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## The War against the Riffs and the Socialist Party of France.

By André Marty (Paris).

The Painlevé Government decided under the hypocritical formula: "Respect for treaties and the sovereignty of the Sultan!" (an insignificant puppet of the French Government) to carry on war against the Riffs. It could not have been otherwise. When among the most important members of a ministry there are men such as Briand, an upstart adventurer, Caillaux, a typical banker, Schrameck, a born policeman and Steeg, a slaveholder, the hand of capital does not heed to pull the wires very firmly with which it controls its marionettes, in order to guide them as it desires; a breath is sufficient.

Every bourgeois government of this country feels itself compelled to destroy the Riffs by military means and by the blockade, for the following chief reasons:

1. The greed of the banks desires at last to "bestow peace" — as they call it — on Morocco, so that they can exploit it to their heart's content.

2. The free Republic of the Riffs would spur on all the oppressed Arabian peoples of North Africa, Morocco and Tunis to a revolutionary fight for freedom. This however would be a fearful blow to imperialism, especially to the French.

This is why the bourgeois government felt compelled at a moment's notice to carry on war to the end. The leaders of the

Socialist Party (including Blum, Renaudel, Bedouce) who really belong to the left wing of the bourgeoisie, have joined in.

The attitude of the socialists was dictated by their anxiety to remain a government party. Why? Because since May 11th 1924, the Socialist Party (S.F.I.O.) has, with almost incredible rapidity, drawn close to the bourgeoisie.

When it became a government party, it attracted a large number of electors of the cartel who took their cards of membership not out of enthusiasm for the Socialist Party, but to ensure for themselves the protection of the mighty ones of the day. In numerous communities it has absorbed those "radical" elements, which form a number of election committees, but no party. Many young lawyers and young doctors "with a brilliant future" have joined the party and, in the majority of the socialist provincial sections, a "brilliant" general staff discusses policy from the point of view of merchants, which has nothing at all in common with the "empty and interminably long discussions of old Guesde who only began to realise the seriousness of the times in the fire of war." (These are the words of a young and "brilliant" advocate of the Socialist Party). As early as ten months ago — on the occasion of voting with regard to the secret funds — this development became clear in the eyes of

those who are less informed. To-day it alarms even the old socialists to such a degree that one of them (on June 12th in a Leaflet of the S. F. I. O.) writes as follows:

"It (the S. F. I. O.) is assuming more and more the aspect of a bourgeois democrat party of the Left."

A dreadful saying, for it takes up again Zinoviev's thesis, about which there was such a hue and cry years ago and according to which Social Democracy is classified as belonging to the left of the bourgeoisie and not to the right of the proletariat. (A propos that party comrade of Renaudel may have been accused by Renaudel of having sold himself to Moscow.)

The socialist leaders are in a dilemma from which they see no issue.

The one possibility is for them to continue to support the Government; in this case they risk losing their last Labour elements which will go over to the communists. Renaudel does not seem to mind very much, as he showed at the session of the Chamber on May 27th, when he said to our comrade Doriot: "Let them go to you."

And Poucet, in order to emphasise his contempt for the working class added (session of the Chamber on the 27th of May):

"We shall not lose much by it".

It does not matter to them if a few workers leave the party; the support of those in power to-day will bring them a number of new place-hunters which will exceed the number of those departing.

The other possibility is for them to join the opposition; then however they will become an election party and a void will be formed, as they will have no chance of rising, the party will be discouraged, and the really revolutionary workers will, more than ever, go over to the communists.

This is the reason for the vacillating, oscillating attitude of the Socialist Party since the end of May. Their fraction in Parliament which is guiding them, and that dictatorially (see the last National Council) has allowed its internal dissensions and its confusion in all votings since that of May 29th with regard to the Morocco question to become evident, on the one hand by violent disputes in the full hall of assembly as at the division on May 29th for the Government (six refraining from voting), or especially at the session of June 16th, when there were two socialist votes for the communists, 84 abstained from voting and 17 gave nationalist votes (!). Finally at the last division on July 9th with regard to credits for the Morocco war, the socialists refrained from voting, but emphatically declared — through Blum — that this indicated no lack of confidence in the Government, and that they were opposed to the evacuation of Morocco.

Be it remarked that abstaining from voting is the normal refuge of those who are too cowardly to take sides. These persons who reproach the communists with "thinking", funk a discussing in which it is a case of pronouncing a clear and consistent opinion on so simple a question as that of Morocco.

In recent times there has been talk of the formation of a "Left" in the Socialist Party which is grouped around Bracke's periodical "Spark". This opinion has been confirmed by the fact that our Press has published resolutions against Morocco which were signed by the socialist sections. The name "Left" seems to me incorrect. The name, however, which was recently taken by a fraction of the socialist section of Beziers, is much more exact: "resisters". The group of "Spark" is really trying to "resist" Renaudel, but — in favour of Bracke. It feels that the party will be compelled to join the parliamentary opposition, as Painlevé and Briand have contemptuously declared that they can do without the socialists. The financial projects of M. Caillaux which have been opposed to those of M. Vincent Auriol (socialist) are evidence of the poor opinion which the Government has of the socialists.

In any case the support of the socialists is of no use to the Government, indeed in a certain sense it interferes with the termination of the war; they are therefore turned out of the majority.

The "resisters" are therefore trying to overthrow Renaudel and to replace him by Bracke and Blum as they fear that the present tactics of the party will only bring them the real hostility of the working class and still more of the reformist trade unions of the industrial districts and will drive the workers to the revolutionary trade unions, to the CGTU., or to the Communist Party, thus leaving the Socialist Party as a handful of intellectuals, functionaries and opportunist socialists, which would be equivalent to its decease.

If this new formation were a socialist Left, if it were Marxist, as it claims to be, it would not be content to demand peace in general terms, but it would have to demand the military evacuation of Morocco and to recognise the right of independence of the colonies. It would not even have to make these demands according to Lenin, but simply according to Paul Lafargue who, in 1883 wrote from the prison of Ste. Pelagie:

"The manufacturers travel through the world to find markets for their accumulated goods, they compel their governments to annex the Congo, to take possession of Tonkin, to make a breach in the Chinese wall by canonade, in order to sell their cotton products there. In the last century there was a mortal duel between France and England as to which of the two should have the exclusive right of a market for its goods in America and India. Thousands of young strong men stained the sea red with their blood during the colonial wars of the 15th, 17th and 18th centuries.

There is a surplus of capital as of goods. The financiers do not know where to invest it; they go therefore to the 'fortunate' nations and build railways for them, construct factories and bring them the curse of work. And this export of French capital ends one fine day in diplomatic complications; in Egypt, France, England and Germany were on the point of flying at one another in order to know which employer should be paid first; or by the war in Mexico whither French soldiers were sent in order to get the debts paid through armed intervention . . ."

If there were a Marxist Left in the party of the SFIO., they would on the strength of these words of Lafargue insist upon the application of the proposal of the Federation of the SFIO. of the Seine, dated May 10th 1911, i. e. the evacuation of the country of Fez.

But these brave socialist resisters do not even dare to demand that the right of self-determination of peoples should be observed, for they are against the evacuation of "French" (!) Morocco. In order to justify this scandalous claim, they speak of the "rights earned by the French in their colonies". (Auguste Reynaud, du Var). Everyone knows that in the colonies the soil was taken from the natives by brute force. Only recently, last November, the "Petit Oranais" revealed the scandal of the expropriation of the Zerruki tribe who, when it made claims before the administration of Mascara (Algiers), was simply driven back by the Spahis with fire-arms. Comrade Jacques Doriot, in his brochure on the Morocco war has described how Captain Huot plundered the Bendjates in Morocco and then drove them off their own soil. In that the "Left" does not demand the evacuation of Morocco, it condones the brutal exploitation of the colonial peoples. It tries to be pacifist and to draw the whole party into pacifism, but it recognises the right to "protect" the colonies; it is therefore fundamentally imperialist and slave-trading.

## AGAINST THE ATTACKS ON THE SOVIET UNION

### The Attacks and Threats of the English Conservatives.

The following article was published as a leading article in the "Pravda" of July 7th. Ed.

The wild Press agitation, the clenching of fists, the curses and threats were, as is well known, followed by words from the responsible states men of Great Britain against the Soviet Union; in these words the ministers repeated with specially consequential airs the same threats which the Press had already pronounced. England has long sought an opportunity of adding to the tenseness of its relations with the Soviet Union, and is developing energetic in all directions.

England was the spiritual originator of the Conference of the General Staffs of the Baltic States. England, with the help of general Cork, raised troops in Finland which were hostile to the Soviet State. England ordered Hungary to refuse to ratify the treaty with the Soviet Union. Under direct orders from England, the Austrian Foreign Minister, Herr Mataja, held his famous "theoretical" speech, from which in practice they were obliged shamefacedly to withdraw. England sent its navy into the Baltic Sea, by way of demonstration. England stood and still stands behind the back of Zankov who accuses the "Moscow

Government" of innumerable crimes. England is intriguing in Roumania. England is creating a chain of State blocs against us with their arms directed at our breast. England is trying to establish a financial blockade against us. England is threatening to break off relations with us and is rattling her sword in its scabbard. England is seeking for allies, is looking for them in other countries, is organising a **united front against the Soviet Union**, against the working class; against the revolution, against China, against everything that stands under the banner of freedom.

We beg to call the attention of the militarist wing of the English Conservatives to the fact that they are **playing with fire**.

We know very well that the working class of all countries, including the English working class, will put a spoke in the wheel of those who wish to start a **fresh conflagration throughout the world**, probably because ten years have elapsed since the last war began, and the wild beasts are thirsting once more for blood.

The "Vossische Zeitung" writes on July 3rd:

"In London they are beginning to get anxious, and the pressure on Chamberlain to break off relations with Russia in some way or other, is increasing. The sober tone of the London Press arises however from a certain perplexity, for even if the Ambassador Rakovsky were given his passport, it would mean nothing more than a gesture which would not be followed by a single step in England's extra-European policy but which would on the other hand, considerably consolidate the position of her French ally."

We will not attempt to ascertain exactly what "gestures" the gesticulating militarists of England are making.

Is it only an attempt at blackmail or do the gesticulators want more? It is possible and even probable that they want more and are preparing for an assault. To-day's telegrams (July 7th) indicate that the English Cabinet is preparing to throw some kind of a diplomatic bomb. Rumours are abroad that the English Ambassador proposed to the French Foreign Minister Briand that he should break off relations with the Soviet Union simultaneously with England, and that they should start a blockade, which should be guaranteed by the English fleet in the Baltic and the Black Sea, and on land by Poland and Czecho-Slovakia (in co-operation with France) and by Lithuania, Esthonia, Latvia and Roumania (in co-operation with England).

The infuriated howl which is at present being raised by an important part of the German Press (which has of course been bought by England) may also serve as a certain confirmation of the rumours of a conspiracy against the Soviet Union, on a large scale.

In both cases (whether it is a great attempt at blackmail or whether it is something more serious), the affair will end sadly for the originators of the attack on the Soviet Union. We will not discuss the blackmail in detail.

We should repulse an attack in such a way that the attacking party would not thank us.

It is astonishing how little, hardly anything, these people have learnt.

Capitalism was defeated in the war of 1914—1918 and lost a sixth of its kingdom. Can it then be doubted that it will be completely annihilated if it launches forth on a new unparalleled adventure?

Anyone must indeed have lost all presence of mind, must show all the symptoms of a nervous breakdown to make such "gestures" as London is making.

The working class should listen very attentively to what is happening suddenly flare up. The workers must be prepared to defend peace with all the means at their disposal. The workers must be prepared to stop the criminal proceedings of those who are in search of new adventures.

## The Echo in the Soviet Union.

The agitation of the English reaction against the Soviet Union, the preparations of the English Government for the creation a **united anti-Soviet intervention front** are the centre point of the political life of the Soviet Republics. The papers point out that at present in the whole of Europe English intrigues are going on with the purpose of drawing all the governments which are dependent on it, into the anti-Soviet action.

The "Isvestia" reports that the English Government has proposed to the Latvian Foreign Minister that Latvia should take part in the anti-Soviet intervention. **According to this proposal,**

the English fleet is to occupy the Baltic ports while Latvian troops take part in the action against the Soviet Union.

The same proposal is said to have been made to Poland and Esthonia.

It is further reported from authentic sources, that special representatives of the General Staffs of England, France, Czecho-Slovakia, the Baltic States and Roumania will take part in the great manoeuvres of the Polish army on the Ukrainian borders. It is further reported that a **new Czecho-Polish military agreement** is to be concluded which will be directed against the Soviet Union and Germany.

Wide circles of the workers and peasants of the Soviet Union are keenly interested in England's imperialists threats.

A mass meeting of the members of the Red army of the Moscow garrison held on July 10th wrote a letter to Comrade Frunse, in which among other things is stated:

"We are strengthened, we are ready for battle. We are prepared at any moment to take up our positions in order to drive off those who seek to disturb the peaceful construction of the Soviet Union."

A letter of the same assembly to the Central Committee of the Communist Party of Russia declared, that in case the firm peace policy of the Soviet Power should prove in vain and the Soviet Union should be forced to defend itself with arms, the Red Army of the whole world will show its readiness to protect what was gained in the October revolution.

## The German Bourgeoisie in the Tow of English Imperialism.

The leading article in the "Pravda" of July 10th points out that at the present stage of English plans for intervention against the Soviet Union, **important circles of the German bourgeoisie are getting more and more in the tow of English imperialist policy**. In reply to the warnings of the Soviet Press that Germany's entering the League of Nations meant an attempt to draw it into the anti-Soviet bloc, Germany declared that it was by no means a case of any change in Germany's policy, that it would not renounce its political independence and sovereignty and that its friendship with the Soviet Union remained unshaken. Nevertheless for some weeks the most audacious, systematic anti-Soviet campaign has been carried on in Germany which is also reflected in official German policy. Under the pretext of the verdict in the Moscow Fascist Trial, some German papers commit themselves to use a tone towards the Soviet Union which is by no means reconcilable with friendly relations.

The "Pravda" further points out that even a German observer, the lawyer Freund, could not but agree that the public prosecutor had succeeded in proving the guilt of the accused. The whole fuss about the Moscow "Consul" Trial proves to be an artificial, irresponsible Press manoeuvre which strongly contradicts all the true national interests of Germany.

Of much greater importance is the recognition by the "Frankfurter Zeitung" which wrote on July 4th that there can be no doubt that England is making the greatest efforts to draw Germany into the anti-Uussian policy through the Guarantee Pact. It will now be easy for the most naive to understand why the Press manoeuvres was necessary and why they wished to surpass England in the anti-Soviet agitation. In the light of this, the artificial, hypocritical indignation of a "Berliner Tageblatt" and the language with regard to the Soviet Union which was unworthy of an independent people, become comprehensible.

The German nationalists whose slogan until recently was hatred of England, appear to-day as pitiful mercenaries of English imperialism, the thoughts of revenge are sold for the advantages which it would gain by playing the part of a gendarmerie against the Soviet Union. If Germany wishes to preserve a permanent prospect of independent development, it cannot sell itself body and soul to English imperialism. But in this case they should not play the part of a obliging, over-hasty vassal.

We once more decisively declare: We will not let ourselves be bartered! With the same decision we declare that it is our unchanging firm wish to develop our economic relations to Germany in every way. Only those who are struck with blindness, fail to grasp what promising prospects this co-operation which England and her agents in Germany are trying to destroy, opens to both peoples.

## HANDS OFF CHINA

### The Slave Treaties of China and America's Attitude.

By A. Ivin (Peking).

The present movement in China which was provoked by the brutal shooting down of unarmed demonstrators by the British police in Shanghai, demands not only that the victims, not only that the British and Japanese consuls be removed and the ambassadors of Japan and Great Britain recalled, and that guarantee be given that there shall be no repetition of such use of fire-arms; besides all this the demand has been made that all treaties in which China has not equal rights should be annulled. This is not merely the result of "a momentary exasperation". In the course of the past year, the slogan "Down with the slave treaties!" which came into being almost at the exact moment when the agreement between China and the Soviet Union was signed, has seized one province after the other, one stratum of society after the other, and at the time of Sun Yat Sen's funeral its formidable echo resounded through hundreds of Chinese towns.

Anyone who has followed the Labour movement in China, in whose memory the seamen's strike in Hongkong and last year's strike in Shamin is still fresh, will see nothing unexpected in the unanimous movement of the proletariat of Shanghai and in the echo which it finds in the other provinces.

Finally, the student movement, which not only equals, but exceeds in numbers, the "national movement in 1919", is simply the logical development of the anti-imperialist agitation which was given a specially glaring expression in the end of last year and the beginning of this, also in the struggle of the students of Futshen against American imperialism, and in the events in Peking in connection with the assemblies of students and with the demonstrations on "the day of national humiliation".

The immense historical significance of the bloodshed in Shanghai and the movement arising therefrom, consists in the fact that the imperialist powers are faced for the first time by an ultimatum from the whole Chinese people which peremptorily demands relations on the basis of equal rights. The Chinese question has become one of the main questions of international diplomacy, especially in so far as it is at present inseparable from the question of the Soviet Union. The Chinese toy militarists, the Chinese bureaucrats and bourgeoisie hardly suffice to form a thin upper stratum over the enormous mass of the Chinese toilers. This makes the challenge which China, in the name of the whole of Asia, offers to capitalist Europe and America, all the more impressive and dangerous.

The contents of the collective notes of the ambassadors of England, Japan, America, France and Italy in reply to the note of protest from the Peking Government, as well as the attitude of the local imperialist officials and of the American religious missions, show that all is not well with the united front of the imperialist powers against China.

It is a most remarkable fact that, in spite of the substitution of Anglo-American "co-operation" for the Anglo-Japanese alliance, the greatest differences of opinion are to be expected, not between Great Britain and Japan, but between Great Britain and the United States. The semi-official Press of the United States condemned the action of the English police in Shanghai in a more or less decided manner. The comparatively mild tone of the notes referred to is explained to a large extent by the "beneficent influence" of the American representative, a fact with which official circles in China are being carefully acquainted, though not of course from official sources. The Italians and more especially the French, who are very ready to place obstacles in the way of their English friends, are endeavouring, though also secretly, to emphasise that there is a distinction between themselves and the latter; the same tendency can also be noticed in the Japanese, who have already had the opportunity of convincing themselves of the serious consequences which the Chinese boycott would have for them. America's attitude however will be of predominant significance.

America's interestedness in China's fate is shown in the most obvious way in the work of the American missionaries as upholders of civilisation, whose schools, hospitals and other institutions for education and welfare work cover the whole of China with a close network and serve as the chief means for the

Americanisation of China. It is not to be wondered at that Washington has up to the present paid incomparably more attention to the opinion of the American missionaries in China than to that of the American merchants who are in favour of the "open door". The missionaries who are better acquainted with the attitude of mind of the Chinese masses, obstinately defend the traditional "liberal policy" of the United States.

The Peking correspondent of the "Chicago Tribune" expresses indignation at the "ingratitude" of the Chinese to America, which is expressed among other ways by the students' strikes in the educational establishments financed by the Americans as well as in the refusal to study the Bible. The correspondent glorifies the depth of the Christian spirit of the missionaries who, regardless of the insults offered them, have actually organised a "society for reconciliation" for the "study of the question of rescinding the treaties in which China has not equal rights".

In the present movement, the American missionaries, in view of the menacing indignation of the whole country and of the general strike in all educational establishments, have found it to their advantage to come forward with letters of assent and resolutions. More than that! There are already a whole number of declarations of such influential American educational establishments as the Y. M. C. A., the Y. W. C. A., the so-called Peking University (missionary university), the Tsinghua College etc., in which a "revision of the unfair treaties which were forced upon China", is demanded.

All this of course does not mean that the American missionaries and pedagogues, i. e. the most active agents of American imperialism, have suddenly turned into anti-imperialists. They must however out of fear lest they should be washed away for ever by the national movement, swim with the stream which they themselves only yesterday still called bolshevist. The American formula: "Removal of the treaties in which China has not equal rights, by way of evolution!" will pass into the archives, and the question of the immediate revision of these treaties will become acute and will demand a direct and clear answer. The missionaries themselves, though of course unintentionally, are driving the Government of the honourable Coolidge to the wall, by forcing him to solve the dilemma, either unequivocally to pronounce in favour of the revision of the treaties, i. e. to meet the Chinese people as the Soviet Union has done, or, together with Great Britain to pronounce against revision, and thus finally to destroy the legend of American liberalism which in Asia has been so laboriously created.

## POLITICS

### The New Course of English Policy in the Near East.

By Irandust.

At the same time as the hostile activities against the Soviet Union in the West are being intensified, English imperialism is endeavouring to create an Eastern front against the Soviet Union. The English Press is making efforts to exploit in an increased degree the theme of the omni-present hand in Moscow and to frighten the leading groups in the countries of the Near East with the bogey of a "red imperialism of the Bolsheviks" which is said to be directed against the backward peoples of the East. This English propaganda is noticeable in recent times especially in Turkey, Persia and Afghanistan.

In connection with the recent resolution of the Government of Angora to build up a new the Turkish navy, the English paper "Near East" proposed that Turkey should work on similar lines to those taken by England, on the grounds that the interests of Turkey and England are completely identical, in that both these countries are obliged to carry on a policy of defence against "the aggressive plans of Russia" in Asia, in which proposal it is easy to see a transparent hint that it would be best for the Turkish fleet to be under English guidance. The taking over by the Angora Government of the property of the non-Moslem population of Turkey, which remained unclaimed in consequence of the war, prompted the "Morning Post" to urge Turkey not to follow in the footsteps of bolshevism but to take its direction from "Western civilisation" and to help England.

At the same time the English Press is raising a hue and cry about the Bolshevik threat to Persia and Afghanistan which is alleged to have arisen as a result of the demarcation of national boundaries in the Soviet Republics of Middle Asia, and is trying to represent the present insurrection of the Persian Turkomans, which has been provoked by the activities of English agents, as a Moscow intrigue.

The "Daily Telegraph" expert on questions concerning Middle Asia recently demanded, in that paper, the revision of English policy in the Near East. He pointed out that the mandatory territories of England represent a narrow corridor at the extreme ends of which lie the potentially hostile districts of Egypt and Persia, whilst in the North is Turkey (and nothing has been done to gain its sympathies) and in the South the sovereign territories of the Sultan of Nedjd and leader of the Wahabiti, Ibn Saud, the whole of whose interests have been prejudiced by England's policy in the last few years. In his opinion the foundations and principles of England's policy in Middle Asia should be revised, as otherwise she might expect to lose her whole influence and prestige in the Middle East.

As a matter of fact England has in the last few months developed a feverish activity in Egypt, Palestine, Arabia, Iraq, Turkey and Persia. New perfected methods of diplomacy are being used side by side with the former methods of force and terror.

The English High Commissioners for Egypt and Palestine are being exchanged. The resignation of Lord Allenby in Egypt and his replacement by George Lloyd, the former Governor of Bombay, signifies, as has been remarked in the Arabian Press, that the English Government circles are trying to cover the iron hand of the policy carried out by them in Egypt, with a velvet glove. The replacement of Sir Herbert Samuel in Palestine by Lord Plumer is regarded in English political circles as a preventive measure for possible political complications in the Near East. According to the opinions expressed by the leaders of the Zionist movement, Plumer's appointment signifies a change in English policy in Palestine, with the object of morally disarming Arabian nationalism and turning Palestine into a purely English colony.

In Palestine and Transjordan, England is creating a new strategic base the significance of which is growing, thanks to England having recently taken possession of the harbour of Akabah in the Red Sea and thanks to the transformation of Cyprus into an English colony.

In recent times England has obviously renounced her attitude of neutrality and non-interference between the two States, Nedjd and the Hedjas, which lay claim to the hegemony in Arabia, by confiscating the arms bought by the Hedjas and by making efforts to subject Ibn Saud, the strongest aspirant to a united Arabia, to her influence.

English diplomacy is at the same time making efforts to adjust the delicate factors in the relations between England and Turkey. The insurrection in Kurdistan gave the Government of Angora the opportunity of concentrating considerable forces on the borders of Mosul; this threatened to bring about a military solution of the Mosul question, if Turkey should not be satisfied by the decision of the League of Nations. It is characteristic that the examination of the Mossul question in the League of Nations Council which had been fixed for the month of June, is now postponed until the September Session in order to give the parties the opportunity of coming to an agreement.

In the meantime English capital openly renounces the actual boycott of Turkey which was imposed by the treaty of Lausanne, and is ahead of all other countries in the economic conquest of Turkey. Last year, among the foreign limited companies registered in Turkey with a capital of 226 million Turkish pounds, 23 companies with a capital of 23 millions Turkish pounds were English.

The more or less conciliatory policy of England in the question of Mossul, is partly explained by the fact that the situation in South Kurdistan threatens the English interests in Iraq; communications have appeared in the Press to the effect that Sheik Makhmud has succeeded in defeating repeatedly the English troops in Iraq.

A few days ago the Government of Iraq signed a treaty accepting 70 English specialists, for periods up to ten years, in the State Government. This is evidence that the transformation of Iraq into an English colony is rapidly advancing.

The change is most striking in the working methods of English diplomacy in Persia. After the inglorious adventure of

its puppet Sheik Kheisal, English diplomacy has decided not to play the part of an enemy of the national movement for freedom in Persia, openly, and, as it is endeavouring to persuade Persia to take its orientation from England, it is working out plans on a large scale for the economic enslavement of Persia, with the assistance of American capital.

In England's policy in the Near East, the Anglo-American bloc which has so obviously collapsed in China, continues as before to play an important part. It finds expression in a series of agreements between the interested capitalist groups of both countries, in the first place between the petroleum companies "English-Persian Oil" and "Standard Oil" which have come to an agreement as to the dividing of the treasures of native oil of North Persia, and are offering united resistance to other competitors, especially France. Preparations are being made for the transference of Persian finances to Anglo-American control, for which object the issue of an Anglo-American loan to Persia is planned. Further Anglo-American co-operation in the question of railways and concessions can be observed.

A similar picture is to be observed in Turkey and the Iraq. The "Standard Oil" and the "English-Persian" have come to an agreement with regard to a common exploitation of the native oil of Iraq, and a short time ago a concession treaty was signed in Bagdad with the Government of Iraq. England is trying by this agreement to get America to guarantee the borders of Iraq.

Hand in hand with this a tendency can be observed for the relations between England and France in the East to become strained; this corresponds to a certain degree to the situation in Europe. Thus the attempts of the French to gain a share in the affairs connected with native oil and railways in North Persia is met by England's violent opposition. When communications were published with regard to negotiations between Turkey and France as to the adjustment of the frontiers of Syria, the English Press very plainly gave expression to the opinion that France had no right to dispose of Syria. The English Press showed similar anxiety during the last visit of Franklin-Bouillon, the French politician, to Angora.

England's attempts to strengthen her position in the East and to create in the East a hostile front to Soviet Russia are, in their very nature, full of contradictions and therefore doomed to failure. The Turkish Government has already declined to have the Turkish navy re-organised by an English mission. The Arabian movement in Palestine and Transjordan against the English rule continues.

The Eastern peoples cannot be deceived by the new mask of English imperialism. This became evident at the Conference for the Limitation of Trade in Arms which took place recently at Geneva, a crass example of a cynical farce, at which the military great powers who hold all the achievements of the modern technique of war in their hands, demanded, that the Eastern peoples should limit their armaments. In accordance with the interests of England and France, the Conference provided for the establishment of forbidden zones in Morocco, on the Red Sea, in the Persian Gulf and in the Gulf of Oman as well as in the Indian Ocean. It endeavoured to isolate and weaken the national movement in the East. After a series of protests on the part of representatives of the Eastern countries, the Persian delegate demonstratively left the Conference and declined to sign the minutes. According to a communication of the "Morning Post", in which a hidden threat is contained, this incident might lead to Persia resigning from the League of Nations. As yet there are no communications as to whether the Geneva protocol will be signed by Turkey and Afghanistan. This shows us what the forerunners of the success of English "stabilisation" in the Near East look like.

## The Geneva Conference on the Question of Commerce in Arms.

By I. D. Markov (Moscow).

In the month of June a Conference on the question of the commerce in arms completed its work. Forty-three States had taken part in it; it was summoned at the suggestion of the League of Nations. States which do not belong to the League of Nations, also took part in the conference: Germany, the United States, Turkey, Egypt; the Soviet Union alone did not take part.

It is not difficult to guess why no representative of the Soviet Union was present at the conference. Those who promoted

the conference knew very well, when they summoned it at Geneva that no Soviet representatives would put foot on the soil of Switzerland, where Comrade Vorovsky was murdered without expiation being made. And they were right. By refusing to accept the suggestion of the Soviet Union to hold the conference in some other country, the leaders of the conference ensured themselves perfect freedom of action. A representative of the people, numbering 130 million of the worker and peasant State, was lacking. As we shall see below, they made the best use of this circumstance.

The history of the conference is as follows: after the conclusion of the war with Germany, the allies had enormous stores of arms at their disposal. The constant conflicts of imperialist greed in the colonial and semi-colonial countries were decided with arms which had been bought from some allied State or other. Thus for instance, in the Greco-Turkish war, Greece, which was carrying out England's commands, received arms from the English stores. But the purchasers of arms might later on turn them against those who had sold them. This is why the Convention of Saint Germain of Sept. 10th 1919 prohibits the sale of arms in a whole number of zones; England carefully protected her security in Persia, Africa etc. Such a well-preserved and simple solution of the question was a hindrance to the United States, which refused to ratify the convention. Since then a Commission of the League of Nations has worked for more than 4½ years at this question. The result of this work was the summoning of the Conference at Geneva.

A draft convention which had been worked out by the commission, was laid before the Conference for discussion. According to one of the points of the draft, the Convention is to come into force after its ratification by twelve States, among them the Soviet Union. The Soviet Union was not represented at the conference, but this difficulty did not trouble its members. The representatives of England proposed to substitute for the Soviet Union — Czecho-Slovakia, and this proposal was accepted.

In general the resolutions of the Conference are to the effect that agreements as to the sale of arms and munitions should be concluded exclusively through the governments, but publicly and on the responsibility of the latter. There is also a proviso that "Poland, Roumania, Esthonia, Finland and Latvia alone are not under the obligation of making known the quantity and nature of the arms and war material purchased".

Why just these countries? The Conference assumes that, as they border on the Soviet Union, they are exposed to the danger of assault from the Bolsheviki. But what if, being equipped with arms, they attack the Soviet Union? What will the leaders of the Geneva Conference say then? Have they forgotten that Pilsudski's army marched on Kiev with the object of conquering White Russia and the Ukraine? Have they forgotten the attacks of English, French, Japanese and other troops in Siberia, Archangel, Odessa and Transcaucasia? Or do they think that the Soviet Union was the attacking party in those cases?

Why did the Conference not grant the same privileges to Persia, Turkey, China, Afghanistan? They also border on the Soviet Union... The riddle is easily solved: Persia, Turkey, Afghanistan and China are countries into which English imperialism has already fixed its claws. They may not buy arms at all except under the control of England as this would endanger English imperialism in these countries. And what is the sense anyhow of allowing them to arm, since they wish to live in friendship with the Soviet Union?

We have learnt the following details from sources closely connected with the League of Nations. At the Geneva Conference, Lithuania asked that the exception made in favour of Poland, Roumania, Esthonia and other countries be extended to Lithuania. It was naturally asked for what reason it wanted this. Saunis, the representative of Lithuania showed himself to be very naïf when he reminded the Conference of the strained relations between Lithuania and Poland, instead of "the Bolshevist danger". This resulted in obtaining a unanimous refusal for Lithuania.

It was quite another matter when the Polish delegate, General Sosniovski rose and, while being warmly supported by his Roumanian colleague, declared that "in view of the danger of an attack on the part of the Soviet Union" it was impossible to apply the restrictions concerning the purchase of arms to the countries bordering on Russia, and that altogether the question of traffic in arms could not be separated from the question of disarmament and that under present circumstances the latter could not be begun in the countries bordering on Russia.

Even the representative of France remarked that the fear of Russia felt by some States does not correspond with the peaceful intentions it professes. The representatives of China and Turkey remarked that the Conference did not sufficiently appreciate the peace-loving exertions of the Soviet Union.

It was not without pressure from England, that a motion from the United States was rejected to the effect that there should be a special, international organisation for the control of traffic in arms which should be independent and not subordinate to the League of Nations. The English delegate insisted that the purchase and sale of warship and naval equipment should not be restricted. Regardless of the opposite view held by many delegates, among them the French, the motion of the English delegate was accepted.

Let us contrast a few recent facts with this! The representatives of Esthonia in London, Kallas, invited an English squadron into the Baltic to protect Esthonia (from whom?). Denmark has deepened the Drogden canal and opened the Baltic to English super-dreadnoughts. An English squadron has visited the Baltic ports with the exception of the ports of the Soviet Union.

In connection with this, the "Frankfurter Zeitung" speaks of an English "military demonstration", of a "naval demonstration against the Soviet Union".

Further, rumours are abroad that Esthonia is handing over the islands of Oesel and Dagö to England.

The above facts are fully sufficient to make the real object of the Geneva Conference comprehensible. It is not surprising if the border States of the Soviet Union, instigated by European and especially English imperialism, contemplate drawing the natural conclusions. Should this be the case, we would remind them of the natural conclusions. Should this be the case, we would remind them of the words of Comrade Frunse at the Third Soviet Congress: "Every attack against us will result not in a destruction of our house, but in the construction of new wings."

## After the Fascist Trial.

By Y. Yaroslavsky (Moscow).

Comrade Yaroslavsky was chairman of the tribunal before which the German Fascists were brought. Ed.

The trial of the German Fascists, which lasted eight days, is over. Eight days of conflict with the mendacious prevarications of Karl Kindermann and his insolent fantastic inventions, his high-class swindling which called forth disgust and contemptuous response even from those who sat on the benches reserved for the representatives of the diplomatic corps! Eight days of incredibly shameless statements by Dr. Karl Kindermann which were calculated to deceive the public opinion of the whole world! Eight days of fencing with the cautious, carefully considered chess moves of the other accused, Wolscht, who weighed every one of his words and was laconic, the more so as, during his imprisonment he had become convinced that speech is silver, silence is golden! He knows that if he gets off with his life, he will be paid in silver for every word, and he knows still better that if he maintains silence with regard to this matter before the Court, he will be paid in gold.

For eight days the Court and the public prosecutor tore to pieces the spider's web which had been spun from the beginning in Berlin, by Kindermann, Wolscht and Ditmar with the assistance of Erhardt, Fink, Rose and a number of other Fascists or persons closely connected with the Fascists. In the end everything became clear. Step by step the judicial examination found out the facts, and the Court did not hesitate for a moment, just because everything became clear down to the depths and no doubt remained that it was a group of Fascists who were before the Court as accused.

We know the version which has been published broadcast and further adorned with beautiful colours by the whole bourgeois and social democrat Press, that the accused are innocent erring students and that the whole affair from beginning to end has been the work of the GPU. The social democratic "Vorwärts" and other papers are now supporting in an increased degree the legend that Maxim von Ditmar was the evil spirit of these three and that he acted under instructions from the Cheka in order to provide subjects who might be exchanged for Skoblevski.

Ditmar was sentenced to death. He concealed nothing from the Court but he only gave his evidence after he had seen and read Kindermann's evidence; and anyone who heard Ditmar cannot doubt that what he said was true. It is worth while to follow Ditmar's whole behaviour before the Court and the remarks which were made about him in order at once to understand the whole mendacity and senselessness of such explanations of the affair. Even the accused described Ditmar as a disinterested person who with great sensitiveness refused to accept any present. He suffered great distress in Germany, but, as Wolscht reports, shrunk more than the others from appealing to anyone for any kind of material help. Ditmar refused the help of the **Esthonian Embassy**, he openly declared at a meeting with the representative of the embassy that it was his wish that no one should interfere on his behalf, even if he were condemned to death.

Ditmar remained the same to end, he remained the same even in his final word in which he gave expression to his whole hatred for the bourgeois society which was playing with his young life; he remained the same after the verdict, in that he refused to appeal to the Central Executive Committee for a reprieve. What Ditmar told the Court coincides in almost every detail with the evidence of another Fascist, **Baumann**, member of the organisation "Consul". No, no one will succeed in foiling and disproving those facts which the Court revealed with regard to the Fascists.

Why then is the whole bourgeois Press furious with **Ditmar**? **Ditmar** betrayed his class. The bourgeoisie cannot forgive such a betrayal. This alone explains the calumnies against **Ditmar**.

When it became evident to **Kindermann** that he would not escape with unsinged wings, that the legend of the hypnosis would be of no service, he began distinctly to turn in the direction of the German Nationalists. What a servile tremor resounded in **Kindermann's** voice whenever he referred to "His Excellency Herr Michaelis". The "democratic" organ of Germany, "**Börsen-Courier**" represents **Kindermann** as an unfortunate wandering sheep who had tried everything "from the organisation 'Consul' to the communists, from the detective bureau to occultism". This sets very narrow limits to the sphere of **Dr. Kindermann's** activities. It was not without foundation that **Ditmar** said of **Kindermann** that a corpus delicti of the crimes of the social democrat party of Germany was hidden behind his horn spectacles. No one but a complete fool would believe this liar who played in turn the parts of the bully of an old bigoted woman, a polar explorer, an informer and an upholder of culture. Even **Kindermann** and those to whom it would be useful, are trying to avoid giving an answer.

How can **Kindermann** be a Fascist, if **Kindermann** is a Jew! Yes, indeed, **Kindermann** is a Jew, but this Jew was given substantial recommendations to the **Bishop of Bergen**; he himself shamelessly reports how he fooled the Moslem professor **Khairi** by the respect he professed for Islam. He called himself a Lutheran and German to the Fascist **Heinicke**; he concealed his Jewish descent from the Fascists. When asked how it was that the bigoted religious old woman had intimately invited him to meals or even to her house at all, and whether she knew that he was a Jew, **Kindermann** brazenly replied that she had every reason to know it well...

It was sufficient to hear his pitiful drivel which he called his "defence" and which even filled **Wolscht** who was sitting next to him with disgust, to feel what despicable elements Fascism recruits by its work. The Fascists must have known what kind of a man they had before them, one who would consent to any lie and would be ready to change the colour of his coat as often as was desired. And the accuser was right who spoke of gold hypnosis. If the GPU had wanted to buy **Kindermann**, he would have betrayed his German fatherland twenty times over! And only in the last minute, when he realised that he could only place his hopes on the German Government did he begin to remember the words which would glorify his whole behaviour until the trial and during the trial. He said that an avenger would arise from **Kindermann's** bones. An avenger for **Kindermann**! We are convinced that within the pale of the Fascist organisations there are hundreds of such **Kindermanns** who even now are taking their revenge on the working class, acting as provocative agents and spies, and who, in order to facilitate their work, will provide themselves with communist membership books from the communists of **Durlach**.

And **Wolscht**? **Wolscht** of course is different. **Wolscht** is suspicious, cautious, but even he made a number of confessions both in prison and in Court which cannot be denied, cannot be disputed. The accused themselves, more clearly than anyone else, reveal the fallacy of the legend that their journey to Soviet Russia was an innocent undertaking. As a matter of fact, three students travelled into the Soviet State, having made an agreement with their friends, especially with the witness **Fink** that if they were arrested, they should send a telegram containing the sentence "How is Herr **Grünbaum**?"

In prison **Wolscht** told the other occupants of his cell that he had intended to murder **Trotzky** and **Stalin**. Who loosed his tongue? Are we to believe that he wished to gain the respect of his fellow-prisoners? He related that he had launched not a few communists into eternity. This also, you see, to win the respect of the Fascist **Baumann**! In just the same way **Kindermann** suddenly remembered in prison that it was **Kaiser Wilhelm's** birthday and inaugurated a celebration of the day, or he all at once began to feel that his favourite song was the Fascist **Erhardt** hymn. Strange to say, **Wolscht** had the habit of carrying cyanide of potassium about and the still stranger habit of carrying it in a bottle labelled "pyramidon"!

It is no good trying to fool us with the legend of the innocence of these people!

The "**Deutsche Allgemeine Zeitung**" consoles itself in its number of July 1st by writing that it must be clearly understood once for all, that Moscow is as convinced of the innocence of the German students as is Berlin. Blessed is he who believes!

No, Moscow is convinced that exactly the reverse is true, and the verdict of the Court met with the general approval of the masses. We have no use for such upholders of culture from the "**Neomachia**", and we have no use for persons such as **Ditmar**. The more the bourgeois Press and bourgeois public opinion try to whitewash the German Fascists, the firmer hold will the conviction take in the consciousness of the working masses of the Soviet Union, of Germany and of the whole world, that the proletariat can only protect itself from danger by such merciless blows of class justice; and the more will the conviction prevail that the verdict pronounced was the only just one.

## ECONOMICS

### Economic Conditions in Germany.

By E. Ludwig (Berlin).

#### I.

The stagnation into which German capitalist economics has been plunged for months, is now giving way to an acute crisis. This is evidenced by a number of events arousing a sensation far beyond the frontiers of Germany: the **Stinnes** breakdown, the black Wednesday on the Exchange (5. June), the increase of unemployment despite seasonal occupation in agriculture and in the building trade, closing down of works in the Rhine country, especially the **Krupp** undertakings.

These circumstances, indicating the worsening of economic conditions, are closely bound up with the sharper attacks being made by the employers and their government. To these attacks we must count the attempt being made to force the passing of the tariff bill and to have the revalorisation laws, which serve solely the interests of the industrial capitalists and the junkers who got rid of their debts with the aid of the depreciation of the currency, accepted against the interests of the broad masses.

Further factors evidencing the crisis are: the permanent stagnation in the coal market (in the Ruhr area there is still an accumulation of over 9 million tons of coal); the fewer shifts and the closings down in the iron and steel industry, causing some steel works to be laid completely idle. The finished iron goods industry, especially the machine industry, reports a great falling off in business. The number of undertakings whose trade is bad at present, is stated by a report of the Association of German Machine Builders to have increased by 50%. In the textile industry conditions have been bad for months,

and have not improved on the whole, apart from a few fluctuations. Stoppages of payment and failures are still the order of the day in the ready made clothing trade.

## II.

The Stinnes breakdown still forms the centre of discussion. And as a matter of fact it is characteristic for the economic crisis in Germany, and for the whole of German post bellum capitalism. The crisis in the Stinnes concern differs from the crises in the inflation concerns of Castiglioni or Bosel in Austria, or from the crises in the inflation concerns of Barmat and Kutisker in Germany. It is the first crisis involving a concern which is not merely a creation of the inflation. The Stinnes crisis shows that the whole post-war concentration in Germany is not based upon the growing total capital of a still independent German capitalism, participating the world's economics as equal competitor, but that it is the product of a capitalism cut off economically from the world markets by the Versailles Treaty and by the Dawes Pact, unable to utilise the means of production which it has increased, but not always improved, during and since the war.

This means that the crisis in the Stinnes concern will not remain an exception. Other concerns are also beginning to "reduce" their businesses, for instance the Sichel Concern and the Michael Concern.

Even the Phönix Concern (Otto Wolff) is no longer "liquid". The Reiherstieg Shipyard, the oldest yard in Hamburg, has been obliged to close down because the Phönix Concern, to which it belongs, is not able to raise the means to keep the work going, and this in spite of the alleged sufficiency of orders.

## III.

If the outbreak of the Stinnes crisis is characteristic of the German capitalism of today, its development, and the attempts being made at overcoming it, are equally characteristic. At the present moment it can no longer be doubted that the originally genuine intention of placing the Stinnes concern on a sound basis, and of maintaining it as a whole, cannot be carried out. The Stinnes debts, officially stated at 155 million marks, and probably in reality much greater, form such a mighty total that even the syndicate commissioned to meet the emergency, and composed of almost all the German banks under the leadership of the Reichsbank, cannot raise the necessary money without selling, that is, without separating the smaller Stinnes concerns from one another.

Thus the first original dividing up of the Stinnes concern into three parts (Rhine Elbe Union, placed under the management of Vögler; the Stinnes private concern passing into the hands of Hugo Stinnes jun.; the motor car and insurance interests taken over by Edmund Stinnes), is to be followed by the further separation of these parts, with the exception perhaps of the Rhine Elbe concern. Edmund Stinnes sells a third of his participation in the Nordstern Concern, one of the largest insurance concerns in Germany, and Hugo Stinnes is offering various portions of his undertakings for sale. Up to now he has only found one buyer: the Prussian state, which has bought the harbour equipment belonging to the Hugo Stinnes-Riebeck-Oil Concern on the lower Elbe for 5 million marks; this was purchased by Hugo Stinnes sen. for a mere song, from the state, during the inflation.

It is further characteristic for the Stinnes crisis, and for the whole economic crisis, that no purchasers are to be found. Whilst the trade in works and factories flourished better than the old clothes trade during the inflation period, at the present juncture such undertakings are not saleable. Since the sale of whole package of shares does not suffice to raise enough money to cover the debts due, concerns such as the Sichel, Michael etc., find themselves in difficulties, and on the other hand the Stinnes concern, which at one time could pocket the whole German republic, finds no other supporter than state power. The Prussian State Bank has granted the Stinnes bank syndicate a credit of 40 million marks. The Prussian State Bank is the administrator of the Prussian taxation revenues. It is thus the money raised by taxation, 70% taken from the masses of the population, which are to be used for settling the Stinnes debts. At the same time the financial emergencies of the Prussian state are taken as the pretext for raising the house interest tax by 6% on 1. August and again on 1. October.

## IV.

The Stinnes crisis and its accompanying phenomena were first set rolling by the credit stagnation which set in about two months ago, following the influx of American credits at the turn of the year.

The crisis began as a credit crisis.

The derangement of capitalist circulation first became observable in the textile industry. The textile industry enjoyed an apparent boom under the influence of the credit grants, but it speedily became evident that this was merely the effect of mutual credits; the solvent demands of the ultimate consumer were lacking, partly for the reason that the prices for textile goods have remained exorbitant, two to three times as high as the pre-war prices, whilst the broad masses in Germany receive low wages. The credit chain broke, whole sale trade could not pay its bills, the crisis broke out, and the textile industry was swept into it.

In heavy industry the crisis expressed by the financial difficulties of Stinnes, Phönix, etc. has been caused by the shrinking foreign trade of Germany. The textile industry has also lost almost the whole of its foreign markets, but heavy industry, which produces goods in the form of capital, is much more dependent on the foreign market. The export of capital, one of the most decisive characteristics of an independent imperialism, has been made impossible to Germany. The trade balance has thus become increasingly adverse. The effect of the foreign credits, paid for in the form of raw materials, was to increase imports, whilst exports did not increase proportionately. During the last few months (April ad May) import has decreased in consequence of the cessation of foreign credits; exports has however not increased correspondingly; the trade balance remains adverse. The official returns from 1. September, the beginning of the Dawes Plan, until the end of May show a total of approximately 3 milliard marks as compared with 2.7 milliard marks during the whole of 1924. The cessation of foreign credits marks the beginning of difficulties in covering this deficit. Foreign bills are beginning to flow back to abroad. A calculation published in the "Berliner Tageblatt" estimates the reserve of foreign bills with the Reichsbank to have sunk of late by about 275 million marks. The last Reichsbank report shows a decrease of 35 million marks in the amount of foreign bills not employed solely as gold cover.

Difficulties are considerably increased by the circumstance that the foreign credits, mostly short term ones, are becoming due. Of the sum total of the foreign credits granted, estimated at 2.5 milliard marks, one quarter at most have been long term credits, these being granted almost exclusively to a few large mining and electric undertakings. As the credits cannot be repaid out of export surpluses, these not existing, the result is difficulty in paying. Further, one part of the credits has been employed for renewing machinery, in spite of the short term, and is not yet available, the debtors not yet having gained the corresponding sum in cash. To this we must add the growing need for credits among the large agrarians, whose loans, given for the most part in Rentenmarks and from state funds, will be due to the value of more than a milliard marks when the new crops come in.

All these circumstances combine to bring about an acute shortage of credit, much acuter than the shortage apparently relieved by the coming into force of the Dawes Pact. The demand for money increases, and with it the rates of interest. Credit is however not to be had. Schacht, the President of the Reichsbank, declared last week, at the Cologne Conference of the Association of German Industrialists, that if the currency is to remain stable — and it will remain stable — the credits must not rise beyond the amount of 2.5 milliard marks.

Growing shortage of money, rising rates of interest — call money was paid for at the rate of 11.5% at the Exchange during the last few days — contribute to make it increasingly difficult to find market for German goods, and thus aggravate the crisis which has caused them.

Another phenomenon is closely bound up with all this, one which the German big capitalists naturally attribute, for their own ends, to the alleged excessive taxation and unbearable social expenditure: the lack of dividends paid by the overwhelming majority of the large joint stock companies. A compilation referring to the 788 joint stock companies the business year of which coincides with the calendar year, and the shares of which are negotiated at the Berlin Exchange, shows the following dividends to have been paid in 596 cases in 1924:



|                                    |              |
|------------------------------------|--------------|
| 222 companies distribute . . . . . | 0% dividends |
| 34 " " . . . . .                   | 1/2—4 % "    |
| 240 " " . . . . .                  | 4 1/2—8 % "  |
| 70 " " . . . . .                   | 8 1/2—10% "  |
| 28 " " . . . . .                   | 11—15% "     |
| 3 " " . . . . .                    | over 15% "   |

The large shareholders in the managements of the large joint stock companies have doubtless the intention of utilising the falling off of the dividends, and their limitation to rates greatly lower than the general rates of interests, for the purpose of buying up the small shareholders, and thus increasing the power of big capital. But now that they have just cut down the capital of the joint stock companies to a "suitable" sum by means of the gold balance, they are only enabled to carry out this intention by the fact that the German capitalist economics are actually in a state of crisis: they are actually utilising the crisis which shortens the profits, for the attainment of their ends.

Stagnating markets, rising rates of interest, lack of dividends, again weaken the solvency of German capital, and again aggravate the crisis.

## V.

The German junkers hope to save themselves out of the credit dilemma and the crisis by means of an agrarian protective tariff; the higher ground rents brought them by the agrarian rents, is to form the basis for fresh credits, in which the American capitalists are to take a part. The Bank of the Raiffeisen Co-operatives has already organised a loan of one million dollars in the United States.

German big capital, after being "incorporated in the world market" with a certain amount of friction by means of the Dawes Pact, is now seeking fresh affiliation to world imperialism by means of international cartelling.

Whilst the International Conference of Chambers of Commerce, held at Brussels, heard the speech given by Parker Gilbert, General Agent for the Reparations, on the difficulties confronting the execution of the Dawes Plan after the 1. September, when Germany will have to pay the instalments out of its own means, and no longer out of means provided by loans, at the same time the representatives of the Paris Foundries Committee and of the German Raw Iron and Raw Steel Cartel, conferred in Luxemburg on the Franco-German Iron Agreement. The outlines of an agreement are drawn up, as follows: The German Crude Steel Association buys 1.7 million tons of crude iron yearly from Lorraine, Luxemburg, and the Saar, at half the German tariff rates; the German and French iron industrialists secure reciprocally the home markets of their country as exclusive sphere of exploitation, and divide the remaining markets between them; this iron agreement is to be combined with another agreement on the delivery of Ruhr coke to the Lorraine iron-works.

This agreement, intended to close the negotiations which have been going on for years between the German and French industrialists, is supplemented by the agreements already made on the distributing of the world's markets among the German and French potash industrialists, and by the not yet quite completed negotiations between the German and French chemical industrialists. Finally, the International Rail Cartel is to be renewed at the beginning of July.

The Franco-German "economic understanding" is beginning to become an accomplished fact. But it is not an understanding between the working masses on this and that side of the Rhine, it offers no equilibration of interest likely to promote the world peace. It is a monopolist agreement calculated to render the imperialist conflicts more acute.

A difference may be seen between this agreement and similar ones made before the war: the supremacy of French big capital over German. It is precisely because German big capital, although defeated in the war, will not waive its claims, that the negotiations are not yet quite settled, for the German big capitalists are attempting to gain for themselves special advantages through the German French Trade Agreement which is to legalise all the private understandings. As equivalent for the tariff reduction granted by the German Crude Iron Cartel, in the interests of its monopoly and its monopolist revenues, to the French iron industrialists, they demand the granting of tariff reimbursements by France for the German finished iron goods industry. In this manner the German Crude Iron and Crude Steel Cartel hopes to win over the finished iron goods industry, made increasingly dependent upon this cartel by the protective duties and the inter-

national cartelling of the iron capitalists, for the protective tariff and monopoly policy.

The course taken by the crisis is becoming more and more evident. The concerns which have bought up undertakings at random, are being replaced by the organisation of allied branches of industry in cartels commanding a firm monopoly.

This new organisation of cartels is being carried forward, as in the case of the Potash Cartel, with the immediate participation of foreign capital, mainly American. It forms a part of the foreignisation of German capitalist economics. Politically, big capital submits to the French bayonet; economically, to the control of American imperialism which draws its bonds tighter and tighter around French capitalist economics in proportion as the franc falls.

It is but one of the contradictions of German post-war policy and economics that while on the one hand German foreign policy endeavours to co-operation with England in the Security Pact question, on the other hand understanding between the German and French heavy industrialists encounters determined resistance on the part of English iron capital.

The "economic understanding", for which the Dawes Pact furnishes the basis, will be as little capable of permanently alleviating the crisis in Germany's capitalist economics as this same Dawes Pact has proved capable of combining the stabilisation of the currency with a stabilisation of national and international economic conditions.

## THE LABOUR MOVEMENT

### Progress of Labour Movement in Japan.

By Sen Katayama.

#### I.

\*\* The Publication Department of Japan Sodomei (Japan General Federation of Labour) has published a Labour Year Book, divided into six sections and containing 23 chapters and 465 pages. Being the first issue of its kind by the Sodomei, it gives a brief historical sketch of the various phases of the labour movements in Japan.

The first section of the book is devoted to a brief review of the trend of the development of capitalism in Japan. The deadlock in Japanese industries is illustrated by statistical tables showing the actual position. Reasons for the present deadlock are given as follows:

1) Capitalism in Japan smoothly and even rapidly developed as long as it concentrated on industries for home consumption, and the export trade of coarse manufactured goods, products from the exploitation of unskilled labour.

2) The export trade includes raw materials or the products of sweated labour, which are limited in extent; these have now almost ceased on account of imports from China and America such as umbrellas, tooth picks and clogs imported to Japan at far lower prices than the Japanese sweating industry can produce them. China produces them with still cheaper labour and with cheap materials; America produces them by cheap machines.

3) Japan's industries cannot compete with those of China, which in recent years has remarkably developed its cotton and other coarse manufactures.

4) Japan has no raw materials necessary for modern industries, the chief of which are iron, coal, oil, so when Japan has to compete with foreign countries that have their own raw material, it is unable to do so.

5) The coarse manufactures require only skilled or semi-skilled labour but now Japan's competitors — China and India — furnish the products of cheap and unskilled labour. Wages in Japan increase and the standard of living has also risen, so it is impossible to compete now with unskilled and cheap labour.

6) Japan has had no time yet to develop skilled labour and better works owing to the short-duration of her industrial life. Moreover the industry of the country prospered in producing for home consumption and during the late world war through war industries and export trade which supplanted European competitors.

The trend of capitalist economy during the year 1924 is varied. The year began with a period of temporary prosperity, with the reconstruction work after the September (1923) earthquake in accordance with the reconstruction budget of the Yamamoto ministry, but the ministry suddenly had to resign on

account of an attempt on the Prince Regent on 26. December, and was succeeded by the most unpopular Kiyoura ministry which soon brought about a general election thereby setting back the whole work of reconstruction. These circumstances gave a set back to all industries and commerce. Imported goods for the reconstruction works were piled up in stores, and the foreign trade balance was unfavourable; unemployment increased in every industry and the rate of exchange is lower than Japan has ever experienced in her modern life.

All these misfortunes and unfavourable conditions did not reduce the prices of the necessities of life owing to prohibition of gold export and the artificial keeping up of the high interest. Thus the workers and the poor peasants have suffered a great deal; but on the whole the financial position has somewhat recovered during the latter part of the year.

Because of industrial and commercial depression, the capitalist class profited by that depression, the rate of exchange fell greatly and consequently, though nominal wages did not decrease, real wages fell since September, since prices rose higher and higher and wages remained stationary. While this process was going on, the government carried out financial retrenchments and as a result many tens of thousands of workers were thrown out of their jobs. The capitalists have fully utilised the reserve army of the Workers to assist more and more in exploitation. The workers felt more and more the intensifying difficulties of living on account of the conditions above stated, and, as a result of unbearable conditions, they became aggressive and had recourse to strikes to better their condition. Such was the position of the workers at the end of the year 1924.

The second section of the book is devoted to the **Labour Movement**.

The real modern labour movement began in March 1896-7 with the return of several workers from San Francisco, where they became interested in the labour movement and organised there the Japanese Labour Union. They were naturally interested in starting the movement in Japan and formed first a Labour Association at the end of 1896 in Tokio and the next year in March they organised Rodokumiai Kiseikai and in the same year in December the Metal Workers' Union; many unions under the leadership of the Kiseikai were simultaneously organised.

The prosperous condition of the labour movement was due to a temporary prosperity of industry owing to the outcome of the Chinese-Japanese war of 1894-5 which wrested a big indemnity from China, but this lasted a very short time. The Labour Movement began to wane due to industrial depression and unemployment, and this tendency was accelerated by the police peace order law passed in 1900. This law enabled the authorities and the employers to oppress the labour movement, and in some cases as in the Railway Union in the Nippon Railway Company, actually to suppress certain unions. Thus the once hopeful and growing labour movement almost died out within a few years after the passage of that obnoxious law.

When the said law was enacted, the labour movement took the shape of a political or socialist movement, and the universal suffrage movement became quite strong, but the government became more and more oppressive and reactionary and oppressed the socialists; some of these became anarchists, and as a result there were the Red Flag affair and the Anarchist trials in 1910 and 1911. During this period two big strikes took place, that of the Japan Railway Company in 1898 and at the Asio Copper Mines which developed into a great destructive riot in 1906, destroying several million dollar worth of mining property; it extended into other mines such as Bessi Copper mines and Yubari colliery.

The next period of the labour movement covers the most eventful years, the world war and the Russian revolution and the break down of German militarism. During this period the consciousness of the proletariat of Japan awakened and it has shown itself capable of fighting against the exploiters. During the world war the industries thrived greatly, and factories increased by 5316 and the factory workers by 596,281. At the beginning of the world war there were only two labour unions in the country, namely, Yuaikai and Shinyukai. The number of strikes increased from 83 in 1913 to 497 in 1919.

The enormous increase of capital and industrial and commercial undertakings during the war and rise of prices of the necessities of life and the effect of the Russian revolution brought about the great food riot of 1918 which shook the very foundation of bureaucracy of Japan; since then the labour movement became most popular, and labour unions were formed one after another.

The food riots of the year 1918 were continued for some months in the form of labour strikes and these strikes which were mostly successful encouraged the workers to form labour unions and so the present labour movement was practically started in the year just after the great food riots.

**Formation of Yuaikai.** This was the former body of the present Japanese General Federation of Labour, whose Research Department has issued this Labour Year Book. Naturally the book gives a full history of the Federation and its development from a modest labour association of the yellow and compromising tendency to a full-blown class-conscious and fighting labour organisation!

**Development of Yuaikai.** The Yuaikai was organised on August 1, 1912 under the leadership of Bunji Suzuki, who was then secretary of the Tokio Unitarian Church where the Yuaikai was formed with a membership of 15; three months later the Yuaikai published the first number of its organ Yui Shimpo. In one year the membership increased to 1326, and the work was divided up into savings bank, legal advice, medical aid, physical culture, amusement and press departments. The Yuaikai took up an attitude regarding the identity of interest between capital and labour, and its chief task was to act as conciliator between the two at the time of labour troubles. In 1916 the Yuaikai was able to extend its work and created a general affairs department, treasury, press, legal, education and also women's departments.

In March 1918 the Yuaikai had established different departments according to the kinds of trades, such as Seamen's, Printers', Spinners' and Metal Workers' departments. Formerly the Yuaikai was a simple labour association whose membership was composed of all sorts of trades and occupations. In the same year in October the Metal Workers' Union was organised, and then two other branches were organised, namely, Kawasaki and Johan branch. The members of the Yuaikai gradually increased and more branches were organised in different parts of the country and also in Manchuria and Korea.

**Shinyukai (Printers' Union)** existed for many years among European type-setters, but with the beginning of the European war foreign newspapers were stopped, and the Shinyukai was reorganised in 1915 and members are recruited from home and foreign type setters and other workers in the printing trade. In 1916 it was able to start a union organ — Shinyu — and its members increased to 650.

In 1919 the labour movement thrived, and the unions increased from 11 to 71, during the year strikes numbered 497, but with the financial crisis of March 1920 the labour movement met with hard times. The number of strikes decreased to 282, but some of the strikes were very big ones, and many of them involved many tens of thousands workers; the strikes themselves often became desperate, involving encounters with police force in street fights, and arrests. Some workers were killed by police. The most conspicuous strikes were those of Yawata Government Steel Mill where over 30,000 workers are employed, and the Tokio street railway strike that began by peaceful sabotage and lasted nearly three months.

For the first time in recent years May Day was celebrated by the Labour Unions of Tokio at Uyeno Park; over 5,000 workers participated on this day.

On May 10th Rodo Kumiai Domerikai (Labour Union) was formed, and in October of the same year the Miners Federation was formed. During the year the Labour movement gave evidence of its left tendency as the Executive members of Yuaikai and others joined in the Socialist League which was formed in December; at the same time the Shinyu Kai (Printers Union) and others displayed a decided tendency toward syndicalism.

The number of strikes in 1921 was still less than in 1920, being but 246. This is due to continued industrial and trade depression and the consequent increase of unemployment. The strikes of this year mostly involved workers in bigger factories who are organised and able to meet the capitalist offensive attack with strikes and sabotage.

In March 1921 four labour unions, namely, Kojokai, Koishikawa, Gengyom and Yawata Boshikai, formed the Kangyo Rodo Sadomei (Federation of Government Workers Employees). In May the Japan Seamen's Union was formed and consisted of the amalgamation of 49 small seamen's unions. The Yuaikai became on the occasion of its tenth anniversary the Nippon Rodo Sadomei (Japan General Federation of Labour) which is a great advance for it began as a modest syndicalist movement and now has become a gigantic Federation.

Also in this year the unemployed workers organised themselves into a Union and made effective demonstrations for the radical remedy of conditions, and at the same time there appeared a fascist organisation to crush the labour movement, of course supported by the Premier Hara and Home Minister Tokonama. The former was assassinated by a young railway worker, and the latter now is a leader of Seiyuhontō the most reactionary party in Japan. Strikes in 1922 were still fewer than the previous year and numbered 250.

The most notable event of the year is the increasing influence of the Syndicalists under the leadership of Isuai, who was murdered during the earthquake. On the one hand the Communist tendency has been growing among hitherto moderate unions and Federations like Sodomei. Communist influence has been steadily growing in the Sodomei, the Metal Workers Union forming the strongest left wing of the Sodomei. In accordance with the marked growth of Communist tendency among Sodomei members, the syndicalist movement decreased after the murder of Oengi, the former anarcho-syndicalist leader. Recently syndicalist unions have also grown in strength and number of members, and the Sodomei has split into two, and the Left Wing Unions (32 unions with a membership of 150,000) formed a separate Federation at Kobe in the end of 1921. The right wing became more and more reactionary and opportunistic. Thus a Communist tendency in the labour movement has been made clear and strong.

In 1923, the strikes increased to 263 involving 35,503 strikers; the increase is due to a changed attitude of the workers from defensive prior to the September earthquake to offensive after the earthquake. The labour movement, since the great financial as well as industrial crisis of March 1920, has gradually been on the wane and the once very flourishing labour union movement at the lowest ebb, as shown by the decrease in the number of strikes, but with the great disaster of September 1923 oppression and the capitalist offensive on the workers began in order to shift the losses incurred by the earthquake on to the workers.

The workers in the country have been slowly but surely increased in their strength in the fight against the exploiters. The September earthquake burnt down 300,000 houses in the Tokio Prefecture alone, 100,000 were killed and 50,000 workers unemployed. But, as we have already observed, the movement took a new departure and has since become aggressive and even assumed the offensive towards exploiters.

## II.

The Labour movement during the year 1924 became realistic and practical, which facts are shown in the activities of the labour unions and in their resolutions passed at the conferences. In the past the labour movement was chiefly interested in theoretical and even ideal methods of labour, but this year shows a marked development in the practical side of the labour movement. The government in the past nominated the labour delegate to the Geneva Labour Congress independent of the labour unions, but this year the government recognised the labour unions' right to choose and send the delegate; the labour unions agreed among themselves to utilise the Labour Congress, and sent a delegate.

Parliamentarism hitherto was also neglected, the workers avoided the political movement, but universal suffrage was about to be introduced, hence the labour unions took up labour politics and the labour congresses of various trades passed resolutions on the subject as to how to utilise the newly gained franchise, they even discussed and studied the matter. The Proletarian Party in some unions and labour federations established a political bureau and worked for the organisation of a Labour Party.

The Labour Unions and Federations of Labour have started to organise immediate remedial as well as preventative measures, such as Labour Halls, Labour dwellings, Labour exchanges, the Consumers Co-operative Movement etc. Then to enable these practical purposes to be carried out, they established propaganda days or propaganda weeks with a view to increasing membership and strengthening the union. Every important union has started labour research work establishing a section in the union like the Industrial Labour Research Bureau of Sodomei.

As to special features of the labour movement of the year: organised labour made protests against the anti-Japanese legislation of America and instituted an anti-movement. There was also a movement for a national federation of labour; unskilled workers have their own organisation, and the movement is led by them. May Day was observed more effectively than in the past. On the whole, the year 1924 showed that much progress was made by the labour movement.

The chief events are given as follows:

The union burial of comrades who were murdered at Komeido during the September earthquake. From 41 labour and radical organisations sent to the burial in Tokio, there were over 8,900 representatives.

Memorial service of the Koreans and the Chinese massacred during the earthquake disaster by the Japanese fascist organisations called Jibeidan (Self-police party) on March 16. This service was conducted by 13 Chinese and Korean labour organisations in Japan, but was suppressed by the police.

For the first time Japanese labour sent a delegate to the Geneva Labour Congress, elected by Unions that have a membership of over one thousand.

May Day was observed in Tokio, Yokohama, Noda, Asio, Osaka, Sakai, Kobe, Kyoto, Nagaya, Jiroshima and Innoshima.

Russian concession problem concerning the earthquake.

Activities of Labour Relief Committee.

Movement for National Labour Union Federation.

Establishment of the Industrial Labour Research Bureau. This bureau is chiefly organised and supported by Sodomei and the chief Secretary is Comrade Teku Nozaba, who was in Moscow in 1921—22 and has written a very interesting pamphlet on Japanese labour.

Sodomei held its National Congress in Feb. 10—12 and passed many important measures; resolutions of protest and impeachment of the government against the Komeido massacre of workers, on the establishment of a strike Bureau which will control and direct all the labour disputes and strikes, the unification of labour exchanges of the whole country and the recognition of Soviet Russia, etc.

Kanto Labour Union Federation (of Sodomei) Congress held October 5th passed resolutions against transferring the government-owned factories to private hands; to demand an enactment to perfect a Labour Union law, to demand the immediate recognition of Soviet Russia etc.

Kansai Rodō Domeikai of Sodomei Western Labour Union Federation held annual congresses at Kyoto.

One of the most important events in the Sodomei during the year was the so-called "inner troubles" of the Federation. It is nothing but a conflict between the right and left wings. Kanto local federation expelled 4 unions as suffering from infantile sickness and five leaders of left wing movement; for the same reason the Metal Workers Union split into right and left sections recognising the former and expelling the latter. This high-handed conduct of Kanto local federation of the Sodomei was not approved at the meeting of the E. C. of the Sodomei. But it developed within a few months and the real split took place in April 1925.

A development and differentiation of two tendencies, right and left has been going on within the Sodomei. This became very marked since the September earthquake; the left took an aggressive attitude towards the exploiters and the government, while the right wingers became more and more opportunistic and accepted the government offer of 75,000 yen at the time of the earthquake for working men's houses. They want to co-operate with the government reconstruction works of the devastated earthquake district of Tokio, and the final split took place only few months ago, then the left unions (32) formed the Kodo Kamiai Hyogikai (Labour Union Council).

Another Chapter is devoted to the labour disputes and strikes for 28 years beginning with the year 1897. Of these years, during the first 19 years the number of strikes was never more than two figures; the smallest number of strikes was in 1904, there being only 6, and the largest was 1915, when there were 64 strikes — total 487. The last 9 years strikes are as follows:

| Year                  | No. strike | No. persons | No. of persons per strike |
|-----------------------|------------|-------------|---------------------------|
| 1916                  | 108        | 8,413       | 78                        |
| 1917                  | 398        | 57,309      | 144                       |
| 1918                  | 417        | 66,457      | 159                       |
| 1919                  | 497        | 63,137      | 127                       |
| 1920                  | 282        | 36,371      | 129                       |
| 1921                  | 246        | 58,225      | 240                       |
| 1923                  | 263        | 35,126      | 130                       |
| 1922                  | 250        | 41,503      | 166                       |
| 1924 (to end of Oct.) | 274        | 46,910      | 171                       |

From 1897 to 1923 altogether 27 years there were 2948 strikes. The largest number of strikes was in the year 1919, being 497 with 63,371 strikers. The chief cause of strikes is the demand for an increase in wages; there are comparatively fewer strikes to resist wage cuts. Compromise settlements of strikes predominate; complete refusal on the part of employers to negotiate lately is on the increase — in 1919 only 93 out of a total of 497 strikes, and this figure in 1923 increased to 110 out of 263 strikes.

During the year 1924 strikers' demands have become more radical and much more aggressive in manner than hitherto, although the causes of strikes are for increased wages and in protest against wage cuts, dismissals and other increasing exploitation due to industrial and trade depression and the great earthquake in **Tokio and Yokohama**.

Strikes have been fought in a more well-organised manner. Each strike was well supported by other labour unions thus forming a united front of workers against the capitalists. According to the investigation of the industrial labour Research Bureau, strikes, disputes, and sabotages were estimated at 743 cases up till the end of October; strikes alone equalled 251. Reviewed generally, the strikes during the year were fights against industrial depression and the capitalist offensive.

The following Chapter deals with **Labour Unions**. The Labour Union movement is as yet in a backward condition with Western countries. In 1922 there were 387 unions with a total membership of 137,481, in 1923, 432 unions with 135,551 and in May 1924, 447 unions with 175,454 members. The number of workers is given at 3,958,897 from among whose ranks these unions are organised. The proportion of the organised workers is very small, but they possess moral and economic influence on the condition of entire workers.

At the end of 1924 the number of organised workers was estimated at 250,000 including 52,000 in the **Peasant union (Nippon Nomin Kumiai)**. Eight federations existed and 12 single unions of over one thousand members.

|  |            |                |            |
|--|------------|----------------|------------|
| 1. Nory Labour Union Federation                  | 5          | 45,600         | 9,100      |
| 2. Japan General Federation of Labour            | 68         | 28,000         | 310        |
| 3. Japan Transport Workers Federation            | 4          | 11,800         | 3,000      |
| 4. General Labour Federation in Government works | 7          | 13,500         | 1,900      |
| 5. Japan Labour Union Federation                 | 5          | 4,300          | 860        |
| 6. Machinist Federation                          | 7          | 3,500          | 500        |
| 7. Japan Steward Union Federation                | 2          | 1,800          | 900        |
| 8. Printer's Union Federation                    | 8          | 1,500          | 190        |
| 9. Chubu Labour Union Federation                 | 4          | 1,200          | 340        |
| <b>Total: 9 Federations</b>                      | <b>110</b> | <b>110,200</b> | <b>980</b> |

| Single Unions                           | No of Members |
|---|---------------|
| 1. Japan Peasant Union                  | 52,000        |
| 2. Japan Seamen's Union                 | 28,600        |
| 3. Ocean Unity Association              | 12,600        |
| 4. Seamen's Association                 | 7,300         |
| 5. Nich-No Servakai                     | 6,700         |
| 6. Kyodo Kenkikai                       | 2,300         |
| 7. Postal Workers Union                 | 2,300         |
| 8. Koshinkai                            | 2,000         |
| 9. H. P. Club                           | 2,000         |
| 10. Shiboura Labour Union               | 1,800         |
| 11. Shipbuilding Workers Union          | 1,100         |
| 12. Yokohama Street car employees Union | 1,000         |
| <b>Total: 12</b>                        | <b>11,970</b> |

Federations and Unions: 122 230,900

If we classify according to the kinds of industries, as follows:

| Industries                              | No Union   | Union Members  |
|---|------------|----------------|
| 1. Metal industries                     | 51         | 85,200         |
| 2. Transport enterprises (land and sea) | 18         | 69,400         |
| 3. Textile industries                   | 8          | 10,000         |
| 4. Sundry industries                    | 31         | 8,600          |
| 5. Printing industry                    | 12         | 4,100          |
| 6. Mining industry                      | 4          | 3,300          |
| 7. Chemical industry                    | 10         | 3,200          |
| 8. Foot industry                        | 6          | 3,200          |
| 9. Building industry                    | 6          | 2,600          |
| 10. Electricity-Gas industry            | 4          | 1,500          |
| <b>Total:</b>                           | <b>150</b> | <b>191,300</b> |

A peculiarity of the Japanese Labour Union organisations is the segregation of the workers employed in the government enterprises. The workers themselves work either in the government or private factories without any difficulty or hindrance.

A special Chapter is devoted to the **Women's Labour Movement**. The working women have gained recognition, and the number of professional women is on the increase. In the end of 1923 there were 856,182 women workers\* in the government public and private factories, 71,349 women miners and 331,972 other women workers, total 1,259,503. But in August 1924 the women workers were distributed as follows:

|                            |                  |
|----------------------------|------------------|
| Factory and mining workers | 980,000          |
| Agricultural workers       | 1,315,900        |
| Professional women         | 429,544          |
| Others                     | 455,739          |
| <b>Total:</b>              | <b>3,581,183</b> |

According to the above figures Japanese women workers constitute 13% of the entire women population of Japan (28,000,000), but women factory workers constitute 74% of the entire factory workers. The average working hours of factory women workers per day are: 4.6% work 8 hours, 7.4% 9 hours, 28% 10 hours, 53% 12 hours and over 12 hours about 5%. Thus over 50% of women workers work 10—12 hours in the factory.

Comparison of wages between the two sexes in the government works is as follows:

|                                | Men.      | Women. |
|--------------------------------|-----------|--------|
|                                | Unit Yen. |        |
| Government Printing Bureau     | 2,105     | 1,360  |
| Mint                           | 2,414     | 1,247  |
| Monopoly Bureau (Tobacco etc.) | 2,130     | 1,065  |
| Tokio Arsenal                  | 2,710     | 1,527  |
| Governmental railway workshop  | 2,682     | 1,494  |

Differences of wages between male and female workers are very great in the private undertakings.

In September 1924, there were 7,700 women members of unions distributed in the different trades and industries. Activities of women workers in every industry have been increasing, during the last 4 or 5 years, and they join the unions and have equal rights and privileges with men. With one or two exceptions the women workers have no separate industry of their own, they join the same union as men in the same industry; the most important unions and federations have women's sections and some have a separate monthly organ devoted entirely to the women's problems. Women have been taking an active part in strikes and have shown themselves very good fighters and agitators.

The last phase of the labour movement is the **Workers' Co-operative Movement**. In Japan the co-operative movement has been growing during the last few decades, this movement is mostly composed of petty bourgeois undertakings, poor peasants belonging to the unions to a small extent. A real workers co-operative movement is very undeveloped. In 1923 there were 14,259 co-operative unions with membership of over 3 million, distinct purchasing co-operative unions numbered 425; truly consumers unions had 260 unions.

## ORGANISATION

### Practical Experience of Work in the Factory Nuclei.

(Material from the Org. Department of the ECCI.)

In all sections of the CI. in which work in factory nuclei has been carried out, good results can be reported: Nevertheless there are still some countries, places and works in which the work of factory nuclei is only started with great hesitation. In order to stimulate work in nuclei, we report in the following some facts as to the activities in the nuclei.

**The work of factory nuclei in America.** The factory nucleus No. 13 in New York, called a works meeting in order to discuss the question of a holiday on May 1st. The factory had worked regularly on the first of May for the past three years. The men decided under the leadership of the nucleus to make it a holiday. When the director heard of this resolution, he approached the trade union secretary and tried to get him to dissuade the workers from carrying this out. Nevertheless the workers of the factory, as one man, attended the trade union meeting and demanded that the whole branch should celebrate May 1st. Although this was not carried out, and although the secretary ordered the workers of the factory not to give up work, not a single worker turned up at work on that day. All comrades of the factory nucleus subscribe to the "Daily Worker".

The comrades of the nucleus make it their duty to give reports in the factory half an hour before work begins. During this time they discuss with the workers the most recent events of the day. In these discussions the comrades point out the contrast between the communist and the capitalist Press with regard to the way they handle news. At first the workers found this idea ridiculous, but now they are seriously interested and a large number take part in these morning discussions.

The factory nucleus No. 2 in New York is in a factory which has always worked on May 1st. The factory nucleus decided to propose this subject for discussion in the works meeting. After a prolonged debate, carried on by the members of the nucleus, it was resolved that the whole works should take a holiday. The nucleus further arranged a meeting in the open air, two days before the 1st. of May. This meeting not only called the attention of the workers in the neighbourhood to the significance of May 1st., but it also led to the formation of another factory nucleus in a neighbouring factory. The nucleus gained a splendid victory in the interest of the workers in that it compelled the management to abandon the fines which had been collected from the workers for spoiled work. These deductions had amounted up to then to several dollars per week.

Factory nucleus No. 1 in New York was organised in a restaurant where 150 workers are employed. The workers are organised in a trade union. The nucleus began its work with 3 members, in two months time there were 15 comrades. It was resolved to double the number of members by May 1st. The reactionary Shop Council was deposed.

The factory nucleus No. 11 in New York began work with 6 members and now numbers 13. The party subscriptions are according to arrangement paid to the treasurer of the factory nucleus. Among the comrades, the following nationalities are represented: Italians, Jews, Russians, Czecho-Slovaks, Roumanians and Armenians. It might have been thought that the problem of language would be an insuperable difficulty. But what happened? The meeting proceeded without disturbance. It was carried on in English. Every participant completely understood the questions dealt with at the meeting.

**The work of factory nuclei in England:** A few weeks ago a comrade organised a works newspaper in one of the London goods-stations. He produced 150 copies. The success was so great, that a large number of workers offered to pay a penny, so that of the second number 250 copies were sold. Through this, the Communist Party gained 8 new members. Of the third number 420 copies were sold. Now we have a real factory nucleus in this goods-station. Another comrade, who was also the only one in his works, did the same in a London railway station. He produced and distributed 200 copies of a works paper. The demand was so great that 200 more copies had to be printed and they also were greedily seized. The second number was sold in an edition of 500 copies.

In a railway workshop there were 7 comrades. These published a works newspaper, the first number of which was sold in an edition of 150. Now the number of comrades has increased to 10, and of the second number 190 copies were sold.

**The work of factory nuclei in Czecho-Slovakia:** The factory nucleus No. 16 in Reichenberg was founded on March 13th and originally consisted of 20 comrades. By March 23rd, i. e. in 10 days, it had doubled its membership, having gained 22 new members.

**The work in factory nuclei in Germany:** Under the title "The Open Letter and the work of our nuclei", a nucleus member after giving a short political motivation, writes as follows:

"It is not enough for us merely to press the 'Open Letter' in the form of a pamphlet into the hands of the workers. We must to a certain extent interpret the contents, the demands and motivations of the Open Letter, we must make it comprehensible to our fellow-workers, for we cannot expect that the mere reading of the letter will completely enlighten the workers. Work, propaganda work, indefatigable, continuous, relentless work is necessary if we are to win over our class comrades. Neither the Press, the communist paper alone nor the functionaries alone can do this, indeed every party comrade must be an agitator and a pioneer. We communists are the vanguard of the revolutionary proletariat. We must also have foresight so as to be able to show the workers our goal and the way to reach it.

He who is a communist and would be a bolshevist must (as Lenin approached every worker with the simplest question) approach his colleagues in the works with simplicity and honesty, with class-conscious conviction and clearness. How is this possible? There are a thousand possibilities. At work during the pauses, after work in meetings etc. But one thing must be done first. We must be clear not only as to the demands of the Open Letter but also as to the methods by which we are to interpret this Open Letter to the workers who still follow the seductive tune of the pied piper. As no wine can be got from an empty skin, a 'communist' is no bolshevist unless he is filled with faith, courage, force and recognition of the greatness of his cause. This is where the political work of the factory nuclei must begin.

Comrades, we have transformed the party organisation into factory nuclei. Truly a difficult piece of work because it was new. But now we have fairly well completed it (with the exception of the construction of new factory nuclei, for resting means rusting): The most important thing now is to do political work in the factory nuclei, be the nucleus never so small. In every factory nucleus the 'Open Letter' must be discussed from the political point of view in the circle of comrades and a plan fixed for the work of agitation and propaganda for the Open Letter, for the united proletarian class front against the monarchist and capitalist-republican dangers, in the next few days.

Develop the factory nuclei! Fill them with political content! Only then will Lenin's word: Every works must be a communist fortress, become true.

## RED SPORT INTERNATIONAL

### The Fight for the Unity of the International Workers' Movement for Gymnastics and Sport.

By Fritz Reussner (Berlin).

The Red Sport International has fought for a long time for the creation of a united battle-front in the international workers' movement for gymnastics and sport. The RSI. has shown on the most various occasions that it really wishes for this unity. So far however it has not been possible, in an international measure, to force the leaders of the Lucerne International to renounce their policy of cleavage and sabotage.

What kind of a picture does the international movement of workers for gymnastics and sport make?

First of all we can note the existence of recognised sections of the RSI. Such is the case in Russia, Czecho-Slovakia, France, Norway, Uruguay, America, Italy. To these must be added

some other countries in which there are as yet no central sections, but local organisations of the R.S.I.

Further we see the sections of the Lucerne Sport International. In the Lucerne International there are various groups. Thus we have a Left wing which sympathises with us and embraces Finland, Alsace Lorraine and Italy. Recently Switzerland has joined us. Then there are countries in which there exist strong opposition groups within the Lucerne sections, such as Germany, Czecho-Slovakia and others. There are also some Lucerne organisations which will not hear of a policy of unity.

In this situation the conditions are fairly favourable for a struggle for a united front. All that we need is to know how to make the best of our position.

Our policy of a united front has gained us the sympathy of wide circles of the workers who go in for gymnastics and sport. The reformist bureaucracy of the Lucerne Sport International scents danger in this condition and is fighting all the more vigorously against the Red Sport International. This intensification of its opposition is expressed in a series of exclusions and disciplinary measures and is particularly conspicuous in the resolutions passed at several recent conferences.

Furthermore the bureau of the Lucerne International has not yet withdrawn its resolution to exclude the R.S.I. from taking part in the Frankfort Olympia, in spite of the urgent demands of wide circles of its members. These facts prove that the bureaucracy is determined to prevent international unity and is desirous to bring about a split in the present union of the workers' gymnastics and sport clubs.

The secretary of this International, Devlieger, writes in a letter dated Feb. 14th this year and addressed to the opposition section in Italy:

"As I have already had the honour of writing to the R.S.I., all workers who go in for sport should belong to one unanimous International, which throws its doors open to the representatives of workers of all political tendencies. The Lucerne International possesses just this advantages. Why then is a Red Sport International necessary? Only so that immediately after it is founded, we become aware that it is again necessary to form ourselves into a united front in order to hold our own against the attack of the bourgeois organisations. It is my most heartfelt wish that our Russian comrades may understand the sound reasons for our action and the present strength of this fundamental attitude."

Our good friend writes letters of this kind although he knows perfectly well that whenever "political tendencies among the workers" other than social democratic crop up, they are attacked with the greatest brutality. The resolutions passed in Germany and at the recent Union conference at Aussig are the best example of this. The resolutions state "that all those who make propaganda for the efforts of the R.S.I. (are these no workers' tendencies? — F. R.) will be rigorously excluded". We can further report that the proposals to admit the R.S.I. to the Frankfort Olympiad made by the members were answered by *Wildung*, member of the Lucerne bureau, to the effect that the bureau was not willing to introduce any change of the resolution — in spite of the demands of the members.

The Red Sport International has repeatedly emphasised in a number of proposals that it is prepared to join in a united battle-front and common work concerning the Frankfort Olympiad. The bureaucracy however in its official letters demanded nothing less than the liquidation of the R.S.I. Needless to say, unity by this method is out of the question. Unity is not a matter of mere transference from one organisation to another. The creation of unity is a process in which a basis for common action and common fighting must be created. The united work of the masses is the best guarantee of real unity. This is however not the intention of the Lucerne bureaucrats.

If we ask ourselves to-day whether the fight for a united front should be continued, we must answer this question in the affirmative. There are many possible ways by which we can win over to our side the workers of other countries who belong to gymnastic and sport clubs. There are many manifestations of individual sections of the Lucerne Sport International which demand the creation of unity in the international workers' movement for gymnastics and sport. We must take hold of these manifestations and use them as a lever, in order with these organisations to carry on the fight for the creation of an international united front of the workers' gymnastics and sport movement.

The exclusion of the R.S.I. from the Frankfort Olympiad results also in the exclusion of the Russian section. The result of this Olympiad will give a certain general view as to the relative strength of the international workers' movement for gymnastics and sport. This survey is incomplete because many organisations are not represented in the Olympiad, among them Soviet Russia. It is typical that the first proletarian State with the first real workers' and peasants' government, is not present at the first workers' Olympiad and is up to now excluded from participating in it. This imparts its character to the Olympiad. The workers who go in for gymnastics and sport will never accept this situation. The victorious red banner of the firstfruits of the victory gained by the proletarian fight for freedom will be absent from the Olympiad.

Although this situation still continues we shall not fail to do everything in our power to manifest our strong desire for unity. Our Russian comrades — as well as all sections of the R.S.I. — will show that they will be ready to take part in the 1st Olympiad whenever the Lucerne bureau abandons its policy of sabotage.

It is of course evident that we shall still have to fight hard against the bureaucracy of the Lucerne Sport International. But we are convinced that our policy will finally be crowned by victory.

## OUR PROBLEMS

### Graziadei's Revision of Marxism.

By Hermann D u n c k e r (Berlin).

#### 2. The Marxian Theory of Value.

Comrade Graziadei directs himself against the Marxian theory of value. It is "very incomplete, one-sided, contradictory, erroneous and confused, ungrounded, logically false, irreparably mistaken" — to permit a few of Professor Graziadei's censures to march past. According to this Marx would certainly be exposed as an economic bungler. And why all the anger? Perhaps Graziadei is not yet able by means of the Marxian theory of value to explain why a pound of macaroni in this or that shop costs today exactly so and so many centesimi. And the value of an old edition of Dante perhaps appears to Graziadei to depend very largely upon his collector's enthusiasm, upon his subjective estimation. There again Marx cannot assist him further. That is to say the exchange value theory of Marx which explains the basic value of the commodity in the exchange, that is to say, the buying and selling of the commodity, is false, at least not proved!

But what was the intention of Marx in his critique of political economy, what was his intention with his theory of value? One must first of all become clear about this preliminary question, otherwise one can indeed overhurriedly discover "errors", where actually it is only a question of false perspective on the part of the observer himself. Marx did not wish to photograph the varied upper surface of economic life and also not to explain it scientifically in its details. Not "the appearance, but the essence of things" occupied him. In the foreword to his chief economic work Marx described as its "ultimate aim"; "to lay bare the economic law of motion of modern society". What is the motor which works deep in the bowels of this immense leviathan and which drives the monster forward, finally to its own destruction? The insatiable urge to accumulate "surplus value" (profit) dominates the whole of capitalist society.

"Everything strives towards gold, everything depends on gold!"

But in the social order of capitalist commodity production the profit of the capitalist is first obtained as a result of the sale of the commodity produced. In the value of the commodity is contained the surplus value. It is first of all necessary to explain the value of the commodity.

Here Marx commences:

"The wealth of those societies in which the capitalist mode of production prevails, presents itself as an immense accumulation of commodities, its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity."

So read the famous introductory words of the chief scientific work of Marx. What is a commodity? A product of labour

power which is produced for exchange (sale). The commodity need by no means be capitalistically produced, as Graziadei seems to suppose when he (page 16) sees in each commodity a partial result of surplus labour power that is of exploitation. The pre-capitalistic commodity production (called by Marx "simple commodity production") covers a rather considerable period of economic history. It was preceded only by the epoch of self-sufficing production.

All conceivable human social relations — and man, a social animal, always found himself in one or the other social relation — only exist through **human labour power** which transforms resources of nature to "products", to means of life or production. Without the application of labour power no social development!

As, however, this life proceeds in an almost unbroken chain of the most varied demands, the labour power must produce the most varied products for consumption. In accordance with this, in all times the **social labour power had to be divided and organised**.

All human economic forms up to the rise of commodity production base themselves upon the immediate relations of the members of society in a community of blood, possession, defence, work and possibly also compulsion. The needs were covered by **collective self-sufficing production**, by a **systematic organisation of economy**.

Let us place ourselves in the situation of such social self-sufficing production. No commodities, but only the necessary products face us. But here already is the beginning of the **estimation of value according to the application of labour power**. The products needed and desired by society (goods for use, use value\*) must be produced by the labour power of society. The total labour power present must therefore be divided according to the average necessary labour power or labour time for the particular goods. Otherwise the small economy would inevitably fall to pieces. A good example for this is offered by the Serbian Zadruga, the house community, which represented even into our own time a sort of family life and work community, a self-sufficient economic unit amongst the Slavish peoples. For instance, the Zadruga elected a chief (the elder, the "Staresina"). "He apportions the various living rooms and **divides the labour time**", says a description of Serbian life. It is clear that there already the economic estimation of the value of the product must be measured by the socially necessary labour expended in its production that is if and in so far as it was considered necessary to think about it at all.

Such thought would only then become economically necessary if a normal **exchange relation** embracing an ever increasing number of commodities grew up between different economic units. How should the exchange value of a commodity in such circumstances be measured by anything else but by labour power?! There, private property had already destroyed the original social forms and had made the individuals or small groups independent. And only by means of commodity exchange, at it has become inevitable in the development of the social division of labour\*), will the members of such a commodity production society also become if only "indirectly" economically bound up with one another.

Here also, must the social labour of the whole community be divided to the various fields of production. It takes place, however, no longer directly and systematically, but indirectly and to a certain extent post festum and behind the backs of the members of society, through the exchange valuation of each commodity — as a part of the total social labour — according to the socially necessary labour power contained in it. Should one branch of production continually give in exchange a greater embodiment of labour power than it received in return, such a branch of production would inevitably perish, would die socially, i. e. the producers would withdraw from it. In the contrary case — should the value received be greater than the value given! — this branch of production would draw other producers into it. If, finally, the necessary quantity of commodities can be produced with the application of less social labour (in consequence of a higher technique!), then this must express itself in a fall in the value of the particular commodities. In this way society through the "law of value" (the level of the exchange value) balances the necessary distribution of all social labour.

\*) According to Graziadei (page 42) the exchange appears vice-versa to determine the division of labour.

In his last scientific work ("Supplement to the Third Volume of Capital" "Neue Zeit", Vol. 14, 1894) Frederic Engels describes very clearly the beginning development of the valuation of commodities according to labour value:

"As far as the individual in exchange is rather clearly aware of the necessary labour time embodied in the commodity exchanged by him, and as far as he has only expended labour power in the product which he brings for exchange, in the whole period of peasant barter economy the exchange volume of commodities has tended to measure itself more and more according to the amount of labour power embodied in it." (Engels, *ibid*, page 37.)

In the Middle Ages it was then also an almost normal opinion amongst the people, that the amount of labour power determined the value of the commodity. Only with the development of money is this recognition in the consciousness of the people suppressed, and more and more veiled until — finally even Professor Graziadei has lost the ground of the theory of value from under his feet.

"The transition to metal money had the consequence that the determination of value by labour time no longer appeared perceptibly upon the upper surface of commodity exchange. For practical purposes the decisive measure of value became money. (Engels, *ibid*, page 39.)

The price, actually the value, is expressed in the money-commodity. However, value does not always exactly coincide with price. The chatter of the bourgeois professors, who contend that Marx in the first volume of "Capital" only recognised value, but then when in the second and third volumes he dealt with capitalist "actuality", he was compelled to draw price into his calculations, seems to have impressed Professor Graziadei. In the fourth chapter of the booklet Graziadei says:

"The systematic distinction which Marx makes in the second and still more in the third volume of 'Capital' between exchange value and price is — we are sorry to have to say it — only a sophism."

Actually, however, in the first volume of "Capital", Marx draws attention to the relation between value and price in what are really classical sentences. He writes (in the third chapter):

"Price is the money-name of the labour realised in a commodity. Hence, the expression of the equivalence of a commodity with the sum of money constituting its price, is a tautology, just as in general the expression of the relative value of a commodity is a statement of the equivalence of two commodities. But although price being the exponent of the magnitude of a commodity's value, is the exponent of its exchange-ratio with money, it does not follow that the exponent of this exchange-ratio is necessarily the exponent of the magnitude of the commodity's value.

Suppose two equal quantities of socially necessary labour to be respectively represented by one quarter of wheat and two pounds sterling (nearly half an ounce of gold), two pounds sterling is the expression in money of the magnitude of the value of the quarter of wheat, or is its price. If now circumstances allow of this price being raised to three pounds sterling or compel it to be reduced to one pound sterling, then although one pound sterling and three pound sterling may be too small or too great properly to express the magnitude of the wheat's value, nevertheless they are its prices, for they are, in the first place, the form under which its value appears, i. e. money, and in the second place the exponents of its exchange-ratio with money. If the conditions of production, in other words, if the productive power of labour remain constant, the same amount of social labour time must, both before and after the change in price, be expended in the reproduction of a quarter of wheat. This circumstance depends, neither on the will of the wheat producer, nor on that of the owners of other commodities.

Magnitude of value expresses a relation of social production, it expresses the connection that necessarily exists between a certain article and the portion of the total labour time of society required to produce it. As soon as magnitude of value is converted into price, the above necessary relation takes the shape of a more or less accidental exchange-ratio between a single commodity and another, the money-commodity. But this exchange-ratio may express either the real magnitude of that commodity's value or the quantity of gold deviating from that value, for which, according to circum-

stances, it may be parted with. The possibility, therefore, of quantitative incongruity between price and magnitude of value, or the deviation of the former from the latter, is inherent in the price-form itself. This is no defect, but, on the contrary, admirably adapts the price-form to a mode of production whose inherent laws impose themselves only as the mean of apparently lawless irregularities that compensate one another."

Under the influence of the competition mechanism of the market, price in capitalist production experiences still further modifications through the all-dominant profit interests of capital (tendency to an average rate of profit!). The investigations of Marx in this connection in the third volume of "Capital" are based according at least to Graziadei's statement upon a "sophism". When he at the same time bravely declares that Karl Marx "cannot overlook" the fact that the "circulation and distribution" dealt with in the second and still more in the third volume of "Capital", "contradict the law of exchange value set out in the first volume" and that Marx therefore "uses a 'price' which must be continuously different from 'value'" (page 41), he is absolutely wrong. The Marxian theory of price in production in no way determines prices for all commodities continually different from value, and the total of the price of production must equal the total of its value.

Graziadei will prove in a second booklet that this is all logically false. We can therefore postpone a further consideration of the subject\*).

The fact of the determination of the value of a commodity by the socially necessary labour power embodied in it, was rediscovered in capitalism by the classicists of political economy and made by Marx the basis for an embracing system complete in itself for the understanding of economic life.

Marx discovered therefore in the "theory of value" the final organiser of social labour power and its division. The law of value, that is to say, the estimation of the value of a commodity according to the amount of socially necessary labour embodied in it, is the regulating force which holds together society as an economic unit despite everything, and which unceasingly strives to make good the stupidities of short-sighted greed in a society split by the wildest personal efforts towards enrichment, in a society which threatens to break up in the chaotic struggle of all against all and which threatens to smash the social basis of a future communist humanity into a thousand splinters. Marx presented that in an extremely clear manner also in a letter to his friend Kugelmann (1886\*\*):

"The talk about the necessity to prove the conception of value, rests only upon the most complete ignorance both of the matter in question and the methods of science. That each nation would perish if it stopped work, I will not say for a year, but for a few weeks, every child knows. It knows also that the mass of products meeting the various requirements, demands various and definitely quantitative masses of the total socially necessary labour. That this necessity for the distribution of social labour in definite proportions is not abolished by the definite form of social production, but that it can only alter its appearance, is understood. Natural laws cannot be abolished at all. What can be altered in historically different circumstances, is only the form in which these laws work themselves out. And the form in which this proportional distribution expresses itself in a society in which the relation of social labour expresses

\*) Surprisingly enough Graziadei (page 109) admits at least so much, that the Marxian theory of value, "if it could be logically applied — would be much more suitable for a system based upon small property holders and handicraft, than for a system characterised by large-scale production and wage-labour." Of this, what Engels in the article quoted above pointed out, is correct that the law of value dominated unconditionally in the period of simple commodity production. In capitalist commodity production, however, it forms the fundament for the further development of prices, only, however, no longer externally visible.

\*\*\*) Lenin said (1907) of this letter: "Here Marx presents his conception of the so-called 'Labour value theory' in an extremely pregnant fashion in a polemical form. Exactly those objections against the Marxian theory of value which are supported most persistently by the dozens of representatives of professorial bourgeois 'science' are here analysed by Marx shortly, simply and extremely clearly. Marx here shows what way he took and what way must be taken in order to explain the law of value."

itself as private exchange of the products of individual labour power, is the exchange value of these products.

The science consists just in unrolling the development of the law of value. Should one wish from the beginning to 'explain' all the apparently contradictory phenomena to the law, one would have to give up science."

(Karl Marx, Letters to Kugelmann, Berlin 1924, Page 5.)

How value and surplus value — and surplus value is that part of labour (that is of value) in the commodity which is not made good in wages to the workers producing the commodity (the value) — are based purely and simply upon embodied labour power and how these two magnitudes are related to one another, determines the development of productivity on the one hand and the class structure of society upon the other. The theory of value therefore in no way tries to trace the haphazard movements of the daily prices of commodities.

"The vulgar economist has not the faintest idea that the actual daily exchange relations and the magnitude of value cannot be immediately identified." (Marx to Kugelmann, *ibid*, page 45.)

In value Marx examined only the basic content of commodities in money-economy, the social essence of which all commodities, exchanging one against the other in definite quantity relations, consist, despite their varied external differences, no matter how many further circumstances may be involved in the individual exchange act in the market.

It is also illuminating that the changing market prices of a particular commodity could not be characterised as "too high" or "too low" unless they could be compared with a socially determined normal level (value). The value discloses this social essence of the commodity, the price only its temporary upper surface which alters itself like the surface of the sea at the sport of the winds. Wave movements and water depths are really two very different things. The sea does not change its depth, no matter how high the waves may be flung in a storm. On the other hand the sea can have a considerably reduced quantity of water without any alteration in its upper surface.

Whoever, like Graziadei, regards a price theory as alone scientifically justifiable, may present us with innumerable curves upon the wave movement of prices, by this however, he cannot tell us the very least about the nature and water content of the sea; he can, for instance, not explain, why the price curves for various commodities move in such different levels. With one kind of goods they vary around perhaps ten, with another perhaps around 10,000 marks! In a consideration of the price of a particular form of commodity, it is its variety and changes which interest us. With value, however, we take the relatively permanent. The Marxist will therefore never deny the possibility and also not the importance of price theories, but he will always stress their varied character in contrast to the theory of value. His however naturally does not exclude a recognition by him of the actual inter-relation of value and price. This is in striking contradiction to Graziadei who is unable to conceive of a theory of "value" at all.

"In social actuality there is no exchange value, there is only price." (Page 37.)

"The exchange theory of value is either a price theory or it is no theory at all." (Page 38.)

Here is the basic mistake of the whole attitude of Graziadei! The fact that he is absolutely unable to distinguish clearly between socially determined and individually willed phenomena is in close connection with this. He says pathetically:

"How can the possibility be admitted of processes which are carried out by people and that nevertheless proceed without their knowledge!" (Page 58.)

That the whole of world history has been "carried out" by people and is being carried out by them and nevertheless only reflects itself to a small degree in their consciousness or knowledge, should not be unknown to a social investigator. It is actually so — that which Graziadei seems to deny — that "political economy occupies itself with phenomena which are different to those brought about through the agency of men" (Page 39), as far as one compares the social result with the purposes striven after by men. The threads which the individual has consciously and controllably in hand, do not go far and are so bound up with a thousand others that the individual is often enough inclined from his own limited standpoint to cry out in despair: "Illusion, illusion, everywhere illusion!"