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## Manifesto of the Tiflis Soviet to the Workers and Peasants of the whole world.

The enlarged Plenum of the Tiflis Soviet has unanimously addressed the following Manifesto to the proletariat and to the peasantry of the whole world.

For three and a half years Georgia has lived under a Soviet regime. In these three years the country has made enormous strides forward on the road to economic and national-cultural restoration. In the atmosphere of assured international peace which was set up along with the Soviet rule both internally and in the foreign relations with the neighbouring Republics, the workers and peasants of our Republic have revealed a zest for work and a heroism unexampled in history. The productive forces, which were fettered by the tsarist regime and the imperialist war as much as by the chronic state of war in the years when the country was under the administration of the Social Democratic Menshevist Party, are now rapidly developing both in industry and agriculture. The economic and cultural interests of labour are under the sure protection of the effective social legislation of the Soviet power.

Never in the history of our country has there been such an eager work of construction carried on in all the spheres of the cultural life of the people. Under the Soviet power Georgia has realised for the first time the complete nationalising of all organs of the state administration and of popular education along with the full security of the rights of the national minorities. For the first in its history Georgia has been covered by a close net work of educational institutions, for the maintenance of which the Soviet government devotes 54% of the State

budget. In the atmosphere of undisturbed peace the labour of the workers and peasants of Soviet Georgia is converting this country into a centre of highest culture.

But this prospect which stirred our hearts with joy, infuriates those traitors to our cause, the Georgian Mensheviks. As they consider themselves not only to be the outpost of all the forces of Georgian reaction but also an integral part of European reaction, the leaders of the Georgian Mensheviks, consisting entirely of intellectuals, and abandoned by all the workers and peasants without exception, have entered into a close political and military fighting alliance with the parties of the bourgeois feudal reaction here at home and with the bourgeois imperialist governments of Europe. For three years the overthrown government of the Mensheviks with Jordanija, Tschenkeli, Zeretelli, Tschaidse and others at the head has been conspiring with the leaders of the Second International and intriguing with the governments of the capitalist powers of Europe for the overthrow of the Soviet power in Georgia, whereby they promised the imperialists in the event of their restoration to power to give access through Menshevik Georgia to the oil wells of Baku and Central Asia.

This reactionary group whose means was not difficult to discover, has uninterruptedly carried on a disorganising and provocative propaganda within the country and is constantly endeavouring to bring to nought all the results of our reconstructive work. These destructive tendencies have particularly increased since the recognition of the Soviet Union by a number

of European States and have assumed an outspoken brigandlike character. Before their natural death, before their disappearance from political existence, the intellectuals, the shabby remnants of the Menshevik Party have put forth all their final efforts in close union with the expropriated feudal owners, traders, parsons and monks and assisted by the armed bands of reaction who took to the forests in order to escape the laws of the workers' and peasants government, they have attempted to draw the sword against the proletarian dictatorship.

Under the fraudulent slogan of "liberating" Georgia, that is its liberation from the rule of the proletarian dictatorship and for its enslavement to European capital, they intended to stir up the masses of workers and peasants to overthrow the Soviet power. These attempts took place in a few localities of one of the provinces of Georgia, but met with an equally rapid and inglorious end. Not only the working class of Georgia without exception has actively opposed them, but the whole working peasantry repudiated them, isolated the handful of adventurers and thereby rendered possible the rapid liquidation of the adventure by the communist forces almost without any participation by the regular army.

Was any other attitude on the part of the working masses possible? Could it be otherwise than that the class consciousness of the workers flared up in anger against those who during the two or three hours of rule in one or two small localities, in close union with former landowners, traders, house owners and parsons hastened to decree the restoration of private property in the means of production, in buildings and land? Would it not have been monstrous if the contrary had been the case? It was unavoidable therefore that this attempt at an action became converted into a farce, even though a dangerous and criminal one.

There now reigns throughout the whole Republic strict revolutionary order, which was not even disturbed for an hour either in the capital or in any of the big towns of the Republic. The shameful failure of the counter-revolutionary attempt of the Georgian reactionaries had to be recognised even by the fighting organisation of the reactionaries, the so-called "Committee for Independence", whose declaration\*) of the 3rd of September we heartily recommend to your attention in order that you should become familiar with this document proving the shame and the degradation of one of the parties of the Second International.

Fellow workers, Fellow peasants of Europe!

The capitalist and social democratic press will attempt to deceive you regarding the events in Georgia. They will serve you up with hair-raising stories of revolts on the part of the Georgian people, as they have repeatedly done hitherto. Do not believe their lies!

Before the sitting of the League of Nations the reaction has decided to carry out the despicable comedy of a general uprising of the people in order that the meeting of the international slave holders in Geneva could demand the handing over of Soviet Georgia to them under the mask of restoring the rights of a "democratic government" of Jordanjia.

But this, comrades, will not happen. We are not going to enter the prison house of capitalism again no more than the peasants of Georgia are longing for the return of the feudal lords driven out by the Soviet government. We are determined to defend the soviet system with our lives, apart from which we have no hope of favourable conditions for our final renaissance as a class and for our national-cultural development. And we have the right to expect from you, our fellow-workers, that you will allow no fresh betrayal of the broad masses of the workers by the leaders of the Second International, who are conspiring with the former ministers of the Georgian Mensheviks against the workers' and peasants power in Georgia.

The Soviet of the workers, the members of the red army and of the peasant deputies of Tiflis sends you its fraternal greetings and emphasises that the only thing we are longing for is peace and quiet in order to carry on creative work for the up-building of the proletarian state and the great Alliance of the workers of the whole world.

Long live the revolutionary cause of the workers of all countries!

Down with reaction, which conspires behind the screen of the Second International!

\*) We publish this below. Ed.

## Declaration of the Committee for the Independence of Georgia.

The following declaration, issued on the 3rd of September, is the one referred to in the above Manifesto of the Tiflis Soviet. Ed.

The Committee for the Independence of Georgia having from the first day of its formation set itself the aim of re-establishing the independence of Georgia was convinced that it would be able to prepare and to carry out an armed insurrection of the Georgia nation for this purpose. To this end the Committee for Independence through the medium of the parties affiliated to it, in the course of several years carried on the appropriate work and organised armed groups. On the other hand, through the medium of an office abroad, it strove to create in the Western European States, and particularly in France and England, suitable conditions for receiving help.

But our hope failed to materialise and consequently we suffered a defeat. The organised mass insurrection which we had been expecting did not take place. The broad masses of the people did not support us. We were left alone with those active forces which had been recruited from the upper circles of the nation and which had for the greater part hidden themselves in the forests. Our action, practically against our will, became converted into a mere adventure which was of course followed by strong reprisals on the part of the authorities, the responsibility for which lies wholly with us.

In acknowledging its error in preparing this action the Committee for Independence declares that, beginning from this day, the continuation of armed struggle against the Soviet Power appeared to be doomed to complete failure and to be disastrous for the Georgian nation. In view of this the Committee for Independence calls upon all parties affiliated to it and upon all armed groups which have dispersed themselves in the remote corners of Georgia, amongst them the armed troops of Kakutz, Tsholokashvili, to cease immediately from any further action against the government, to disband all their armed forces, to give up all weapons to the governmental organs, and by obedience to the government to endeavour to mitigate that enormous disaster which our insurrection has brought upon the Georgian people.

Beginning from this day we declare the Committee of Independence to be dissolved, in the centre as well as in the provinces.

K. Andronikashvili, President

I. Javakhashvili, Secretary

M. Botshorishvili,

Jinoria (Member of the C. C. of the Georgian Social Democrats)

M. Ishkhameli

(Member of the C. C. of the Georgian National Democrats).

## HANDS OFF CHINA

### What is Happening in China?

The political life of China is being stirred by two events which are of great importance, not only for China, but also for the imperialist states. These events are: 1. the counter-revolutionary action of the merchants and profiteers of Southern China, where the old revolutionary leader of the revolutionary people's party, the Koumintang, Dr. Sun-Yat-Sen rules, and secondly, the collision of the military governors of two provinces of Central China: Tse-Kiang and Kiang-Su.

The Struggle of the Imperialists Against the National Movement in Southern China.

At the end of August last telegrams from China reported that the Sun-Yat-Sen government had seized a steamer with a cargo of weapons, which had arrived from an English port in the chief port of the Kwantung province and was destined for the English comprador in China, Tschun-Lin-Pak. This merchant stands at the head of the military troops set up for the pro-

tection of the property of the Chinese merchants in the province of Kwantung. At the congress of this military body held in May of this year, it was decided to centralise all these divisions of troops. This was an indication that the Chinese merchants, along with the village profiteers and with the support of the English imperialists, were preparing an action against the revolutionary people's party, against Sun-Yat-Sen.

The relations of power between the government party, Koumintang, and the merchants who were organising against it were such, that at the time Sun-Yat-Sen did not decide to disarm these counter-revolutionary bands. Sun-Yat-Sen even assumed that he would succeed without having recourse to force in gradually gaining control of these military forces; he intended to use them in the fight against the reactionary general Tschun-Dsun-Min, who was supported by the English imperialists. Sun-Yat-Sen did not perceive the spiritual unity between the reactionary movement of this general and the action of the merchants which was preparing. He was also not aware that behind the counter-revolutionary movement in South China, there stands the MacDonald government. But the ship laden with weapons which was seized, the boycott strike of the merchants in Canton, the note from the English Consul to the civil governor of Sun-Yat-Sen, and finally the English cruisers and gun-boats at Canton, revealed to Sun-Yat-Sen the counter-revolutionary policy of the merchants and English imperialists.

In a telegram addressed to MacDonald on the 5th September, Sun-Yat-Sen declared the following:

"To the Right-Honourable Ramsay MacDonald.

The head of the Hongkong-Shanghai Banking Corporation has organised a band of so-called fascists, the purpose of which is the overthrow of my government. This aim is to be achieved by means of arming rebels and with the help of arms and weapons which were brought here on board the ship 'Gal'. This steamer arrived on the 10th of August at Canton, and was immediately confiscated by my government. Since then a revolt has occurred in Canton in the form of a strike, which the rebels, together with all other counter-revolutionaries, have organised. At the moment when I decided to take the necessary measures against the revolt, the English General Consul sent to my government the following letter:

'I have received from the Commander of the British naval forces the information that he has received orders from Hongkong to adopt suitable measures in the event of a bombarding of Canton by the Chinese authorities.'

In view of the diplomatic and financial support which the British government has constantly afforded to the Chinese counter-revolution, and also in view of the fact that my government is at present the only centre of resistance against this counter-revolution, I must draw the following conclusion, that the real aim of this ultimatum is the overthrow of my government. I emphatically protest against this recent act of imperialist interference in the inner affairs of China.

Sun-Yat-Sen."

The chief reason which prompted the English imperialists to come forward openly as the initiators of counter-revolution in South-China was the consolidation of the Chinese bourgeoisie, as well as the powerful revolutionising of the broad masses of the rural and town population of South China.

The Congress of the workers and craftsmen of Canton, which took place almost simultaneously with the congress of the mercantile military forces, has shown that the Chinese masses are proceeding rapidly forwards on the road of class consciousness, and are exerting pressure upon the democratic Koumintang Party in the sense of rendering this more revolutionary. The province of Kwantung is of enormous importance as a revolutionary rallying ground, not only for China but also for the islands and the districts on the Pacific Coast; this was shown by the First Conference of the Transport workers of the Pacific Ocean, which took place in June of this year. The imperialists, and in the first place the English imperialists, who have the greatest interest in this portion of China and possess the most efficient colonial apparatus, could not overlook these facts.

On the other hand, the recognition of the Soviet Union by the Chinese Central government in Peking, which took place in spite of the efforts of the imperialists, has already begun to have its effect throughout China in the direction of a growth in

the anti-imperialist movement. The recent organised League for the Struggle against Imperialism has given rise to a stormy outburst of sympathy for the national liberation movement in South China, and an equally stormy explosion of hate against the enslaving treaties of the imperialists which debase the Chinese people and exploit them in a barbarous manner. The English government has openly decided to check the process of the liberation movement in China by means of arms.

The Proceedings in Central and North China.

Simultaneously with the events in South China, there is taking place an even fiercer struggle in Central China, and according to the latest telegraphic communications there has been drawn into this struggle all the chief forces of Southern, Central and Northern China. The immediate pretext for the struggle between the military governor of the province of Kiang-Su, Marshall Tschun-Sun-Yuan and the Governor-General of the province of Tse-Kiang, Lu-Yun-Sjan, is the dispute over the administration of Shanghai, the most important trading centre of China, which has a population of 1½ millions and is an important strategical point on the Pacific Ocean.

Shanghai belongs to the province of Kiang-Su. When, however, the former military governor of this province was appointed as governor to the neighbouring province of Tse-Kiang he retained in his hands the administration of Shanghai and nominated one of his own party as chief of police of this city. The dispute of the governors of these two provinces over the administration of Shanghai has already lasted a long time; it has, however, not yet come to armed conflict. There is no doubt that the dividing up of China into economic spheres of influence of the imperialists promotes the struggle of the Chinese military governors. The civil war in China is caused not only by the intervention of the imperialists, but also through the inner economic process. Thus, for example, the basis of Sun-Yat-Sen in South China is being continually consolidated, as is the basis of the militarist Tschun-Dso-Lin in the three northern wheat growing provinces, which explains his great independence as a military factor in the Chinese civil war.

Viewed from the standpoint of the national factors in China, the struggle between the military governors of the provinces of Kiang-Su and Tse-Kiang can be regarded as a struggle between the militarist war party "Tschili", on the one side, and the "Fyntjan" group, along with the followers of the former Anfu-Club, on the other. At the head of the first clique stands Wu-Fei-Pu; at the head of the second there stands Marshall Tschun-Dso-Lin and one of the oldest politicians of China, the reactionary Duan-Tsi-Dschuj. These two cliques have their followers among the provincial governors of Central and South China. In the struggle which is now proceeding, the provinces of Kiang-Su, Anchei and Fukian will openly support the Tschili party, whilst Tschun-Dso-Lin has already conducted negotiations with representatives of Sun-Yat-Sen. The reason why Sun-Yat-Sen can be drawn into this struggle lies in the fact that is immediately threatened by the Tschili clique, while the sphere of influence of the Fyntjan group does not border geographically on the province of Kwantung. Neither Sun-Yat-Sen nor Tschun-Dso-Lin conceal the fact that in the event of a victory over the Tschili Party they will have to enter into struggle against each other.

The reason of this is to be found in the fact that after the revolution of 1911, when the administration of China was dismembered by the imperialists, there set in the so-called Dudsjun system, that is, the rule of the military general governors. Since then China has ceased to exist as a uniform state and has been split up in a number of separate principalities. The movement, at the head of which stands Sun-Yat-Sen and which aims at abolishing this Dudsjun system, will at the same time promote the liberation of the working masses of China.

At the present time, when the revolutionary students and the workers organisations form the centre of the anti-imperialist movement, MacDonald, Herriot, Coolidge and the Japanese government are greatly interested in promoting inner reaction. This is why, in spite of the diverging economic interests of the imperialists in China, they are in entire agreement regarding the question of intervention, which is being openly prepared on the basis of a treaty in which the inspirer and initiator of the imperialist offensive against China at the present time is English imperialism.

## The Russian Trade Unions and the Attack upon China.

To the Workers of all Countries!

Humanity is again approaching a world war as a result of the predatory attack of the English, American, Japanese and French governments upon the peaceable inhabitants of China. What are all these governments after in China? Why do they send an ultimatum to the revolutionary democratic government of Sun-Yat-Sen? Why are they meddling in the inner affairs of the Chinese people? They are coming forward to protect the Chinese counter-revolution against the workers and peasants of China. They are dispatching their war ships to China because the broad masses of the Chinese people wish to liberate themselves from foreign domination. It is in this manner that the Labour Government of England and the Block, of the Left in France testify their love of peace and their efforts of disarmament.

We, the workers of the Soviet Union, who have suffered from the attacks of the world bourgeoisie, know who is directing this predatory attack upon the broad masses of the Chinese people. We call upon the workers of all countries to stand up determinedly against this shameful interference in the affairs of the Chinese people. It must not be permitted, that the bourgeoisie of England, America, France and Japan place a noose round the neck of a people numbering 400 million. We, the trade unionists of the Soviet Union, have formed a "Hands-off-China League". Organise similar leagues! Set the broad masses in motion against this attack! Do not let world-imperialism strangle the Chinese people!

Down with the predatory attack upon China!  
Down with intervention!  
Down with the world war!  
Hands-off-China!

The Trade Union Council of the Soviet Union.

## POLITICS

### England in the East.

By Orientalist (Moscow).

The extraordinary events in China, and in particular in Canton, have rightly seized the attention of public opinion in our country. The very moment when, by our treaty with the Chinese government, we had sealed our recognition of the equal rights of the Chinese people, as well as the independence and sovereignty of the Chinese Republic, — this very moment was chosen by the imperialist powers for demonstrating by a whole series of outrageous violations, all the haughtiness of colonisers towards the Chinese nation and the openly cynical proclamation of their right of interference in the internal affairs of the Chinese Republic. With an impudence unexampled even in the history of long-suffering China, America, which up to now had always posed as a friend and defender of China against foreign violation, suddenly despatched a warning to the Chinese government that in the event of a civil war she would not fail to follow the example of the European Huns in 1900 and to send her armed forces to invade Chinese territory. At the same time England, without any semblance of right, sides with the rebels and conspirators in Canton and threatens the Canton government with armed intervention if it dares to exercise its right to maintain social peace and order. In both cases it is shown how the so-called civil war, as well as the internal conflict in Canton were only the results of long-conducted intrigues on the part of those very powers which at present intervene with threats and warnings.

It is perfectly clear that the situation that has now arisen in China is not the outcome of chance occurrences, but is the handiwork of those very powers which are bent on realising certain aims. Those who lately had occasion to follow the foreign press, and in particular that of England, were able to foresee that such a situation could easily arise in the not-distant future. Taking advantage of every possible pretext, the English press was continually bubbling over with the idea of a general European intervention in China, in view of its political, and especially its financial impotence which were threatening the "vital" interests of the powers, i. e. of the bankers of England and America. That this impotence was to a great extent the

result of the conscious strivings of those very bankers and the governments standing behind them was modestly passed over in silence; all this talk, however, did not for a long time bring about any definite action, and this, it must be assumed, is for the reason that America had not yet decided upon such a cynical abandonment of her former Chinese policy.

There is no doubt that the thing which finally provoked the imperialists to action was the Treaty we concluded with China and which resulted in an enormous increase of our prestige in Peking and far beyond its boundaries, and in addition to this the sudden and unexampled wave of national self-consciousness and pride among all classes of the Chinese population. For the imperialists powers, which up to now had regarded China as a powerless and unresisting object of their desires, which they had hitherto refrained from tearing to pieces as they were convinced of their complete mastery over it, this national renaissance of China under our aegis and with our help involved a serious threat and compelled them to close their ranks and to come to a definite decision in favour of intervention. It is believed that this decision was finally come to during the recent visit of State Secretary Hughes to England. It is characteristic in this connection that the English press quite suddenly turned its attention to Canton and that "The Times", for instance, devoted a series of articles, not only to the internal situation of the Kwang-tung province and in particular of Canton, but also to the exterior aspect and prosperity of this town of two million inhabitants. It will be no great surprise if it should turn out that, as a reply to our Chinese policy and in order to prevent the organised mobilisation of the social forces of China, the powers, headed by England and America, have decided to divide China between them.

These portentous events, which constitute a threat, not only to China, but also to ourselves, deserve, as I have said, our closest attention. But it must be shown that these events are not isolated. Throughout the whole East, English diplomacy, as if it had intended to render ridiculous the pacifist democratic pose of the MacDonald government, has passed over to a somewhat hazardous offensive unexampled in the past. In Afghanistan, as the reader knows, the long-prepared insurrection of the reactionary tribes bordering on India finally exploded, and in connection with this such facts as the appearance on the scene of that tool of England, Abdul-Kerim, who had arrived from India, and the English ammunition in the possession of the insurgents, serve to indicate the source and inspiration of this affair. It is true that in the foreign press there appeared a brief notice that the Emir of Afghanistan had received some aeroplanes from the English, but that this act was only a piece of camouflage in order to conceal the secret motive power behind the insurrection is to be seen from the fact that these machines, for one reason or another, could not be made use of, or only to a very small extent. With what indignation, however, was it recently denied, not only through the official press, but also from the government benches in parliament itself, that there existed any intention to interfere in Afghan affairs! The English imperialists, who are dictating the foreign and colonial policy of the government, can in no way reconcile themselves to the occupation of the throne of Afghanistan by a man who is filled with profound mistrust towards them and who, by means of certain measures of internal reform, is endeavouring to create a firm and stable state in order to frustrate any foreign machinations.

It is not the first time that the English have organised insurrections, revolts and palace revolutions in the East in order to be rid of a disagreeable regime and to replace it by that of their hirelings and agents. This is exemplified by the action of English imperialism in Egypt, when the Egyptian people, roused to indignation by the domination of the same bankers and usurers, for the first time raised the banner of revolt against foreign interference. Imperialist England, in spite of the recent defeats she has suffered there, is still carrying on the same policy she has pursued during the course of more than forty years. Imperialist England has just declared through the mouth of her Premier and that of his most pacifist minded colleague, Lord Parmoor, that she will never recognise any right of Egypt to the Sudan, from whence flow the waters of the Nile bringing life and fertility to Egypt; and when in reply to this declaration, there arose, for the first time within thirty years, a revolutionary movement in the Sudan, in which even native troops participated, the English government had recourse to its old methods of throttling the local national movement. If one should seek an explanation for this

policy of the English in the Sudan one will find it in the words incautiously let slip by Lloyd George in parliament in February 1922, when dealing with the pseudo-independence of Egypt: "We will never abandon the Sudan, as large amounts of English capital are invested there". And this capital is now defended by the pacifist-democratic "Labour" government of MacDonald, which is striving to bring peace to the whole world!

We have had during the most recent times another illustration of the offensive methods of English imperialism; this time in Persia. In the Turcoman Steppes, which form part of our territory of Turkestan, and which had never been under the political influence of Czarism, a revolt broke out and there was set up an independent republican state. The Persian government, and all who are in any way familiar with the history of these Steppes, could be easily induced to believe that this movement had been organised by Soviet diplomacy, but happily those whose business it was to do so got into their hands material which proved that it was not we, but English agents who had participated in this affair. We have here before us the realisation of an old diabolical intrigue by English agents, who constantly strove to provoke events in the north of Persia which might compromise us in the eyes of the Persian government and create doubt and disappointment among the Persian people regarding our friendship and sincerity. The calculation of the English diplomats was fairly obvious: either their action would succeed and would lead to the creation, under their protectorship, of a separate state comprising these tribes and which, being situated in our neighbourhood, could serve as a basis for their further advance, or their action would fail, but nevertheless we would be discredited in Persia. Here we have a new attempt on the part of English imperialism to extend its influence in northern Persia and to destroy our influence in that country.

Thus, under the government of MacDonald, the eastern policy of England is assuming a still more aggressive character and along with this is being directed more sharply against us than was the case even under Curzon, who may well rejoice when he sees his new pupils who are boldly continuing the policy laid down by him. Our Soviet Union, which has just concluded an agreement with England, cannot in any way tolerate a return of the old rivalry between England and Russia regarding the peoples of the East, and we must again call upon the English working class to aid us in order that we may jointly overcome the enemy which, in the form of British imperialism, is threatening both the British and Russian workers.

## THE LABOUR MOVEMENT

### The British Trade Union Congress.

By Harry Pollitt (London).

The 56th Trade Union Congress held at Hull, attended by 750 delegates, representing 4½ million workers, was the most important congress yet held. Out of the 105 resolutions, covering every conceivable subject, four definite facts, overshadowing every thing else, emerge, and all these have an international significance and importance.

It would be very easy to place on record where the Congress failed, what it ought to have done, the issues it ought to have faced, but here we are only concerned with what actually happened at the Congress.

The National Minority Conference, held a week previously, had undoubtedly had its effect upon the Hull Congress. And though the General Council of the Congress refused to place on the agenda any of the resolutions passed at the Minority Conference and sent on to Hull, these questions were introduced during the various debates that took place.

#### The Trade Union Congress and the Labour Government.

There had been no attempts or provision made for discussing the policy of the Labour Government during the nine months of its existence. In the annual report of the General Council only a congratulatory reference was made to the Labour Government, and a sentence inserted declaring that it was not the business of the Trade Union Congress to discuss the policy of the government, unless it was in relation to specific resolutions that had been previously discussed by Congress. This part of the report was contested and a debate ensued. There was very evident

a strong feeling in the Congress against the Labour Government's actions, particularly in regard to the Dawes Report; its policy during strikes and in regard to the Dawes Report were roundly condemned, and Robert Smillie was put up to try and defend the government, but he was unable to make out any defence. When the vote took place the motion criticising the government was lost, but a very considerable support was gained for the motion, to the surprise of the General Council.

Throughout the week, on a variety of resolutions, many strong criticisms were made of the Labour Government. It was easy to see how nine months of such a government has disillusioned many workers' representatives as to its attitude and policy. This disillusionment is also spreading amongst the masses, but it would be a great mistake to assume that the Labour Government was not still very popular with the organised trade union movement.

At all past congresses, a special resolution dealing with Foreign Policy has been discussed. This year the resolution was only confined to assuring the government of the support of the Congress in its intentions to carry out the Agreement with Soviet Russia. Congress was unanimous on this point, and the hands of the government in dealing with the opposition against the Treaty will be greatly strengthened.

But the most significant thing was the absence of any resolution congratulating Ramsay MacDonald on the results achieved by him at the London Conference. At the very time when the London Conference and the Dawes Report are being claimed as triumphs for MacDonald and the Labour Government, the Trade Union Congress is silent, and for a very significant reason. That is because the opposition to the Dawes Report was so strong within the Congress, that had the General Council introduced a resolution backing it up, they would have run a serious risk of it being defeated; this would have been a grave political defeat for MacDonald and so no opportunity was given of having a discussion on the question, but throughout the proceedings of the Congress many references to the Dawes Report were made, all indicative of a growing opposition to this Slave Plan. I now hear that the Miners are to convene a special National Conference to discuss the Dawes Report, and what is to be their future attitude to this report.

#### Towards National Unity.

The British Trade Union movement is very sectionalist. There is no central organisation backing up the various unions in a common struggle against capitalism. Two resolutions that make for closer working and also towards creating a General Staff were adopted at the Congress. The first resolution makes it the duty of the General Council of the T. U. C. to prepare a scheme for the adoption of the principle of Organisation by Industry. At present there are over 1100 unions in Britain, all overlapping, jealous of each others rights, constantly quarrelling with each other over the right to organise various classes of workers. The adoption of this resolution means a real step towards the unification of the movement.

The second resolution was brought before Congress by the General Council itself. At present this Council has no real powers or functions. It has been looked upon with varying degrees of tolerance, suspicion or distrust, as the case may be. But it has been a main plank in the programme of the opposition now organised in the Minority Movement, that if the workers are to fight successfully, there must be a central organisation and leadership, directing and coordinating all their struggles.

In every strike and lockout, the Opposition has repeatedly shown the necessity for such centralisation, and it is the direct result of this propaganda, that the existing General Council has been forced to come and asked Congress to give it increased power and authority. Two years ago at Southport, a similar resolution was overwhelmingly defeated. Last year at Plymouth it was again defeated, this year there was an overwhelming majority in favour of the General Council having this power, and so by its resolutions on Organisation by Industry and Increased Powers to the General Council the Hull Congress has done much to solidify the ranks of the Trade Unions in Britain.

#### Towards International Unity.

The General Council submitted a Report of the Viennese Congress of the I. F. T. U. It was on this report that a discussion was initiated on the question of International Unity. While approval was expressed of the attitude of the British delegation at Vienna, strong criticism was made because the Vienna reso-

lution was expressly framed to exclude all the organisations affiliated to the R.I.L.U., with the exception of the Russian Trade Unions. A proposal was made that the General Council should at once take measures on the Executive Bureau of the Amsterdam International to arrange for the convening of an all-in-International Conference, at which should be present all the organisations now affiliated to both the Amsterdam and Moscow Internationals.

There was a strong demonstration in the Congress favouring this proposal and A. A. Purcell, the Congress Chairman, then stated that this question was of such importance that the Congress itself should decide what steps the General Council should take. The debate then continued, and all the right wing leaders took part. It was very noticeable the way they all concentrated on two things. First a general complaint about the personal criticism they had received, secondly they all went on record for unity with the Russian Unions, but were silent as to what was to happen to the other organisations affiliated to the R.I.L.U.

The Leaders of the German Social Democratic, French and Belgian trade Unions will derive no pleasure from this debate, for Tillett of the Transport Workers, Robinson of the Distributive Workers, Politt and Hullsworth all levelled strong criticism against these leaders and their attempts to sabotage unity. The debate then concluded on the understanding that an emergency resolution was to be submitted to Congress.

A resolution was then submitted to the Standing Orders Committee, but was rejected on account of the wording, a second resolution was then drafted and accepted by the Standing Orders Committee and was then brought to the Congress. In informing the Congress of the nature of the resolution, the Chairman gave it as his opinion that the points in the resolution were covered by the Viennese resolution. The right wingers seized on this statement, as providing an excuse not to debate the question again and moved that the Congress refuse to discuss the resolution.

A fight then took place on this issue, the writer pointing out, how the resolution came to be drafted and what was the vital distinction between this resolution and the Vienna resolution. At this stage a delegate was stated to have made some remarks derogatory to the authority of the Chairman and a scene then took place. It gave an opportunity for the reactionaries to focus attention on this incident, and so pass on to the next business. This was done, but there was a very strong opposition to this course. The next day came the speech of Tomsky, and afterwards telegrams, were read from Italy and from Fimmen who was stated to be in Moscow. These telegrams indicated that the workers of all countries were looking to the Hull Trade Union Congress to take real steps towards establishing the unity of the International Trade Union Movement.

Having in mind the strong support of the Congress delegates for unity and with the effect upon Tomsky's speech upon all the delegates present, the Chairman, A. A. Purcell then made the following statement:

"I think I should take this opportunity of impressing upon Congress the significant fact that we have now received from practically all those continental nations where the labour movement is in a disturbed condition, indications that they are looking to the British Trade Union Congress for a demonstration of that unity which is so vitally necessary. From Italy, Germany and now from France, the dissident sections have intimated their desire for that unity, and if our movement is to fulfil its great destiny, something must be done to consummate that desire. In no country is unity so firmly established as in Great Britain and it seems to me incumbent upon this Congress that, without passing any formal resolutions or indulging in prolonged discussions, it should take such steps as will bring together the different elements of the Labour Movement in Europe in an effort to establish that solidarity that will make for world peace. I would therefore suggest to this Congress, that they empower the General Council through the International Federation of Trade Unions to take all possible steps to bring the parties together."

The Congress unanimously agreed to this suggestion, and the position now is, that the General Council of the British Trade Union Congress are pledged to work for the unity of the movement and will, I am convinced, after the discussion which took place at Hull, see that all the organisations affiliated to the two Internationals are brought together.

**The Russian Delegation.**

The reception accorded to the delegation from the Russian Trade Unions was the greatest ever given by Congress. It completely over-shadowed all the others. It was the first time that the representatives of the organised workers of Great Britain and Russia had faced each other, and there was no doubt as to the spontaneity and the warmth in the tribute of the British workers in welcoming these Russian Comrades.

Comrade Tomsky's speech was in such marked contrast from those delivered by the fraternal delegates from other countries, that this fact alone made it the more impressive. But the acute analysis of the economic situation, the lessons from the past struggles of the workers, the implications of the Dawes Report, the growing danger of War, and in this situation the essential need for the unity of the organised workers — this was the theme of the speech and it created a profound impression, and has been responsible for many influential leaders now working harder than ever for the unity of the movement.

The capitalist press realised the importance of this speech, for the next day it was given in full in all the most powerful newspapers. The British Trade Union Congress is to send a delegation to visit Russia, and this will mark a further step towards forging real bonds of solidarity between the Russian and British workers, and through them between the workers of the world.

The Hull Congress has therefore been of the greatest international importance. It neglected to face many important issues, but its work alone on the question of the unity of the Trade Unions, both nationally and internationally, marks a progressive step in the history of British and International Trade Unionism.

**FOR THE UNITY OF THE TRADE UNION MOVEMENT**

**Forth to the Fight for the Unity of the International Trade Union Movement!**

To the Working Men and Women of all Countries!

The offensive of capital during the last two or three years has revealed the weakest spot in the Labour Movement. The successes obtained by the employers' organisations which rely upon the bourgeois state apparatus, are to be explained not only by the good state of the organisation of the bourgeoisie, but also by the bad state of the organisation of the working class itself.

Who is responsible for this bad state of organisation? Who has brought about the split in the International Trade Union Movement? Who has weakened the forces of the Trade Unions? Who has cleared out from the Trade Unions the most active revolutionary elements?

You know quite well who have busied themselves in this criminal work. The reformists of all countries, both on a national and an international scale have, in the course of several years made it their special and exclusive work to persecute revolutionary workers, to drive them out of the Unions and to split the individual Labour Unions. This policy of the reformists has resulted in a weakening of the resistive powers of the proletariat and in employers being able in a whole number of countries, to deprive the workers of a number of elementary gains.

Whenever the revolutionary workers opposed the coalition with the bourgeoisie, the monstrous policy of strangling the toiling masses of Germany, the reparations, the Experts' Plan etc., the result was always the same: the reformists directed all their energy and the whole force of their organised apparatus towards stifling the protests of the masses and they purged the ranks of the workers' organisations of the most honest revolutionary elements, thus splitting our proletarian ranks and organisations.

Must we reconcile ourselves to the fact of the Trade Union Movement being split? Do we perchance not perceive the harmful effect of the split upon the interests of the working class? Is there one of us who is not aware of thousands of facts clearly proving that this split augmented the force of the bourgeoisie and weakened the resistive power and the fighting capacity of the proletariat?

The Communist International and the Red International of Labour Unions right from the first day of their existence, have brought forward the slogan of "the Fight for the Unity of the Trade Union Movement". They have always been against voluntary withdrawal from the Trade Unions. They have with all their forces fought against the slogan of destroying the Trade Unions. They brought forward the slogan of winning over the masses by means of capturing the Trade Unions. They have conducted a desperate, embittered and stubborn fight against the reformists on the one hand and against those impatient and revolutionary-minded workers who thought that by means of withdrawal from the Trade Unions it would be possible to enhance the forces of the proletariat on the other hand.

The moment has now arrived when it is possible and necessary that another step forward be taken. The time has arrived to commence the fight for the re-establishment of the unity of the Trade Union movement on a national scale and at the same time to begin the most energetic propaganda among the broad masses for the restoration of the unity of the International Trade Union Movement. At present there exists the International Federation of Trade Unions (Amsterdam) and the Red International of Labour Unions (Moscow). In addition to this there exist professional internationals and various international propaganda committees within the professional internationals.

What must be done in order to re-establish the unity of the International Trade Union Movement? Before all the struggle for unity on a national scale must be intensified. Every worker in the workshops and in the factories must interest himself in this question.

The working masses as a whole must voice their opinions regarding the continued existence of the split and of parallel national organisations. In those countries where the movement has not yet been split everything possible must be done in order to prevent the reformists from realising a split. In those countries where the Trade Unions are already split, the revolutionary unions must take up the initiative in proposing to the reformist organisations the creation of unified joint Trade Union organisations by means of convening national unity congresses at which the unions of every tendency are to be represented according to their actual influence.

The unity of the Trade Union Movement within the frames of nations and states confronts the revolutionary workers of all countries with the task of realising world-wide unity. How is this to be achieved? This can only be achieved provided the broadest masses interest themselves in this question, provided the workers of the various professions voice their opinion as to what they prefer: to have a powerful, unified International or a whole series of parallel international organisations.

The V. Congress of the Communist International and the III. Congress of the Red International of Labour Unions openly declared that the creation of a unified International would mean an enormous step forward in the fight of the working class for its emancipation. By what means is this unity to be realised? Only on the basis of class struggle, only by means of amalgamating the Red International of Labour Unions and the Amsterdam International, only by means of an international unity congress at which the workers of every tendency must be represented by delegates elected on the basis of proportional representation. This tremendous problem can only be solved provided there is an increase in the revolutionary activity of the broadest masses, only in the event of the individual workers bearing in mind the full importance of the restoration of unity on a national and an international scale for the further struggle.

Working Men and Women! The Executive Committee of the Communist International and the Executive Bureau of the Red International of Labour Unions summon all of you to an active struggle for the re-establishment of the unity of the national and international trade union movement. Link up this fight for unity with your everyday fight against capital. Demand from your Trade Union bureaucrats that they cease to expel revolutionary workers, drive from the ranks of the proletariat those bureaucrats who are nearer to the bourgeoisie than to revolutionary proletarians. Demand from your leaders that they meet the fervent desire for unity which is to be found in all Communist Parties and all Red Labour Unions.

Do not put off this question even for an hour. Raise it at workshop meetings, nuclei, in groups and in the press. Do not let slip one appropriate opportunity for pushing forward the cause of the unity of the Trade Union movement in all countries of the world. We are conscious of those difficulties which we

shall meet in this direction, we are conscious of the desire of the reformists to bring about splits. We are aware of their fear of revolutionary proletarians and of their desire to remain at any price on good terms with the bourgeoisie and to help it to strangle the working class. But do not let these difficulties disturb you. The bureaucrats must be compelled to subordinate themselves or clear out. The working masses must take the cause of unity into their own hands and thereby show who is criminally trifling with the interests of the working class and that the proletariat will no longer permit the shattering, the disorganising and the destruction of the Trade Union movement by means of splits. The course of our fight is perfectly clear.

Ruthless fight against splits and the splitters!  
Most energetic fight for the amalgamation of both Internationals!

Fight for the International Unity Congress of the Trade Unions!

Fight for the creation of a united Trade Union International!  
Long live the unity of the International Trade Union movement!

The Executive Committee of the Communist International.  
The Executive Bureau of the Red International of Labour Unions.

**ECONOMICS**

**Economics and Economic Policy in the First Half Year of 1924.**

By Eugen Varga.

III.

**Special section.**

Germany.

Contrary to the many prophecies uttered on all sides, the German mark has remained fairly stable during the period covered by this report. A tendency to fluctuate did appear in March, when 15 to 20% above par was paid for the dollar on the "Black" (unofficial) Exchange. But after the limitation of Reichsbank credits resolved upon on 7th April, parity was restored again. During the last few months there has even been an equilibrium established between the supply and demand in foreign bills, so that the Reichsbank has been in a position to satisfy the demands up to 100%.

When we raise the question as to how this stability came about, we must first remember that at the period in question the state finances were balanced. The revenues not only covered the expenditure, but it was possible at the same time to redeem a not inconsiderable amount of the gold loan.

Revenues of the Reich, in million gold marks.

	Total	Wage deduction tax	Other income taxes	General returns tax	Duties and consumption taxes
January . . . . .	503	75	90	98	41
February . . . . .	418	64	66	103	63
March . . . . .	595	71	88	113	76
April . . . . .	524	79	71	156	93
May . . . . .	519	88	73	135	93
June . . . . .	472	96	55	126	94
	3031				

During the first half year the total revenues amounted to over three milliard gold marks. The provisional budget for the Reich for 1924, submitted to the experts' commission by the German government, assumes regular and extraordinary revenues to the amount of 5274 millions. Thus the actual revenues considerably exceed the estimates.

Data are of course not yet to be had as to the expenditure in the first half year of 1924. We have, however, at our disposal the periodical reports issued by the treasury officials, which show that during the first half year of 1924 over 400 million gold mark gold treasury notes have been redeemed by the government, from which we must deduct the income yielded by the discounting of the Rentenmark treasury bills. This proves that the expenditure of the Reich has not exceeded the estimate. When judging the significance of these figures, we must take into consideration that no reparations have been paid during this

period, and the burdens cast on the Rhenish industries by the Micum contract have not been compensated by the Reich. But despite all this, we see that the financial position of the Reich is such that a balance is possible, although but a minimum of taxation revenue flows in from the Ruhr area, and even if reparation payments of not too rigorous a nature be exacted from Germany.

To be sure, the screw of taxation must be tightened up considerably. But the various associations of capitalists, as well as the agrarian federation and the farmers' unions, cannot protest loudly enough against the excessive burden of taxation. The Bavarian deputy Schlittenbauer even used the threat, at a public meeting, of a farmers' revolution, if the taxation imposed upon the farmers were not decreased. As a matter of fact the farmers, or rather agrarians, have not only not been called upon to pay any fresh capital levy during the last few months, but many millions have been reimbursed to them of the taxes which they had already paid — this being justified by alleged errors in the assessment of the defence tax in 1913.

If we examine the above table, we find, however, that the broad masses of the working people have had to contribute the lion's share to the state revenues, and that they have done this in ever-increasing degree from month to month. We see, for instance, that the income tax imposed on the bourgeoisie has a tendency to diminish, whilst the revenues obtained from wage deductions, consumption taxes, and turnover taxes, have the tendency to increase. Of the 472 millions forming the revenues of the Reich in the month of June, 316 millions have been raised by the three typical taxes borne by the proletariat: deduction from wages, general turnover tax, duties and consumption taxes.

But one point can be definitely ascertained, and that is that the stability of the mark was not threatened by weakness in state finances during the past half year.

Foreign trade shows us very different figures; here there has been an enormous trade deficit, amounting to no less than one and a half milliard gold marks. The monthly figures are as follows:

Month	Imports	Exports	Surplus of Imports
	in million gold marks		
1913			
Monthly average . . . . .	933,84	849,88	— 83,96
1923			
Monthly average . . . . .	506,78	506,60	— 0,18
1924			
January . . . . .	567,13	431,02	— 136,11
February . . . . .	718,59	466,34	— 252,25
March . . . . .	692,69	456,56	— 236,13
April . . . . .	803,16	481,96	— 321,20
May . . . . .	870,18	516,22	— 353,96
June . . . . .	753,12	475,25	— 277,87

The reliability of German foreign trade statistics has been doubted in many cases, and not without justification. The Reich statistics office excuses itself by pointing out that the occupation in the West renders the compilation of reliable statistics exceedingly difficult. We must, however, point out that whilst an import surplus of several milliard marks was originally stated for 1922 and 1923, this deficit shrunk to a minimum in the gold mark calculation.

Despite this fact, we may still assume that there has been a very considerable import surplus during the past half year. The only question is, how was this import surplus balanced without shaking the stability of the mark.

In our opinion, the difference has been balanced from the following sources:

1. By the employment of a part of the foreign bills and notes accumulated in Germany during the period of the depreciation of the mark, and becoming superfluous as means of circulation and means of retaining values after the mark was stabilised. We remind our readers that the sum total of these foreign bills was estimated at 3 milliard gold marks.

2. It is probable that German capitalists who fled abroad some years ago have now returned in consequences of the lack of credit. Their capital has probably returned in part in the form of foreign capital. There is much reason to assume that the Dutch capital in particular, recently invested in loans and in the establishment of banks in Germany, is in reality German capital which formerly left the country in the general flight.

3. The secure establishment of the political and social rule of the bourgeoisie in Germany, and the tremendously high rate of interest for loan capital, have been the means of inducing an

inflow of private credits from England and America. We need only remember the gold note bank, which enjoys a fairly extensive re-discount credit in England and America.

These three sources: employment of foreign notes and bills, return of fugitive German capital, and foreign credits, appear to us to be the credits covering the deficits of foreign trade. It need not be said that these sources can only perform this service for a short time. Should the passivity of German foreign trade become permanent, it is bound to lead to a renewed depreciation of the mark within a measurable time.

#### The credit policy of the Reichsbank.

It was only possible to accomplish the stabilisation of the mark by means of a very stringent credit policy on the part of the Reichsbank, as private credits might have induced a fresh inflation. The following are the most important Reichsbank items:

	Paper mark bills and drafts	Rentenmark bills and drafts	Note circulation	Rentenbank notes
	(Million gold marks)			
7. January . . . . .	433	235	491	—
15. February . . . . .	576	713	537	1579*
15. March . . . . .	645	943	614	1986*
15. April . . . . .	749	1272	678	1952*
15. May . . . . .	825	1246	764	2050*
14. June . . . . .	860	1201	924	—

This table shows the rapid increase of credits granted by the Reichsbank until the middle of April, when the fear of a renewed depreciation of the mark led to a considerable limitation in the granting of credits. From this time onwards the amount granted in credits shows little change. The notes in circulation remain below the limit of three milliard gold marks, a sum considerably less than that in circulation before the war. It must be further recollected that large amounts in emergency money and gold loans, which had also served as circulating mediums, were withdrawn from circulation during this period.

#### The Economic Position.

During the first months of the period dealt with in this report, economics showed an upward tendency, culminating about the middle of May. From this time onwards economic conditions became acutely worse, and worsened more and more in the months of June and July. The number of workers receiving unemployed benefit developed in the following manner:

	Out of work	On short time
1. January . . . . .	1,532,065	848,735
15. January . . . . .	1,587,494	626,643
1. February . . . . .	1,440,206	362,565
15. February . . . . .	1,307,035	251,550
1. March . . . . .	1,172,646	151,407
15. March . . . . .	988,752	90,133
1. April . . . . .	712,483	—
15. April . . . . .	476,000	—
1. May . . . . .	307,000	—
1. June . . . . .	210,000	—

When forming a judgment over these figures, it must be recollected that these refer to unoccupied territory only, and solely comprise the unemployed receiving benefit. It is a well known fact that after the victory won by the bourgeoisie in the autumn of 1923, the doles granted to the unemployed were much reduced, and every device is being adopted to diminish the number of unemployed in receipt of benefit. The percentages of unemployed have already been given in the international table on unemployment\*\*).

The decline of economic prosperity is generally attributed to the fact that Germany is not able to compete in the markets of the world. It is true that for many types of goods the German prices are actually higher than the world's market prices, a fact which may be regarded as proved by the enhanced import and sale of foreign goods in Germany. German political economists disagree widely as to the causes of this. There are general complaints as to high taxation and excessive freight charges. The industries engaged in working up raw materials further point

\* End of month.

\*\* See Nr. 63 of *Inprecorr.*, page 674.

to the dearness of coal and the high prices of iron as the cause, and the whole capitalist class naturally throws the blame on the alleged high wages and small output of work of the German working people. Besides all this, another important cause is certainly the weak buying power of the German agricultural population, in consequence of the agrarian crisis. But whatever the cause, the fact remains that from about the middle of May there has been a general crisis in Germany with respect to finding markets for goods, and this crisis continues uninterruptedly up to the present. The consequences of this market crisis have been further aggravated by the lack of capital and credit. The enterprises which have got into pecuniary difficulties through inability to sell their goods have not been able to cover their financial needs by credits. Great undertakings (Becker steel works) have collapsed, and the number of bankruptcies increases from month to month.

#### Prices.

The course followed by wholesale prices corresponds approximately to the economic situation. The Reich Statistical Office issues the following figures, taking the figures for 1913 as 100:

November 1923 . . . . .	139
13. January 1924 . . . . .	122
5. February . . . . .	114
4. March . . . . .	119
1. April . . . . .	122
6. May . . . . .	125
3. June . . . . .	118
1. July . . . . .	113

Other price indexes show similar developments. Attention must here be drawn to the sharp divergence of prices for industrial and agricultural products, which is the ultimate cause of the exceedingly acute agrarian crisis existing in Germany at the present time.

As we already mentioned, in our remarks on the general agrarian crisis\*\*, the prices for wheat and other grains are below the level of pre-war prices at the present time. During the past half year there was to be observed the remarkable fact that in Germany, which is a grain importing country, the grain prices were lower than for foreign corn. It is only natural that the question should arise as to how this can be possible when foreign corn is being imported? But as a matter of fact very little foreign grain was imported during this half year, and this little was delivered under previous contracts made during the second half year of 1923, when the agrarians and farmers refused to yield up their products against payment in paper marks, and the grain office was compelled to import large quantities of foreign grain.

This position changed entirely in the first half year of 1924. Under pressure of the necessity of raising money for the payment of taxes which were due, grain was put upon the market in large quantities, so that prices sank beneath the foreign quotations. Where foreign corn has still been purchased in spite of this, this has been due to the circumstance that the mills had not enough ready money at their disposal to buy home grain for cash, but could obtain corn on credit from abroad. The reduction in the price of grain was also furthered by the depreciation of the franc, which caused large quantities of French flour to be imported into Western and Southern Germany at low prices.

The extent of the "scissors" (divergence between the prices of industrial and agricultural products) in Germany is graphically shown by the figures issued by the Industrial and Commercial Journal. We here append the total index as compared with the index for agricultural products. For all figures the standard is 1913 = 100:

	Total index	Grain, flour, potatoes, fertilisers	Meat, fish, fats, milk
Beginning of February . . . . .	132	69	98
Beginning of April . . . . .	139	81	99
Beginning of May . . . . .	137	92	98
Beginning of June . . . . .	129	77	85
End of June . . . . .	123	67	81

Although this survey does not give quite an accurate idea of the shears, as the prices for manures are included along with

\*\* See Nr. 64 of *Inprecorr.*, page 702.

grain prices, and the prices for sugar along with meat prices, still it is demonstrated beyond doubt that an extraordinarily large scissors divergence exists, and the cause is thus given for the great agrarian crisis in Germany. The agrarian crisis is further aggravated by the extreme falling off in home consumption. The data are already known. The total consumption of home and foreign meat has dropped from 49,5 kgs per head of the population in the year 1913 to 23,4 kgs in the year 1923. The unfavourable situation of agriculture is further enhanced by the new taxation. Although we do not acknowledge the accuracy of the calculations set forth by some of the agrarian associations, which assert that taxes amount to more than the whole net profits of agriculture, still the present taxation is fairly heavy in comparison to the exemption from taxation enjoyed by agriculture during the lengthy inflation period. Herkner states the taxation of agriculture to be 45% of the net profits, but adds that the burden is probably actually less, as assessment is not based on the general value, but on the usually much lower proceeds value.

The German agrarians are now anxious to return to the system of agrarian duties. The government has already announced its intention of re-introducing the duties on provisions in force before the war. It is, however, very doubtful, as has been emphasised in various studies made by German political economists, whether the introduction of duties on foodstuffs would be of any use under present circumstances. At the present time the prices in Germany are lower than the world's market prices, so that the introduction of duties would be ineffective. The state of affairs under which Germany's prices are lower than those of the world's markets can of course not be of long duration. Now that the export of agrarian products has been released, the prices will level up with the world's market prices within a short time. Agrarian duties could only raise the prices of agrarian products over the world's market prices if — as was the case before the war — Germany's home consumption were not covered by home production. In consequence, however of the tremendous decline in the consumption of grain and meat in Germany, the natural result of the low standard of living of the German proletariat, inland production is at the moment able to cover Germany's requirements. So long as this is the case, agrarian duties are bound to remain without influence on prices in Germany. We see the close connection between the general crisis in German economics and the agrarian crisis. The introduction of agrarian duties could only raise German prices above those of the world's market if either the standard of living of the German proletariat were to be raised to its pre-war level again, or if the output of German agriculture were to be systematically diminished by an extensification of agricultural methods until the total production failed to cover even the diminished requirements. A tendency to abandon intensive agricultural methods may already be observed among the large land owners: we may mention the lessened areas under cultivation, the increase of permanent meadow, pasture, and fallow land since the war.

#### Lack of Credit and the Economic Situation.

After the New Year there was a considerable revival in all branches of production catering for the home markets. This revival was based on the inflow of money due to the generous policy pursued by the Reichsbank, and on the credits given by the Rentenbank to the state and to economic enterprise. A fresh inflation actually arose at the beginning of April; this was to be seen by the fact the unofficial Exchange valued the dollar at 15 to 20% above the official rate of exchange. Another characteristic indication is that in January valorised Rentenmark credits (which must be repaid at their actual value at the time of issue) were offered at 2 to 2½% per month, unvalorised Rentenmark credits at 4 to 5% monthly. In the months of February and March the capitalist newspapers drew frequent attention to the inflation danger. Thus *Stinnes'* paper, the *Deutsche Allgemeine Zeitung*, wrote on 30. March:

"Anyone with a knowledge of the A, B, C, of political economy, and with any sense of reality, will be able to recognise without much mental exertion that inland consumption has attained unsound dimensions, that the credit policy of the Reichsbank is highly injudicious, and that we are faced with every indication of a credit inflation, the storm on the security market being one of the signs of this, and not the first one."

And on 1. May the *"Börsen Courier"* writes: "Anyone able to penetrate deeper into economic relations will be horrified to observe that during the last six weeks German economics have

shown no signs of convalescence, but rather of a relapse into the disease from which they have scarcely recovered." We can find dozens of similar utterances in the big capitalist press.

The determined attitude adopted by the capitalist press against the danger of a fresh inflation proves that the capitalists did not desire a renewed inflation. We pointed out in our earlier reports that inflation can only serve as a means of enrichment for the big capitalist so long as the possibility of expropriating the middle class still exists. This cannot be continued beyond a certain point, and this point was reached in Germany about August 1923. That the middle classes are less inclined than heretofore to permit themselves to be exploited by the big capitalists is shown by the fact that retail prices fell much more slowly than the wholesale prices after the stabilisation.

Now that the big capitalists are hostile to a fresh inflation in Germany, it has been found possible to avoid it. We have already mentioned that the credit policy of the Reichsbank changed abruptly in the middle of April. Credits were granted much more sparingly, as may be seen from the table given above. The restriction of credit grants led to a money and capital crisis, and this again naturally reacted upon economics generally. Home consumption decreased rapidly, and as the level of prices was maintained for the most part above those of foreign countries, the slump in export business was followed by a crisis in the industries supplying the home markets.

The lack of money drove the rate of interest on loans to a dizzy height. The following rates were paid at the beginning of July ("Börsen Courier", 8. July 1924):

Credits to economic undertakings.	
Reichsbank drafts . . . . .	12% per year
Shipping loans (on short call) . . . . .	24% to 21% per year, 3 fold security cover.
Ditto, 1 to 3 months . . . . .	36% to 24% per year, 3 fold security cover
Bank money, 1 to 3 months, against German Bank endorsement . . . . .	2 to 3% per month
Ditto, 1 to 3 months, against 1½ to 3 fold security cover in Berlin . . . . .	3 to 4½% per month, in some cases 5 to 6%
Ditto in the provinces . . . . .	7 to 7½% per month
Blank credits of the large banks in current accounts about . . . . .	14% per year + 1½% commission per month = 32% net per year, in some cases even 36

According to another report ("Berliner Tageblatt", 15. July 1924) call-money was paid for among the banks themselves in April at the rate of 51.2% per year, in Frankfurt even at the rate of 78%. From 22 to 56% was also paid for valorised monthly credits in the period from February to July.

The lack of money has been utilised by the money institutions for practising a degree of usury hitherto only known to the most primitive stages of capitalism. Investors received 8 to 12% yearly, whilst debtors had to pay as much as 60% and small debtors frequently 100%. The conditions imposed on the recipients of credits may be seen from the following example, one of many (Berliner Zeitung, 15 July 1924):

"An undertaking of good standing in the agricultural production line, in Silesia, was recently offered a credit under the following conditions:

1. A first mortgage of 20,000 gold marks is to be immediately placed as security on the site upon which the business is carried on.

2. The credit is granted only to the extent to which the savings bank is in a position to pay it; there is no obligation to grant you the credit to the full amount.

3. The repayment of the credit must invariably be made in amounts up to 5000 marks after receipt of three days previous notice, should the account be cancelled, either by us or by you, the valid term of notice is 14 days.

4. At the present time the rate of interest is 5% per month, to which is added ½% commission on the highest debt balance of the month in question. ¼% of the largest returns will be charged to your account as turn-over commission. We shall inform you of changes in the rate of interest as soon as we learn these from our large banks, but such changes are valid from the day on which they have been fixed by the banks, and can be retrospective."

It need not be emphasised that this lack of credit prevailing in Germany does not mean a lack of circulating mediums such as can be helped by printing fresh paper money. The lack of capital and credit in Germany is the form in which Germany's impoverishment is expressed. Whilst before the stabilisation of the mark this impoverishment was expressed, in the depreciation of the mark it is now being expressed in the lack of capital, in the absence of money and credit. Germany has the choice between two alternatives: Either a renewed inflation, or shortage of credit and capital. In this connection it is a particularly characteristic circumstance that, whilst the German money institutions accommodated almost 20 milliard gold marks before the war, at the present time — although saving has begun again since the stabilisation of the mark — the total sum now lying in the savings banks is estimated at 250 to 270 million gold marks.

The strict limitation of credit grants has obviated the danger of a renewed inflation for the moment. It has even been possible to satisfy almost completely all demands for foreign bills. With the exception of the dollar, all foreign bill demands had been met by 100% by the 31. May; since then this has been also the case with the dollar. But the price paid for the avoidance of inflation has been a very high one. The number of bankruptcies increases from week to week. Hundreds of undertakings can only avoid bankruptcy by submitting to business control. Many undertakings have had to cease production for lack of means to purchase their raw materials. German economics are doomed to undergo a severe and lengthy crisis.

It goes without saying that all the measures required to maintain the stability of the mark involve increases in prices, that is, increases in the cost of production. If an enterprise is obliged to pay 50 to 80% interest for loan capital, if the turnover tax amounts to 2½%, if innumerable other taxes burden production still further, if the most important raw materials, coal and iron, are made dearer than ever by the special burdens imposed by the Micum contract, then it is only natural that a state of affairs comes about in which German production is no longer competitive, and this despite the fact that the workers' wages are considerably lower than those on the world markets. German economics have got into a vicious circle. In order to maintain the stability of the currency, measures are taken which make production dearer, and render Germany incapable of competing in the markets of the world. This signifies: High inland prices with resultant intrusion of foreign goods; unfavourable trade balance, which is bound to lead eventually to the destruction of the stability of the mark. The only possible relief in this emergency is a generous influx of foreign capital, which would enable credits to be granted again, the rate of interest to be reduced to a normal level, and the present stagnation of German economics to be substituted by full occupation with attendant reduction of costs of production. This is the reason why the German capitalist class, despite all its nationalist clamour, is almost unanimously in favour of the execution of the Dawes plan. The success of the Dawes plan is of course, as stated in the Report itself, closely bound up with the success met with in overcoming the crisis from which the whole international capitalist economy is suffering. It is impossible to separate the German crisis from the world crisis.

#### The Position of the Working Class.

It need not be said that the capitalists are endeavoring to utilise the crisis for reducing working conditions to a worse level. And up to a certain point they have already succeeded in doing this: not so much as regards actual wages, but with respect to working hours and working conditions. The wages earned by a workman in work have altered but little in the course of the last half year. According to the calculations issued by the Reich statistical office, the average wages in April 1924 of the following categories of workers: miners, building workers, wood and metal workers, textile workers, workers in factories, printing offices, and state undertakings, for the longer working hours, were as follows:

Skilled	78.6% of pre-war wages
Unskilled	90.2% " " "

The same for the minimum working hours as per tariff:

Skilled	75%
Unskilled	86.2%

These figures, which are more likely to be higher than lower than the actual wages, show these to be 25 and 14% lower than pre-war wages. If we take into consideration that the wages paid to the German worker before the war were

lower than those earned by the French, English, and of course the American worker, it is easy to comprehend the fear felt by the English and French capitalists of the low wages in Germany.

With reference to working hours, the General German Trade Union Federation made an inquiry into the number of hours worked in the week from 12. to 17. May in the seven most important trades. These are: printers, building workers, chemical, wood, and metal workers, shoemakers and textile workers. The inquiry comprised a total of 46,122 undertakings employing approximately 2½ million workers. It was thus extensive enough to give a survey of the whole situation. Taken together, these professions worked

45.3% up to 48 hours
54.7% over 48 "

Of the latter 13% worked over 54 hours. With reference to the separate professions, over 48 hours were worked: in the textile industry by 83.4% of the workers, in the metal industry by 63.5%. In this last 21.2% worked over 54 hours. Here it must be emphasised that the miners were not included in this inquiry. We see that the bourgeoisie has made good use of its victory over the working class. At a time when a million workers are out of work, the greater part of the German workers are compelled to work more than eight hours: in heavy industry the working hours have been extended to over nine and even over ten hours. The change which has taken place in the relations of power of the classes is also expressed in the manner in which the trade unions are treated by the big capitalists. This is most clearly expressed in an article published by the chairman of the Association of German Employers' Unions, von Borsig, in the "Arbeitgeber" of 15. June. He here raises the question whether the General German Trade Union Federation identifies itself with the interpellation made by the social democrats in the eight hour day question. He then proceeds:

"If this is replied to in the affirmative, then in my opinion the German employers are confronted by a decisive epoch in their attitude to the trade unions. They then have every reason to occupy themselves with the deficiencies of the German trade union movement. If the trade unions do not alter their way of considering real economic questions, and if they do not seek to come to an agreement with us, on the ground of given conditions and with the aim of national economic freedom and national economic revival, then we German employers will scarcely be able to negotiate with them further. They would then actually represent an organisation which is not working for the furtherance of the interests of German workers on German soil, but is a foreign body which, for the personal aims of its functionaries, thrusts itself between the employer and the worker, and destroys the economic peace of the workshops and factories."

A tendency actually exists, especially in heavy industry, to propagate the pre-war idea of "non-recognition of the trade unions". The German trade unions are in actual fact powerless against the cartels of heavy industry, especially during the present period of crisis, when an interruption to production is by no means disagreeable to the capitalists. The fact must become more and more apparent that the traditional methods of economic struggle, based on the assumption that the loss accruing to the capitalist through the interruption of production is going to be greater than the loss resulting from granting the demands of the workers, are now completely ineffective. The defence of the daily interests of the working class is at the present juncture inevitably bound to lead to political class struggles.

## IN THE INTERNATIONAL

### The Communist International and its Czecho-Slovakian Section.

By G. Zinoviev.

The discussion in the C. P. of Czecho-Slovakia is in full swing. The representatives of the right wing of the party, comrade Kreibich even speaks of a "crisis", having arisen in the party.

This has been the case repeatedly: when we have called upon the Czecho-Slovakian Party to make one serious step forward,

we encountered the resistance of some conservative minded leaders. This was the case when the question of forming an independent Communist Party itself and the question of its title was on the order of the day. This was also the case in connection with the creation of a united international party in Czecho-Slovakia in place of the separate parties founded on national principles. This was also to be seen when the Communist International demanded from all parties, and of so important a workers' party as the Czecho-Slovakian, to take a first step on the road to bolshevism. The result will, we hope, also be entirely favourable this time for the Communist International. The Czecho-Slovakian Communist workers will, in their overwhelming majority, stand on the side of the Communist International and those of its leaders who resist will be compelled, not in words, but in deeds, to follow the road indicated by the V. World Congress.

We have recently read the article of Comrade Kreibich entitled: "What is at stake." Comrade Kreibich comes forward openly not only in his own name, but as representing a group of right leaders. His article therefore gives rise to very sad thoughts. Comrade Kreibich claims that he and his friends, who hitherto stood at the head of the party, wish to raise the question of the future composition of the leading organ of the party in an entirely objective manner without introducing the least personal bitterness and jealousy. The above mentioned article of comrade Kreibich is in our opinion a perfect model of personal bitterness and pettiness and is on the other hand entirely lacking any positive political programme, as well as a clear political perspective.

Placing the knife to the throat, Comrade Kreibich demands that he be told whether he is an opportunist or not, whether we count him among the right wing of the Communist International or not. We are ready to fulfil this persistent demand of Comrade Kreibich. Yes, we reckon him and his friends among the opportunistic comrades who at present form the right wing of the Communist International. As regards Comrade Kreibich personally, the question is not to be regarded as over-tragic. We can remember how Comrade Kreibich, not so very long ago, belonged to the "ultra-left". It was relatively easy to convince Comrade Kreibich that he must give up his "ultra-left" absurdity. We hope that Comrade Kreibich will also not be stubborn now but soon give up the right absurdities and then be, to a certain extent, immune from deviations. We hope also that other right leaders of the Czecho-Slovakian Party will perceive their errors.

In the article in question Comrade Kreibich reveals a certain tendency with full clearness. This tendency is that Comrade Kreibich does not accept the decisions of the V. World Congress of the Communist International. Comrade Kreibich does not say this openly. Therein lies his diplomacy. One does not need to be a prophet in order to foretell that at the approaching party Conference Comrade Kreibich, or one or other of his friends, will submit a resolution in which they declare that they "accept" the resolutions of the V. World Congress, but with one or two small reservations. That is precisely the way with "Communist" opportunists. They will not openly declare: "We reject the decisions of the V. World Congress because they are false on this or that point and we propose this or that principle decision in their place". No, they will vote for the resolutions of the V. World Congress and will then gradually begin by proposing "small" reservations and further reservations to these reservations to arouse scepticism regarding these decisions.

We put the question bluntly to Comrade Kreibich and his next friends: Are the decisions of the V. World Congress of the Communist International correct or incorrect? Do you accept them or not? And if not, wherein are they incorrect and in what manner do you wish to alter them?

Comrade Kreibich and his friends continue to obscure the answer to these questions and pester their opponents with the hairsplitting questions: What is the united front? How shall we answer Benes and Masaryk when they call on us to form a "labour" government along with them?

The V. World Congress of the Communist International answered with sufficient clearness the question: what is the united front, how we conceive the slogan of the "Workers" government, what we shall reply to Benes, Masaryk and similar politicians to the summons to form a coalition government along with them. The V. World Congress has given a sufficiently exhaustive analysis of the present international situation. It has pointed out with sufficient breadth and clearness that it is opportunism to interpret the tactics of the united front as an alliance

with Social Democrats. It has laid down with perfect exactness and clearness, what the slogan of the "workers government" is and what it cannot be for us. One can be in agreement with the standpoint of the V. World Congress or not in agreement. One cannot however agree with it "to a certain extent". There is no reason for the true followers of the Communist International in Czecho-Slovakia to demand now any kind of new formulations of these questions. Do you, comrade Kreibich and your friends, accept the formulations of the V. World Congress? Yes or no? But in this case without any new reservations, without any "on the one hand" and "on the other hand". And if not, then explain exactly, you have a right to do so, wherein the decisions of the V. World Congress are false and how they must be altered in order to be made correct.

What does the Communist International actually demand of the Czecho-Slovakian Party? What revolutionary actions does the Communist International place before us? Are we really asked, he says, to "make" the revolution now, when the pre-conditions for such do not exist?

It is once again the old method of "Communist" opportunists to misconstrue the tactics of the Communist International. You, comrade Kreibich, will not be able to find among the decisions of the Communist International passed during the last five years a single decision which could be construed in the sense of a bald demand to "make" the revolution. The only thing what the Communist International demands from its sections is that they shall remain revolutionary Communists also in the period of slackness, that under all circumstances they shall prepare the proletarian revolution, the commencement of which depends of course not upon our subjective efforts, but before all upon the objective conditions.

What, under the present conditions, does the Communist International demand from its Czecho-Slovakian section:

1. That the party be reorganised on the basis of factory nuclei. A Communist Party cannot be organised in any other manner. Other principles of organisations are social democratic and not communist principles.

2. That the whole propaganda and agitation of the Party be permeated by the revolutionary spirit, that means, that they actually correspond to the decisions of the V. World Congress.

3. That the Party devotes far greater attention to the factory councils movement than has hitherto been the case and in this respect gives heed to the experiences made in Germany.

4. That the Party conducts a systematic propaganda and organisatory activity regarding the creation of proletarian Defence-Units and fighting forces and thereby raises in a serious form the question of the fight against fascism.

5. That the agitation and entire policy of the Party in the national question shall be a real communist policy. Comrade Kreibich is aware that the II. World Congress of the Communist International adopted the theses of Comrade Lenin on the National question, which contain sufficient clear indications for every one who wishes to realise the policy of the Communist International regarding the national question and not to misconstrue it. And the Executive of the Communist International has, on the instructions of the Congress, recently put these decisions in a concrete form.

6. To organise appropriate propaganda work among the peasantry.

8. To advocate the tactics of the united front and the slogan of the workers government among the working masses of Czecho-Slovakia in the way decided at the V. World Congress and not in the way proposed by Brandler, Radek and Kreibich who is nine tenths in agreement with them.

9. Regarding the questions in dispute in the German, Russian and English Communist Parties, the Party shall in the spirit of the V. Congress of the C. I. adopt a clear revolutionary attitude and not support the right wings in these parties.

10. A Central Committee of the Czecho-Slovakian Party shall be created containing a great number of new members from the ranks of the workers, who are more active, more straight, less diplomatic, more in contact with the proletarian masses, and unconditionally follow the line of the Communist International.

These demands of ours are already contained in the 21 conditions adopted at the Second Congress of the Communist International.

It appears as if Comrade Kreibich is seeking in vain to frighten the Party with a crisis. In the first place there are

crises which are beneficial for the Party. This was shown recently by the crisis which Brandler created in the C. P. of Germany through his opportunist tactics. Secondly however we believe that the Czecho-Slovakian Communist workers have no reason whatever to share in that political despondency which is revealed in the article of Kreibich. The great majority of the Czecho-Slovakian Communist workers, will, we are convinced, as against Comrade Kreibich, adopt with full sincerity without any reservations the line of the V. World Congress of the Communist International.

We do not know whether Comrade Smeral has recently come forward with an exposition of his opinions over the present inner-party situation. We, at least, have found no such expressions on his part. In the article in question Comrade Kreibich attempts to speak at the same time in the name of Comrade Smeral. We do not know whether comrade Smeral has authorised Comrade Kreibich to make this declaration. As regards the opinion of the Executive of the Communist International, this, so far as we are aware, is as follows: We recognise the very good points of Comrade Smeral. We are of the opinion that he is absolutely necessary as one of the political leaders in the future central committee of the C. P. of Czecho-Slovakia. But we do not conceal the fact that he has his weak sides. We demand that Comrade Smeral shall adopt a definite standpoint regarding the questions raised and decided at the V. World Congress. We are convinced in any case that the Czecho-Slovakian Communist workers will find sufficient forces in their ranks in order to create a central committee which will be up to its tasks. It is in vain for Comrade Kreibich in his article to put the question: "Are we leaders alone guilty for the short-comings of the party or is the party itself guilty?" Every communist knows that every Communist Party has the central committee that it deserves. And we now believe that the Czecho-Slovakian Communist Party, which in its composition is a pure workers party, is already ripe to become a true bolshevist party and therefore to have a completely bolshevist central committee.

## THE WHITE TERROR

### Murder of a Communist Fighter in Bulgaria.

The fury of the white terror in Bulgaria demands ever fresh victims. Comrade Michail Dachine, a brave and untiring stalwart of the Communist Party of Bulgaria, was murdered on the 18th August last in the open streets of Sofia.

The murderer was a member of a band which were organised by the Zankoff government in order to massacre the fighting workers and peasants. It is a matter of course that the perpetrator has remained unpunished. In Bulgaria the murder of persons who are Communists or who are considered to be such, is not only tolerated, but officially and legally organised; it is carried out by terrorist bands, which are in the pay of the government. It is a fact that any crowd of people, even if they have only gathered out of mere curiosity, are immediately fired upon.

The vile murder of comrade Dachine has even called forth the protest of the social democratic paper "Narod", which calls attention to the perfect integrity and the bravery of the murdered victim. It is true, however, that this paper, as well as the whole Bulgarian Social Democracy, is jointly responsible for the bloody deeds of the Zankoff regime, which they have helped to establish and which they still continue to defend.

The fate of Dachine constitutes a threat against a number of other Bulgarian comrades, as Christo Kabatchieff, Anton Ivanoff and Nikola Penel, who are still kept in prison, and also against Hadji Dimoff, who is being persecuted on account of his fearless attitude in the Sobranje (parliament), and against all those who stand for the fascist government of Zankoff. Only recently two members of parliament of the left peasant wing, Grentcharoff and Janeff, were arrested; another peasant member of parliament, Petrini, is being sought by the police.

Michail Dachine, who has fallen for the cause of the proletariat of Bulgaria and of the whole world, will, along with the many thousands of other martyrs of the revolutionary peasants and workers of Bulgaria, be enshrined in the hearts of the international working class.

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## The Sixtieth Anniversary of the First International. The First International.

By Theodor Rothstein (Moscow).

Ten years ago, when the socialist world, just on the eve of the Fiftieth Anniversary of the First International, flung itself into the blood and dust of imperialist war, we who witnessed this unheard-of débâcle hardly imagined that we should celebrate the Sixtieth Anniversary in a situation in any way similar to the present. All is lost, was the thought of most of us. The crushing of the Paris Commune had thrown back the revolutionary proletariat for many years; for how many decades would the socialist movement be thrown back by an event which constituted not a physical, but the most shameful, the most shattering moral defeat ever experienced by the working class? And in a certain and very important sense we were not mistaken. Only look at the present "socialist" movement, which appeared as the renaissance of the former, and which now, with unexampled hypocrisy, is preparing to make a solemn festival of the anniversary of that very International which it so brazenly betrayed on the eve of its anniversary ten years ago.

What does the Second International represent? A whitened sepulchre, even in comparison with that living corpse, which — as we now realise — constituted Social Democracy on the eve of the world war. Had there not been the October revolution, had there not been the foundation of the Third, of the Communist International, what would have become of the political movement of the working class? It would either not have existed at all, or it would, as a whole, have based itself on the bourgeois social order. The Third International, which sprang into being as a result of the dialectical antagonisms of History, as the offspring of that very war which engulfed its predecessor, constituted at the same time the unique factor which rescued the working class from the clutches of political death, and raised its organisation and its struggle to a level never attained before. And this is the reason why it is not the Second International — which is seeking to maintain the semblance of life in a form of the International Labour Movement which no longer exists — but we, the Third International, who are the spiritual successors and the heirs of that International, the anniversary of the foundation of which we are now commemorating.

This does not mean that the Second International did not occupy a legitimate place in the International expression of the Labour Movement. It constituted not only a legitimate, but an absolutely necessary stage of this development, corresponding to the given stage in the development of capitalism. It reflected the process of the rallying and organising of the forces of the proletariat in each country in an epoch when the powerful growth of industrial capital, on the one hand, destroyed the last remnants of artisanship and hand-manufacture, and, on the other

hand, created a powerful state organism which required both as a support and a tool. The lack of such concentrated and organised forces in all countries except England, constituted the chief cause of the decay of the First International. On the basis of nationally organised labour parties, there arose the Second International, as the form of their coordination on an International scale. It was rather a mechanical than an organic uniting of the international proletariat, because industrial capital was acting within the limits of states and nations, and the fight against it could only be conducted within the same limits. To the extent that the Second International was mainly a mere total of the movements of various sections of the international proletariat, it constituted the negation of the First International; but as far as it nevertheless moved and roused into consciousness real masses and not insignificant vanguards, it constituted the continuation of the First International at a higher stage.

Its mission was ended at the very moment when financial capital began to transcend the limits of states and nations, and when industrial capital, which became continually more closely allied to it, began to create a uniform world market. If one regards the period from 1890 to 1900 as the period of the highest prosperity of industrial capital, so the new century marked the commencement of the era of the expansion of financial-industrial capital beyond the limits of the individual states. The International ought therefore to have re-aligned its ranks, to have assumed new forms of organisation and created new methods for the fight, not only on an international, but even on a national scale. The fight against capital by single national sections could no longer meet with any success as soon as this capital no longer confined itself to the limits of one country. From this moment the fight ought to have been conducted on a united front with the whole world for arena. Along with this there ought to have been drawn into the fight the toiling masses of even the most backward countries. Finally, partial and local gains lost their importance when confronted with enormously developed and tremendously strengthened world capital.

The International ought to have turned to the example of the First International and have become one revolutionary party. This it failed to do, and was therefore bound to perish in the first conflict with this world capital in the world arena.

History repeats itself, but in a higher synthesis according to the laws of dialectics. The First International was a uniform, international, revolutionary organisation, but which did not yet have organised working masses behind it. Its successor was merely a loose federation of single national parties, which were