** chicanery should be looked into. A ministerial telegram of this kind in connection with an insignificant affair on the frontier, mentioning a subordinate official by name, is an absolute enormity in the diplomatic service. The Embassy in the Hague wired back, asking for explanatory details. The affair seems then to have become uncanny even to Minister **Hermann Müller** himself. He made no further response to numerous enquiries from the Hague as to the cause of his accusation, and allowed the matter to drop. At his cross-examination before the investigation committee, Hermann Müller has now declared that the affair is too far in the past and that he can remember nothing about it. Unfortunately however, the necessary papers have been found among the documents.

In this way Barmat had command as early as 1919 of the President's Office and of the Foreign Office, to say nothing of the Ministry of Trade. It is no wonder that anyone with such substantial backing, the good will of the President and of the Foreign Minister should get hold of the best and richest business arrangements with the German

State. Barmat began his career as a provision dealer to the German Republic, in a grand style. The investigation of these food transactions will be the next duty of the Reichstag Committee, but even now it is a known fact, that Barmat swindled the State in a monstrous way. Responsibility for this is on the shoulders of the leaders of the SP. of Germany, who smoothed the way into Germany for Barmat, in spite

of continuous resistance on the part of the German Embassy at the Hague and in spite of all the unfavourable reports which were sent in from authoritative sources with regard to this illicit trader. Which of the Social Democrats, apart from Bauer, had already been directly bought by Barmat before 1919, is not yet known. This is the first part of the Barmat story.

Barmat's Food Contracts and the Social Democratic Party of Germany.

The Glorious Trinity — Julius Barmat, Robert Schmidt and Director Pritschow.

By Arthur Rosenberg (Berlin).

The Committee of the German Reichstag set up to investigate the Barmat scandal has now — the question of Ebert's connection with the Barmat affairs having been settled by the death of this man — begun to occupy itself with Barmat's activities as a food contractor. The results of the investigation already reveal the unheard-of mismanagement which existed in 1919/20 in the German Food Ministry, and for which the social democrats are responsible.

That was really a golden time for profiteers and speculators. The famine years of the war and of the blockade were past, but the organs of official control and rationing, and which the Social Democratic Party regarded as "socialism", still existed: The Meat Control Board, the Fat Control Board etc. The German Food Minister was the social democrat **Robert Schmidt**. At that time countless contractors and speculators wished to take advantage of the favourable state of the market in order to satisfy the crying need of Germany for goods of every description. From all sides there came offers of foodstuffs to the Food Ministry, where all orders were centralised. At that time the import of meat, fat, condensed milk etc. into Germany was a pure speculation. The prices fluctuated owing to the abnormal conditions of the market. It was now the question of obtaining these things from abroad. For this one needed an import permit, and finally also foreign currency in order to pay for the goods. The speculation in goods went hand in hand with the speculation in foreign valuta.

This was the ideal situation for Julius Barmat. He had succeeded in 1919 in securing an important political position in Germany. His reception by the Reichs President **Ebert**, the excellent terms on which he stood with **Hermann Müller** and **Wels**, his friendship with **Heimann**, **Gustav Bauer** and **Franz Krüger** gave him the advantage over all competitors. In these circumstances it was an easy matter for Barmat to get into touch with Robert Schmidt, who in turn recommended him to the appropriate officials in the Ministry. Schmidt has declared on oath that he never gave orders that Barmat should be given preferential treatment to others. Such an open method of proceeding was not necessary. Even if Schmidt had given orders that Barmat should be treated purely on a business footing, nevertheless the whole Ministry knew who Barmat was, what were the relations of Barmat to the governing Party, the Social Democratic Party, and that the Minister Schmidt of course, desired that relations with Barmat should be entered into upon a purely business basis without any "preference".

All the assertions of the Schmidt and of the Social Democratic Party of Germany regarding the entire absence of any preferential treatment accorded to Barmat are mere empty talk. For at that time the Reich Food Ministry was constantly besieged by hundreds of agents and speculators, all seeking orders. The majority of these agents never even succeeded in gaining access to the proper officials. If Barmat was able to interview these officials on the recommendation of the Minister, this was already advantage enough. For under the circumstances then obtaining all those who once managed to gain access to these much sought after officials reaped enormous profits as a result.

In the year 1919 the Reich government set up a committee in the Food Ministry, with dictatorial powers, to

regulate the whole business of supplying Germany with food. This committee possessed unlimited authority either to permit or to refuse the import of food. It not only supervised transactions entered into with the Reich, but also with the provinces and municipalities. It issued the import permits and distributed the necessary foreign valuta. The chairman of this dictatorial committee was a certain Herr **Pritschow**. This Pritschow was an immediate subordinate of the Minister Robert Schmidt.

In the years 1919/20 Pritschow, the German food dictator, concluded enormous contracts with Barmat with the complete knowledge of Robert Schmidt. These contracts are stated to amount to 20 million gold marks. The agreements with the Reich at that time concluded with Barmat are simply scandalous. Barmat's prices were considerably higher than those of other competitors. In one case it could be proved that a consignment of sugar from Barmat was 50% dearer than that offered by his competitors. Why did Barmat get the orders? It was related in the Food Ministry that Barmat had rendered the German Republic such important political services that he must get these orders as compensation. Herr Pritschow himself would not admit this reason, but he maintained that Barmat was given the preference because he allowed credit to the German Reich and because he, unlike other contractors, did not demand foreign valuta from the Reich government. In view of these favourable conditions of payment contracts were granted to Barmat, and if in view of these greater risks he demanded somewhat higher prices it was not a matter of importance.

The thorough investigation by the Reichstag committee has now ascertained what were the credits the Reich received from the Barmats. As soon as Barmat received an order from the Food Ministry, whether for meat, fat, condensed milk etc., the Reich paid him the sum in question by means of a Bill of Exchange. Thereupon Barmat immediately presented this Bill of Exchange on the Reich at one of the big banks of Berlin and received cash for the same, with which cash he purchased foreign valuta. He thus had the actual money in his hands long before any goods had been actually delivered to the Food Ministry. The fact of the matter is, it was not Barmat who granted credits to the Reich, but the other way about: **the German Reich granted credit to the Barmats**. In addition to this Barmat in various cases attempted so many pieces of trickery with his contracts that the Reichs Meat Control Board and the Fat Control Board refused to have anything more to do with him. But the dictatorial committee, i. e. Pritschow, compelled them to maintain business connections with Barmat; and in all these disputes Robert Schmidt supported Pritschow.

As a result of these methods of Herr Pritschow and Robert Schmidt the Reich was robbed of many millions of gold marks. The profits of Barmat were, of course, added to the price of the imported meat and fat. Thus the reason why the working women of Germany in the years 1919/20 had to pay so dearly for the eagerly sought food stuffs was because Herr Robert Schmidt had "noted" the name of his friend Julius Barmat in regard to contracts. The phrase, "I have had your name noted", actually occurs in a letter from Robert Schmidt to Barmat which is among the documents submitted to the Reichstag investigation committee

The Opponents of the Unity of the Trade Union Movement — Agents of Capital.

By A. Lozovsky.

For several months now, there has been a violent conflict in the international Labour movement, as to whether the trade union movement should be united or not. After the 6th Trade Union Congress of the Soviet Union, at which an alliance of the English and Russian Trade Unions was brought about, this conflict entered on a new phase. All will remember what cries of rage were raised by the social democratic Press when the first news of the approach towards an alliance between the Russian and English trade unions became known to the public. Everyone will remember the ado made by the reformists in all countries, when the English Delegation, after it had had a look round in the Soviet Union, described the facts as they are in reality. There is no lie and no calumny which the bourgeois reformist Press would not have cast in the teeth of the English Delegation on account of its "criminal" behaviour in the Soviet Union.

The question of the unity of the trade unions was the centre point of all attacks. This was the sorest point of all — this was why all the reformist baritones thought it necessary to reproach those who defended these ideas and who had "fallen into the trap" of the "Moscow provocation." Who then played first fiddle in this concerto? Who conducted the whole Right wing of the International Labour movement? Who dragged the English and the Russians through the mud because they had tried to organise the rapprochement already made in the form of an Anglo-Russian Committee? Who turned to Gompers with a pitiful appeal for help to prevent this unity at any price? Who carried on an embittered campaign against the Soviet Union and the Russian trade unions and put every possible stumbling block in the way of this unity? German social democracy and its central organ, "Vorwärts", the German trade union bureaucrats and their numerous organs. This whole worthy band carried on the conflict in the name of Democracy, of the salvation of Labour organisations from Soviet infection, in the name of the high humane principle of International Social Democracy.

We knew that behind all these phrases, behind the back of Social Democracy, the firm and strong hands of the leaders of the employers' unions and concerns was hidden. We knew that the zeal of these gentlemen is in direct proportion to the amount of filthy lucre and all kind of material advantages which they receive from the bourgeoisie and the bourgeois State. When we maintained that **only agents of capital could be opponents of unity, many workers** thought that it was a polemical exaggeration. When we called these gentlemen agents of capital, the honest social democratic workers said: "that is nothing but a Moscow strategical method." Now, in view of the revelations as to the corruption and venality of the heads of the social democrats in Germany, the distrust of the masses in our assertions are reduced to silence.

A whole series of leaders of German social democracy defile before us: Bauer, Wels, Heilmann, Richter — the whole elite of German social democracy. All of these have proved to be bribed lackeys of the speculator Barmat. Every day more and more persons are drawn into the muddy stream of judicial examination. The whole German social democracy was in the pay of this clever speculator. None went away with empty hands — some received money, others gifts in kind. How could these courtesans help being opponents of unity? Unity is of course a danger to the capitalist order. The unity of the trade union movement naturally implies the end of speculators. Who will pay big lump sums to the "leaders" of the working class if capitalism and the speculation which is born of it, are destroyed in the whirlwind of social revolution ?

In opposing the unity of the trade union movement, they were only defending their sources of income. Now we understand the zeal of "Vorwärts", and the extraordinary cynicism with which it attacked the English delegation for publishing the truth about the Soviet Union. German social

democracy prefers a united front with the speculators, and especially with the cash-box of the speculators, to a united front with the workers. The "Vorwärts", which showed such unusual zeal when it was a case of frustrating the approach which was already inaugurated between the Russian and English trade unions — the "Vorwärts" which found in its arsenal thunder and lightning with which to unmask the manoeuvres of Moscow — this same "Vorwärts" has for some weeks been lispng with a toothless mouth of the corruptibility of the leading stronghold of German social democracy. All that the "Vorwärts" could find to say was: "are not the bourgeois delegates connected with big business and limited companies?" Indeed they are. That is why they are bourgeois delegates who are connected with their class organisations. But you claim to be representatives of the working class. A connection between the representatives of the workers and the world of employers is, in the unadorned language of the workers, **treason**.

We should however be wrong in supposing that bribery and corruption have spread only among the German social democrats. It has come to light that Dutch social democracy, in the person of Troelstra, has received 500,000 gulden from the same enterprising speculator Barmat. It has come to light that no less a person than the well-known leaders of the Belgium Labour movement, Camille Huysmans, introduced this adventurer into social democratic circles. What then did the leaders of the 2nd International do, who recently in Brussels inveighed so bitterly against the English Delegation for having disregarded all Reformist habits and customs? **Did they suggest excluding the corruptible elements from their midst?** No. In the doubtful company which calls itself the 2nd International, it is **only for partisans of unity that there is no room**. Bribery however is given every freedom. Does not this same Troelstra, who received such liberal hush-money from the speculator Barmat, belong to the most violent opponents of unity? For this man, who is in the pay of Barmat, was the one who, at the International Peace Congress at the Hague, replied to our proposal to form a united front: "We shall not form a united front with the Communists until they have been in quarantine."

Did he perhaps mean a Barmatine? Now it is clear what this phrase means in Troelstra's mouth: if you will individually and collectively enter the service of the bourgeoisie, we will form a united front with you.

The Barmat case threw light into the darkest corners of the activities of international social democracy. Only a small fold of the curtain was lifted. If we were to examine these leaders of social democracy more closely, we should discover in all countries where employers' organisations, big business, the League of Nations and so on, have a finger in the pie, hundreds and thousands of big and little "Bauers" in the international social democratic and reformist trade union movement. All these gentlemen are rotten to the core through the bribes of German, French, Belgiums and all other Barmats, and form the reformist guard against unity. These lieutenants of capital in the midst of the workers, who sell the interests of the working class for a few pieces of silver, cannot reconcile themselves to the approach which has already begun between the workers of the various opinions. For them disunion is advantageous, for they are well paid for it by the bourgeoisie. Neither Barmat nor the gentlemen of the League of Nations pay money to the leaders of the workers for nothing. Every leader of the workers who takes money, pledges himself to work in the interest of his employer. The nature of this "work" is known to us. It is the same work as was done by Judas Iscariot nearly two thousand years ago. For this reason we raise again and again our old slogan which has proved its value in life:

Down with the agents of capital!

"Long live the unity of the trade union movement!"

The Barmat International.

Via Hindenburg to Barmat.

By Karl Radek.

History is playing a gruesome game with German Social Democracy. Social democracy is actually accused of corruption by the bourgeois parties, the Hugenberg Press! "International Social Democracy, the liberator of the peoples", the accuser of the capitalist world — in the dock, not because of its fight against capitalism, but because of its capitalist degeneration! Social Democracy accused by capitalism because of the infection which it caught in intercourse with capitalist society!

Let us describe this story of the infection as simply and exactly as possible.

German Social Democracy defended "the fatherland". It tried to convince millions of German workers, who were hustled by German imperialism from battlefield to battlefield throughout the world, whose bones marked the boundaries of Germany in Mesopotamia, China, on the banks of the Drina, that they were dying for a great cause, that they were laying down their lives not in the interest of German capital, but for the fatherland, in the interest of the working class. It was the best war propagandist in Germany.

Quite recently Lloyd George said in a speech that Germany had been beaten in the war because it had the worst politicians. In spite of these bad politicians, the German bourgeoisie was able for four years to keep the enthralled and tormented proletariat at war, it was exclusively owing to the excellent political propaganda of Social Democracy, thanks to which the bourgeoisie was able to open credits with the German people, which German capitalism would have obtained from no one else.

But imperialistic Germany needed propaganda not only at home but also abroad.

The patriots among the German social democrats said abroad, was so idiotic, so senseless, that it could be regarded as propaganda against Germany.

The patriots among the German social democrats said to themselves: "Since Providence has created an International, the German fatherland might at any rate have some advantage from it! It is indeed shattered, but even shards can be used." So German Social Democracy set about making use of the foreign social democratic parties to promote propaganda "for the German cause". Who does not remember how **Otto Braun** turned up in Switzerland with a trunk full of Government White Books, in which it was proved as clear as daylight that Germany had been attacked. Who does not remember how **Albrecht Südekum** appeared in Bucharest, not only with the object of negotiating with the Roumanian Government for the delivery of petroleum, but also to prove to Roumanian Social Democracy that the German lion was in reality a lamb. But it is not for nothing that German social democrats have been trained in the "school of Marxism." They knew very well how to estimate the part played by material factors. Their historical materialism was of a rather primitive nature, it can be expressed in a few words: "A coach greased with palm oil, travels well", and, in the interests of German Imperialism, Social Democracy began to corrupt the social democratic parties, which opened their doors to it.

We would remind our readers of the famous **Danish coal affair**. Germany restricted its delivery of coal to foreign countries, because it needed coal for carrying on the war. There was a great lack of coal in Denmark. The English made use of this to deliver coal in order to gain political influence. At this moment German Social Democracy joined in the game. **Parvus**, who had just moved from Constantinople to Copenhagen, who had just turned from a revolutionary into a war speculator, made an agreement with the Danish trade unions. The Danish trade unions received coal from Germany at cheaper prices. They made large profits over it, and Danish Social Democracy, which was closely allied with them, was in this way, won over as a pro-German party. The worthy **Borgbjerg** and "father

Stauning were as it was pro-German, but it is better to make doubly sure and so their friendly feeling for Germany was consolidated more firmly on the basis of the few million crowns, which the Danish trade unions made out of the coal transactions.

After the defence of Germany had thus been carried on to Danish soil, **Parvus** tried to carry it further, "into the heart" of the opponent. **Swedish Social Democracy** was, as is well-known, pro-French. **Mr. Branting** loved two fatherlands, the Swedish and the French, with the same ardour. This sympathy had to be undermined. In 1917, **Parvus** had got so far, that he concluded coal contracts with the Swedish trade unions also. "Trade unions are always more matter of fact, than political parties" — said the opportunists. For them gold in their pockets is always worth while, and **Parvus** laid his golden mine very skilfully under the throne on which sat the ancient pro-French warrior.

He who corrupts is in danger of being himself corrupted. Whatever one thinks of German Social Democracy, there can be no doubt that although the leaders of German Social Democracy showed themselves at the beginning of the war to be in a state of complete decay, they, at that time, made no material profit out of their political fall. In 1914, the leaders of German Social Democracy surrendered to Imperialism, partly from love and partly from fear. When however they started corrupting the masses of the German people and foreign workers, they soon began to demand payment for their evil deeds. The first personal influences of corruption resulted from transactions such as the Danish coal contracts.

The leaders of German Social Democracy shared the profits with **Parvus**. **Parvus** had certainly not arranged any schedule with **Ebert**, **Scheidemann**, **Hänisch**, and whatever all the rest of them were called, according to which the profits were to be shared. But **Parvus** became a patron and **Mæcenas** of German Social Democracy. Half the writers of the party wrote for the "**Glocke**" which had been founded out of the profits of **Parvus**' speculations. And the "**Glocke**" paid much better fees than any other party organ. In the meagre times of war it was an extremely important supplemental source of income for the German Social Democrats. A little example of how they valued this supplemental source of income: **Konrad Hänisch** who, before the war, was a milkop but at the same time an honest fellow, was appointed editor of the "**Glocke**." When, in the November revolution, he became Prussian Minister for Public Education, he took care not to resign the editorship of the "**Glocke**". The salary of an editor of the "**Glocke**" was in the first place higher and in the second place more secure than that of Prussian Minister for Public Education. Ministers disappear in revolutions like dew-drops in the sun, **Hänisch** regarded the post of editor of the "**Glocke**" as the "rocher de bronze", the granite block on which he could build the private chapel of his future.

Apart from the fees from the "**Glocke**" and from the publishers of social science literature, which represented a form in which German Social Democracy participated in the profits of **Parvus**' speculations, **Parvus** found other methods of demonstrating his friendship to the leaders of Social Democracy. The war brought about a return from trade in goods to trade in kind. **Parvus** however could do more than deliver good Danish butter and good Danish cream cheese which his partner **Sklarz**, who possessed a diplomatic passport, transported to Germany every week in large trunks as "Liebesgaben" to the leaders of German Social Democracy. Whenever political business took **Scheidemann**, **Ebert**, **Braun**, **Legien** and all the rest of them to Copenhagen, they stayed as welcome guests at **Parvus**' house, where they had a thoroughly good time in the honour of the defenders of the German fatherland.

At this hospitable board the leaders of German Social Democracy made the acquaintance of **Sklarz** also. While they

were linked with Parvus by old associations from the time when he had been a bold champion for German Social Democracy, nothing bound them to Sklarz, the unknown speculator, but the possibility of gorging themselves with food and drink at his expense. Sklarz' house in Berlin soon became the political salon of German Social Democratic leaders, at least a pied a terre and an inn for the leaders of German Social Democracy. During the November revolution, the leaders of the German Social Democratic proletariat found in this house an ever-ready board at which at any time of the day or night, they could refresh and fortify their bodies wearied in the fight for the German proletariat. Herr Noske had his staff there during the January fights. Herr **Scheidemann** was a constant visitor.

And who was Sklarz? No one doubted that he was a speculator. But the leaders of German Social Democracy knew more. Sklarz travelled to and fro with a diplomatic passport. The leaders of German Social Democracy knew it and must have known it; otherwise they would certainly have asked how it was that Sklarz could bring them whole trunks full of dainties through the closed German frontiers. But why should the German Government give a mere Jewish speculator a diplomatic passport? It was evident that he must be in the intelligence service of the Foreign Office or of the military authorities. In plain words: he was a **spy**. And this spy became the confidant of the German Social Democratic leaders. The encompassers were encompassed.

How then did the **Barmat affair** begin? How did Barmat get in touch with German Social Democracy, and German Social Democracy with Barmat? In the Dutch Social Democracy two tendencies fought one another during the war, the pro-Entente and the pro-German. At the head of the first was the Dutch party leader **Vliegen**, of the second, old **Troelstra**. A battle raged round the attitude of the Dutch Social Democratic papers to the problems of war. The Social Democratic party of Holland is an old strong party of the masses, possessing a great influence on the policy of the Dutch bourgeoisie. German Social Democracy supported the influence of Troelstra who, in the first weeks of the war, whilst the flames were still raging among the ruins of the Belgian cities, which had been burnt down, came to Berlin, where, in Wilhelmstrasse, Secretary of State, Zimmermann, made declarations to him regarding the friendly attitude of Germany towards the small and weak nations. Herr Troelstra passed on this information to the Dutch public.

Was such a force to be left without support? Holland was of enormous importance not only as a point of incursion through which foreign goods and raw materials could enter blockaded Germany, it was also of great significance because the **bureaux of the 2nd International** was transferred there from occupied Belgium. We know from the Barmat investigation that **Camille Huysmans**, the secretary of the Second International, pitched his tent in **Barmat's offices**, that Barmat put not only his house but also his furniture at the disposal of the 2nd International without any charge. This is Barmat's first appearance in the history of the 2nd International. How did a Polish Jew, a dealer in tulip bulbs come to make such gifts to the International Labour movement?

Let us sing the praises of the noble fellow! Being a Polish Jew, Barmat certainly cherished hatred for Czarism and sympathies with Germany. All the stock-jobbers in the world, who came from Poland, were pro-German during the war. Thanks to Germany, Barmat's firm developed during the war from a small tulip bulb business into a large "Maatschappij" which supplied foodstuffs to Germany. In this way a material foundation was given Barmat's love for the German fatherland. In this way Barmat and his people became, so to speak an exponent to the world of the German idea. The friendship of the German Social Democratic leaders for Barmat and the many other Barmats, male and female, whom the head of the tribe summoned by degrees from all districts of Poland, Lithuania and Wolhynia, to Amsterdam, dates from this time.

The documents of the Prussian investigation committee testify that Herr Barmat received his introductions to the leaders of German Social Democracy from the Dutch party leader Troelstra. Thus Barmat's house became the second rendez-vous of the German Social Democratic leaders. When they came to Amsterdam to feel their way with the Entente

socialists or with Dutch Social Democracy, they, the German apostles, when their work was finished, proceeded to Barmat's friendly house. Heilmann, it is true, told the Prussian investigation committee with tears in his eyes that Barmat himself is a giant in virtue and a model of frugality. Not only did he always earn his 300% honestly and developed in a few years by the work of his own hands from nothing into a millionaire, but he actually ate nothing but a herring and a piece of beef every day for dinner.

Machiavelli says somewhere: The wise lawgiver must, in making decisions, always bear in mind that the law is written for the bad and not for the good man! For the good man does not need instructions as to what is permissible and what is forbidden. Barmat has demonstrated that he was no less a judge of men than the clever Florentine. He ate the humble herring himself, but nobler fish were enjoyed at his table. And there in Amsterdam, over the good Jewish fish and the excellent liqueurs, the gentle bonds were tied which made German Social Democracy the representative of the Barmat firm. Barmat gave his money liberally in order to found a pro-German paper in Rotterdam which was to oppose the central organ of Dutch Social Democracy, "Het Volk", which was conducted by Vliegen in a pro-Entente spirit. Herr Heilmann became the political representative of this journal in Germany, and German Social Democracy, the Minister for Economics, the Social Democrats Wissel and Schmidt took care that Germany, in spite of its shortage of paper provided sufficient paper for this journal. Heilmann might ask in Court: where, in this case, does friendship for Barmat begin and where does the defence of the German fatherland end?

All that happened subsequently is known. The German Chancellor saw to it that Barmat was provided with visas. **Wels**, the chairman of German Social Democracy, ran around so as to see that the Foreign Office did not neglect its duty, so that Barmat need not wait a single day. The Chancellor **Bauer** who, after he had retired from the Government naturally had the entry to all offices and high places, informed Barmat as to all that happened in the highest spheres, i. e. as to the decisions of the Government which might have an influence on the rate of exchange of the mark and the quotation of stocks. If in doing so they let Barmat down, as the board of the Barmat firm declares in a letter to the faithful follower, it was certainly not his good will but his capability which was at fault. Barmat became, so to speak, the **pillar of reconstructive work** in Germany. Barmat was the most suitable person for buying lard for Germany. Without Barmat no raw material for the textile industry!

Barmat is at present in the Moabit prison. Heilmann, the best propagandist of German Social Democracy is trying, in the sweat of his brow, to prove that Germany has behaved ungratefully to his great friend. **Bauer**, the former chairman of the German trade union commission, the retired Chancellor, member of the German Social Democratic party is done for. **Richter**, the honest Berlin metal worker, who had spared no pains to train himself to be an excellent police-dog of German thoroughness, has had to ask for leave because he also stole a sausage at the great repast of the war and of the inflation of the currency, and took payment in kind from a beautiful actress for procuring her a visa.

What does the worthy **Otto Jensen** say in the "Leipziger Volks-Zeitung", which now affects to be an anti-Barmat organ, although it naturally knew all about the Barmat affair but kept silence for years? "There is a close connection between the morals and the politics of the working class."

How did German Social Democracy get into touch with Barmat? It got into touch with Barmat because it joined Hindenburg. A party which supports capitalism, which makes the reconstruction of capitalism its aim, must get into touch with capitalists. If German Social Democracy throws over the Barmatists, it will have to do with Michaelists, as it has had to do with Stinnesists, Sklarzists etc. Jensen states with great joy:

"We need no cleansing on account of political differences of opinion, as do the Communists. We do however badly need cleansing from all those elements whose morals in political affairs cannot stand their ground against socialist judgement!"

Let the Communists split each others' heads quarelling as to the best way of fighting capitalism! That is splintering the party! That is communist hair-splitting! That is the Moscow Terror! Social Democracy does not concern itself with such things. It has a clear path, it is reconstructing capitalism. As to this the Social Democrats have no differences of opinion. This policy of theirs stands firm and unblemished before the judgement of "socialist morals." But what the Social Democrats should not do, is to take presents of lard from Barmat. **The point is that the representatives of the proletariat should serve capitalism as disinterestedly as they once served the proletariat.** That is the problem, says Otto Jensen, a son of the proletariat from Dresden, a pupil of Rosa Luxemburg, and now by profession a Marxist writer of German Social Democracy.

But, my dear Sir, have you ever turned over the pages of the whole years of numbers of the "Neue Zeit"? Have you read **Franz Mehring's** articles on the scandals of bourgeois society, and do you remember what bitter irony he heaped on the petty bourgeois opponents of capitalist corruption? As editor of the "Berliner Volks-Zeitung", which under his editorship, was the bravest of democratic papers, **Franz Mehring** at one time fought tooth and nail against corruption. While still at the parting of the ways between bourgeois democracy and social democracy, he wrote his corruption pamphlets on the Lindau case. And his step towards social democracy means that he learned to understand that **corruption belongs to capitalism as a smell belongs to a manure heap and worms to a decaying corpse. The so-called Left in so-called Social Democracy defends capitalism by pretending to combat the corruption of the Barmatists. He who speaks of moral purification and does not mean by it breaking off politically the support of capital, is a deceiver, though he be a deceived deceiver.**

And in the same way as capitalist corruption belongs to capitalism, **corruption belongs to every opportunist party.** Every time a Labour party before the war tried to use capitalism as a prop, the **opportunists tried to find support in capitalists.**

Shall we recall the fact that in the old times before the war French Social Democracy did not succeed in preventing its opportunist leaders collaborating in the capitalist Press? The dispute over this indisputable question went on for years, and with what result? What is bred in the bone will come out in the flesh. If the proletarian party is to support a bourgeois Government or bourgeois society, where can it draw the line between itself and bourgeois society? The **Mac Donald** case shows more clearly than anything else that opportunism leads to corruption. In his private life Ramsay Mac Donald is undoubtedly an irreproachable person! Even our English comrades did not maintain that the Scottish manufacturer who made him a present of a Daimler car, thought he was buying him, or that Macdonald allowed

himself to be bought. But how could a friendship between the Scottish manufacturer and Ramsay Macdonald develop, which made it possible for Macdonald to accept a car without seeing anything inadmissible in it? Macdonald was no class enemy of the Scottish manufacturer, so there was nothing to prevent his being his friend. Little presents maintain big friendships. But if a Mac Donald can accept a car, why should a peasant who, as junior clerk to a lawyer has been in the habit of receiving small gifts, not accept payment for friendly services?

Thanks alone to its youthful inexperience in "these things", thanks to the youth of German Democracy which has allowed no traditions of corruption to develop, German Social Democracy has neglected the disease which it acquired through its intercourse with capitalism, and now it stands before the world with a decaying nose. But if you gentlemen of the other Social Democrat parties, with all your "habits of cleanliness", if you understand the use of Lysol, Salvarsan, and mercury, you have no right to look down upon the poor Social Democracy of Germany. Your policy is in no way different, therefore you are equally corrupt.

The 2nd International is not corrupt because some Social Democrat leader or other has been bribed by some capitalist or other. The corruption of Social Democracy lies in the fact that it supports capitalism. The Barmat affair is only significant in that it shows the proletarian masses the general relationship of the 2nd International to capitalism in the concrete, conspicuous form of the personal relations. The question for us Communists is: Is it allowable for a Labour leader to accept money from a capitalist speculator? If he does so he deserves to be drowned in a sewer. The working class is faced by the question: **ought proletarian parties to support capitalism?** The punishment for this sin against the working class, for this treachery, is to be shot on the other side of the barricade or to be hanged on the gallows.

This punishment is only carried out by the victorious revolution. No Committee of the Prussian Diet, no Court of the social democratic party will be able to cleanse German Social Democracy of the filth into which it has plunged up to the ears. If the Social Democratic workers, disgusted by the stench of the politics of their leaders, wish to purify themselves, they can do it only by **separating themselves from the politics of their party.** German Social Democracy will only get the smell of putrefaction, which now haunts it day and night, out of its nose, if it breaks with this policy. And in cleansing themselves from the mud with which German Social Democracy has polluted them, the workers will at the same time prepare the way for the tribunal of the proletarian revolution against the party which has dragged the honour of the German proletariat in the mud and filth, which has trampled it underfoot.

Bribery in the Soviet Union.

By Michael **Koltzow.**

A satirical comedy is being performed before a crowded house in one of the main streets of Moscow. The public consisting of various sections of the Moscow population watches the piece with hated breath. If laughs boisterously at the funny parts, tense scenes are watched in silence, and from time to time the performance is interrupted by loud applause.

The heroes of the comedy are: the director of the Soviet (State) Bank, and a gang of big speculators bent on treating themselves to a big fat slice from the State pie. The speculators spread their net cleverly around the bank director, a veteran communist. With the help of the director's brother, also a profiteer, who plays an important role in the sharks' camp, and a ballet dancer, they succeeded in forcing the bank director to commit a series of crimes. They are in fact not crimes in the proper sense of the word. The director merely grants some privileges to a private commercial concern established by merchants, but these privileges put money into

the pockets of the private capitalist and bring a considerable loss to the Soviet Bank. Intoxicated by the charms of the demi-monde actress and under the influence of the speculator, who managed to get into the Bank in the guise of a commercial advisor, the communist director is not even aware that he is transgressing his powers, and only realises the depth of his disgrace when he is face to face with the Soviet prosecuting Magistrate.

The author has given a very vivid description of the various types of "nouveaux riches" and shady speculators — the product of Nep, but neither did he spare the Soviet heroes of the piece. The public is very much alive to the situation represented on the stage, for it recognises in the stage heroes the figures of a recent sensational trial connected with one of the chief banks.

But what would seem particularly strange to a foreigner recent arrived in Moscow is the fact that the theatre where this place is performed in a State theatre, and the bank which

provided the author with his subject matter is also a Soviet State Bank.

Is this not a case of a paradox typical of the disintegration of the Soviet Power, of the disorganisation of the State apparatus in the U. S. S. R., and one more sign of the imminent ruin of the Bolsheviks through their own degeneration, etc. etc.?

Certainly not, this case is a characteristic example of just the contrary. It shows how wide the social basis is on which the Soviet Power rests in its own country.

As the leader of the economic work of the working class and of the peasantry and the holder of responsible posts in this work, the Communist Party has taken all the necessary measures to ensure that the leadership be irreproachable, as far as individual leaders are concerned.

Czarist Russia was always notorious as the classical country for bribery and corruption. In this respect people were wont to class it along with the Asiatic despotic States. And in this respect the old Russia has bestowed on the post-war revolutionary Russia a dire heritage of the shameful past. But this makes the Soviet Government fight all the more energetically against the evil of bribery.

The years of war, blockade and civil war, have impoverished the working classes a whole, have reduced them to such a precarious position that even the smallest bribe, which would appear ridiculous in a wealthy country, is a temptation to them. It is not a case of motor cars, villas, or big cheques, — far from it. In a country where three years ago during the famine days a tin of dried milk or a slice of white bread seemed a luxury, even now and perhaps for a long time to come, an extra pair of boots or a bottle of wine may be a desirable acquisition even for a prominent official having "general's rank".

But the Soviet Government and its legislation have exposed the evil of bribery in all its nakedness, have robbed it of the possibility to sail under false colours. The term "secret bribe" makes it possible to expose a bribe even if it takes the form of "treating", small gifts and feminine allurements, etc. To fill a government post and to be at the same time a partner in private enterprises is considered one of the greatest crimes. Even if the bribe was not given or taken in a specific form, but the State official had some kind of intimate or financial relations with a private person which might have injured the State, such a misdemeanour is severely punished according to the article of the criminal code known as "discrediting the Soviet Government". Extremely severe punishment is meted out to the person offering a bribe, or even tempting another person with a bribe, even if the bribe did not actually change hands or if it remained ineffective.

When the Soviet Government and the Communist Party appoint people to government posts of any kind, they are not allowed to use their authority as government or Party

nominees as a guarantee for their infallibility. On the contrary, all the officials of the State apparatus work under strict social control and supervision, as if they were in a glass case. Apart from all sorts of trade union organs and inspectors who keep an eye over the officials, the press is given extensive opportunities to expose bribery. Tens of thousands of workers and village correspondents give publicity in their letters to all shortcomings in the work of the State mechanism, and especially to abuses of a personal character. When a person is attacked in the press he or she is bound by law to refute the accusation, in order that in the case of libel the writer of the letter may be made responsible.

But the Soviet Government and the R. C. P. do not wait for exposures in the press to brand and eliminate well known parasites and receivers of bribes who are a sore on the body of the State. The prosecuting magistracy is always on the watch, and if anyone can be bound guilty of abuses of a personal character, he or she is immediately sent for trial regardless of high posts, and position. On the contrary, the higher the rank of the corrupt official, the more severe the punishment and the more publicity is given to the case. The Soviet Government has shown this in practice. Example: in the trial mentioned by us before, the director of the Industrial Bank, a prominent person, appeared in the dock: he was a former member of the Government who occupied previously the post of premier in one of the Federated Republics, an old Bolshevik who had distinguished himself in military operations. The court investigated in public sessions the abuses of which he had been guilty, which consisted in assisting the private money operations of his own brother through the bank of which he was the director. This communist was sentenced to 5 years imprisonment.

From other big bribery lawsuits, we would like to single out the case of the naval commissary, a prominent fighting Bolshevik who had more than one risked his life during the revolutionary struggles, a sailor of proletarian origin who was sentenced to death for bribery.

When it comes in light that a Bolshevik has been guilty of abuses, the Communist Party does not pull a surprised face, it does not bashfully cast down its eyes with a sigh alluding to the depreciation of the valuta, as was done by the German Social Democratic Party after the exposure of its most prominent members in connection with the Barmat affair. On the contrary in such cases the R. C. P. provides the Court with its best prosecuting magistrates and brands before the masses and the representatives of the press, the guilty persons even if they happen to be old and worthy Party members. It insists on the severest punishment, sometimes the death penalty, for those guilty of bribery, as a deterrent to the "small fry", and also to purify the Party atmosphere from the stench which is the inevitable accompaniment of rotteness and corruption.