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## The Conference of the Four Powers.

By S. Yavorsky (Moscow).

We should indeed be hopelessly blind, if we failed to observe the extraordinary increase of British diplomatic activity in the last few weeks or failed to estimate the importance and aims of this activity as they deserve. It is possible that we are now on the eve of very far-reaching steps or decisions.

The increasing vigour noticeable of late in the campaign of the Conservative Party in Great Britain, which is striving more eagerly than ever to characterise the organisation of the Chinese revolution and its logical connection with the Soviet Union, must be described as an attack on the latter of more than ordinary significance. It is not only the "Morning Post" that now repeats daily that "the real enemy of Great Britain is neither the Chinese in general nor the Kuomintang, but Moscow"; also the "Daily Telegraph", which can generally be trusted to reproduce the attitude of the British Foreign Office fairly accurately, is now, as we see by telegrams, violently attacking the Soviet Government for the latter's "open attempt to oust the British from China". In pretty much the same spirit, the influential "Times" constantly repeats that the key to the Chinese problem is to be found at Moscow.

Under circumstances such as these, the attempts of the British diplomats to arrange at least a temporary settlement of the relations between Great Britain and the Canton Government and to avoid an open rupture, have necessarily assumed the form of an endeavour not to engage too deeply in Chinese affairs, so as to preserve full freedom of action in Europe. The unusual love of peace evinced by Great Britain in China is indeed altogether in keeping with the energetic work of British diplomacy towards the creation of favourable premises for the realisation of Chamberlain's favourite idea, viz. that of forming a

uniform anti-Soviet bloc out of the most prominent European Powers, with the small States bordering on Russia to act as outposts.

To speak of the work of British diplomacy in the Baltic countries, in Poland and Roumania, would mean repeating a series of well-known facts. One need but recognise the substantial success of this work during the past year in the successful Fascist revolutions in Poland and Lithuania. Nor is there a lack of foundation in the statements made by the "Daily Herald", the organ of the British Labour Party, in regard to the preparations for a similar upheaval in Latvia.

If in any of the Baltic States a Democratic petty-bourgeois Government still feels relatively safe, it is only because it can count on the support of France, of which, indeed, it makes full use in counter-acting the influence of Great Britain on the Fascist organisations. The rivalry between Great Britain and France hampers the freedom of action of British diplomacy like a dead weight.

So as to be able to manoeuvre more freely, Imperialist Great Britain must either disarm France and oust it from the European diplomatic theatre, or else it must at any cost come to a temporary understanding with its French neighbour. The rapprochement between Great Britain and Italy, the arbitration treaty between Italy and Germany, the armed threat directed by Italy against France, and the recent understanding between Italy and Albania, which so effectually showed France's impotence in the Balkans, were all events which were directly or indirectly aided and abetted by Great Britain and purposed to convince France of its complete incapability to compete with

Great Britain in Europe, and on the other hand of the fact that even in the most serious affairs Great Britain might quite well manage without French support. These manoeuvres are quite sufficiently elucidated by the observations of the "Daily Herald" on the subject of the conference arranged by Great Britain among the four leading European Powers with a view to their co-operation in the settlement of the urgent problems of European politics.

As the "Daily Herald" quite rightly observes, such collaboration can only be secured, so far as Germany and Italy are concerned, if the main claims of these two Powers are satisfied. As regards Italy, the wishes of the Italian bourgeoisie have long ceased to be a secret. Fascist imperialism insists on the acquisition of colonies. In this direction Germany is fully at one with Italy, and, however much the diplomats and publicists of the two countries may proclaim their love of peace, which according to them has led to the conclusion of the treaty of arbitration between their Governments, there can be no manner of doubt but that the approach between Germany and Italy is based chiefly on the uniformity of the German and Italian colonial aspirations. On the condition of some colonial sacrifices on the part of France and Great Britain, the latter could be sure of Italian co-operation in any possible British combination in the near future. The case of Germany is certainly a little more complicated.

The new German imperialism energetically demands that Germany be granted objects of colonial exploitation. But at the same time, and perhaps still more, it is interested in the question of seeing the Polish wedge extracted from out of the compact German territory. Without seriously risking the loss of its popularity, no German Government can agree to a settlement with Poland, so long as East Prussia is divided from the rest of Germany by the Danzig Corridor. A solution of the Danzig question is a necessary premise for any plan of the inclusion of Germany in the bloc to be formed against the Soviet Union. The diplomats of Great Britain therefore intend to attain by a new conference what they were unable to put through at Locarno, and on this occasion the question of a restoration of the territorial integrity of Germany in the East would necessarily have to be brought into intimate connection with the "settlement" of the relations between Poland and Lithuania. It is quite obvious that Poland could only be compensated for the loss of Danzig by an open or veiled annexation of Lithuania and thus also of the harbour of Memel.

If, however, Great Britain counts on creating the possibility of a successful isolation of the Soviet Union by "Fascising" the Baltic States and satisfying the national aspirations of Germany, it is still somewhat difficult to understand what compensation it intends to offer to France for the latter's support of the British plans. In all conceivable cases, France would only be the one to pay for the losses incurred, without being able to derive any advantage from the enterprise. A participation in the Four-Power Conference, especially if in harmony with the plans of Great Britain, cannot but tend to strengthen the position of both Italy and Germany, and will, therefore, have just that result which the French nationalists most fear. At the same time, the colonial aspirations of the Italian and German imperialists can in the main only be satisfied at the cost of the colonial possessions and mandates of France. As regards final results, even supposing the anti-Soviet plans of Great Britain to succeed, the French bourgeoisie could at best be accorded very doubtful advantages of a financial nature, which at the cost of a certain degree of complaisance and good will could be attained even now without any particular sacrifice.

We must naturally not allow ourselves to be deluded in regard to the feelings which the French bourgeoisie entertains towards the Soviet Union, but we can well doubt whether at the coming Four-Power Conference France will act in full harmony with Great Britain. At the same time, France is entering upon a period of serious crises and probably of grave internal complications. Under such circumstances, France will hardly venture to take part in an enterprise which may result in the most serious consequences to itself. Without the participation of France, however, the conference is doomed to failure in advance, since in that case Great Britain loses its trump card, Germany which could never be armed without the consent of France.

The tasks of the diplomacy of the Soviet Union in the face of all these operations are perfectly clear, as are also the im-

mediate tasks of the Communist Parties in the most important countries of Europe. The "grenade" campaign of the German Social Democrats and the full solidarity between them and the French Socialists in their common attacks on the Soviet Union show that the "moulding" of public opinion among the working masses is also part of the general programme of the campaign conducted against the Soviet Union by British diplomacy. The resemblance, however, between the present preparatory work of the British imperialists and those operations which were conducted during the world war, is too obvious not to cause the revolutionary sections of the working classes to sound the alarm in due time and to take all such steps as may appear necessary.

## POLITICS

### After the British Imperial Conference.

By R. PALME DUTT (London).

The essential problem of British Imperialism at the present stage is the problem of maintaining the unity of the Empire under British hegemony in the face of the disparate tendencies of the different parts, consequent on independent capitalist development, and the growing economic and strategical weakness of the British centre. This problem takes different forms according to the character of the parts: in the case of the conquered colonial races, where the control is directly military and autocratic, and the local bourgeoisie weak, the principal menace is the menace of mass revolts; in the case of the emigrant White colonies or Dominions, where there is a strong local bourgeoisie with many ties with the British, the control is necessarily less direct, taking the form of alliance, concessions of autonomy, financial domination etc., and the struggle of interests takes more subtle forms. The Imperial Conference, as the Conference of White exploiters, concerns itself directly only with the problems of the latter group; in relation to the subject coloured nations, constituting six sevenths of the whole, the British and Dominions bourgeoisie maintain a united front, as the single session on colonial and mandates problems showed.

British hegemony over the White Dominions rests on three factors: first, the economic supremacy of Britain as the principal industrial workshop and customer of Dominions products; second, the financial supremacy of Britain as the source of new capital for development; and third, the strategical supremacy of Britain as the protector against foreign attack and maintainer of sea communications.

The weakening of British hegemony over the Dominions follows on the weakening of the above factors: the industrial decline, financial inability to maintain sufficient supplies of new capital, and the passing of naval supremacy since Washington; second, on the invasion of a new and stronger candidate for these functions in the shape of the United States; and third, on the independent development of the Dominions towards their own industry, accumulation of capital and even their own military and naval forces.

The solution of this situation for British Imperialism would depend on, first, a complete economic reorganisation of the Empire in accordance with new realities and the weakened position of Britain; and second, a closer alliance with the colonial bourgeoisie. Such a reorganisation is, however, beyond the powers of British Capitalism in decline; and both these tasks come in conflict with a thousand developing forces, both inside and outside the Empire, which make their realisation impossible. Hence the failure of the successive efforts at Empire development and unification, which nevertheless remains the principal line of policy of the British bourgeoisie (and consequently of the reformist labour leaders who follow them) as the sole solution of the economic crisis.

In the 1923 Imperial Conference the attempt was made to achieve a simple economic unification on the lines of Imperial Preference. This policy broke down on the divergent economic interests; the Dominions, while nominally granting Imperial Preference, have actually raised their tariffs against both British and other foreign goods; British manufacturing and commercial interests were not prepared to penalise two thirds of their trade for the sake of one third. The Baldwin Government, introducing the programme of tariffs, fell at the General Election of 1923; and subsequent developments in this direction have been on the whole limited.



The three years between 1923 and 1926 saw a growth of separatism, as well as of American economic penetration of the Dominions. This separatism gave rise to acute political problems; questions of separate diplomatic representation, of a separate foreign policy, a constitutional crisis in Canada, demands for independence in South Africa, repudiation of war obligations by all the Dominions, repudiation of the Locarno Pact.

The 1926 Imperial Conference was principally concerned with this political crisis. When the Imperialists speak of the Conference as a "success", they mean that the immediate acute points of this political crisis were successfully faced — or evaded — without a break-up. The character of such a claim as a "success", sufficiently reveals the delicacy of the situation.

The political document in which the constitutional agreement is registered exists in the **Report on Inter-Imperial Relations**. This Report, which is the principal public document of the Conference, is nominally a character of **Dominions autonomy**, proclaiming their fullest independence and equality with Britain. A closer examination will show that this appearance is deceitful, and that while the document concedes no right to the Dominions that they have not already won in practice, its drafting is cunningly devised to strengthen — so far as constitutional form goes — and reaffirm British hegemony. In this sense the **Report on Inter-Imperial Relations** is a diplomatic victory of the British bourgeoisie.

The Report defines the mutual relations of Britain and the Dominions as that of "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."

In this magic formula, already, the dog lies buried. The Dominions are solemnly freed of all allegiance to the **British Government**; instead they only owe "allegiance to the Crown" — i.e. the **British King**. Who is the British King? As everyone knows, the paid servant of the British Government. Throughout the document, relations to the British Government are substituted by relations to the British King. By this means as the King is supposed to be "non-party" etc., the constitutional instrument of British control in time of crisis, e. g. in case of war, is strengthened. As "**Augur**", the Foreign Office spokesman in the **Fortnightly Review**, remarks with cynical satisfaction, no one suggested that the Civil List (the King's pay) should come from any one but the British Government.

But the British hegemony is in fact more explicitly laid down in the Report. For after the formula of freedom and equality comes the limitation:

"but the principles of equality and similarity, appropriate to status, do not universally extend to function"; and this limitation is made more explicit in the sentence which "**Augur**" acclaims as the "crown" of the Report:

"In the sphere of foreign policy as in the sphere of defence the major responsibility rests now and must for some time continue to rest with His Majesty's Govt in Britain."

Thus in the sphere of foreign policy and war, which is precisely the principal political question facing Britain and the Dominions, the effective hegemony of Britain is maintained, while at the same time the Dominions retain their right of repudiating specific obligations such as Locarno. What is the consequence in case of war? "The King" cannot be at war and not at war at once, at war in respect of, say, **England and Australia**, and not at war in respect of **Canada and South Africa**. The Empire must go to war as a whole or break up. This crisis remains unsolved, but the British bourgeoisie undoubtedly hope to solve it in the moment of crisis by their effective hegemony in the manoeuvrings leading up to a war crisis, and by the appeal of loyalty to the King etc.

What results the Conference actually reached in respect of foreign policy and war, and the preparations for the next war, it is not possible to say, as the whole of these proceedings and decisions, constituting the most important part of the Conference, remain secret. The whole of Chamberlain's speech on foreign policy, as also the speeches of the Military, Naval and Air Chiefs, and subsequent discussions remain secret. In 1923 the major portion of Curzon's speech was published. In the 1911 Imperial Conference, Grey's famous speech to the Colonial Pre-

miers, outlining the inner policy of the Entente, was kept entirely secret. Thus 1926 returns to the position of 1911. The increasing secrecy, as also the heavy stress placed on questions of armaments, and the carefully staged and imposing military, naval and air displays, all bear witness to the increasing imminence and urgency of war conditions. Whether any secret understandings or commitments between the respective Governments were reached at this Conference can only be matter of surmise at present.

Certainly it is essential that the working class forces both in Britain and the Dominions should conduct the most active campaign against secret commitments for the next war reached as a result of the Conference, as well as demand complete publicity of the whole proceedings. In Australia left wing working class propaganda has actively taken up this question. In Britain the servile Labour Party leaders have not even challenged the secrecy of the proceedings, thus affording a true measure of their concern for "democracy" in the most vital issues of war, peace and governing policy, affecting directly one quarter of the human race.

Whatever diplomatic victories, however, the British bourgeoisie may have secured with the aid of their superior experience and manoeuvring ability, an examination of the realities of the position will show that none of these have changed, and that the actual gulf between the interests and policy of the Dominions and Britain remains unbridged. Even in respect of foreign policy, all the tangible results, in regard to the most acute questions, are negative.

Thus on Locarno the Dominions congratulate the British Govt on the work achieved, but show no signs of accepting any of the responsibilities themselves; on the contrary, by the very character of this "congratulation", they ostentatiously mark the Pact as a sole concern of the British Government.

In the same way, on Singapore, Australia and New Zealand "note with special interest" the work done towards developing a Naval Base, but regret their inability to shoulder a share of the "heavy expense".

Still more conspicuous is this position on armaments expenditure. According to an official statement in March, 1926, the naval expenditure per head amounted in Britain to 26/-, in Australia to 13/-, in New Zealand to 8/-, in South Africa to 1/9, and in Canada to 15 cents or 7/12 — a fairly accurate scale of values. The **Report on Defence**, notes with "regret" the failure of schemes of armaments limitation, and registers the "formidable expenditure" necessary for naval development. But no proposal is made to share out this formidable expenditure.

Finally with regard to diplomatic representation, the existing separate representatives of Canada and Ireland at Washington are confirmed, and the right to appoint others recognised, while the only limitation is a pious wish that it is "very desirable that the existing diplomatic channels should continue to be used". On this the American government organ, the **Washington Post**, has immediately drawn the moral:

"The United States must deal separately hereafter with the nations of the British Commonwealth."

If the gulf is thus visible even in questions of diplomacy and war, it is abundantly more visible in the underlying economic questions. Here the Conference made no attempt to touch the position. There was no **Imperial Economic Conference** as in 1923. In the sessions devoted to economic questions, the gloomy facts of increasing economic disassociation were set out, but no solution was proposed. The British Government representatives endeavoured to put on an optimistic tone, and boasted that British trade with the Empire had risen in proportion to total trade from 37% before the war to 44% in 1925, and that the total value of exports to the Empire in the same period had risen to 48%. But the boast was obviously hollow, as the Dominions representatives lost no time in pointing out; for the increase in nominal value of 48% (actually, allowing for the change in money values, equivalent to a stationary or even declining total) was outstripped by the United States increase of exports to the Empire in the same period by 108%; while finally in the figures of Dominions trade the British proportion was diminishing.

A Liberal observer of the school of Lloyd George, McCurdy in the **Contemporary Review**, has remarked, as the most striking feature of the Conference, the fact that for the first time the Dominions representatives appeared as public critics of the economic stability of Britain. To this it might be added that the comparison to Britain's disfavour was almost invariably with the United States. The significance of this needs no stressing.

On the crucial question of migration, of decisive importance alike for unemployment in Britain under capitalist conditions and for the British development of the Dominions, no progress was reported, nor any hopes held out.

The results of the Empire Settlement Act of 1922, already declared at the 1923 Conference, "incommensurate with the needs of the situation", showed no improvement: 36,000 in 1923, 40,000 in 1924, 39,000 in 1925 — this for the territory of the Dominions representing one seventh of the globe! Nevertheless the 1926 Report recognises that it is "impossible" to look for "mass movements" of immigration, in view of the urban industrial character of the British population and the agricultural needs of the Dominions. Here, too, is so far deadlock in the plans of British capitalist development of the Empire.

In view of this whole situation, what is the "unity" which the British and Dominion bourgeoisies have proclaimed to the world? To answer this question, it is necessary to differentiate the situation in the main Dominions, as the Dominions are not a unity.

In Canada non-British influence are strongest. Here United States influence is already predominant, as shown in the recent election, and in the figures of industrial holdings and trade. Canada could not participate in any war against the United States. But British influence is still strong, especially in the Eastern States, in landholding, railroads and banking. The Canadian bourgeoisie would not wish any sudden break with Britain, although fearful of any external commitments or entanglements, and insisting on their own independence of action. Thus Canadian participation in the Empire remains a passive one, refusing any obligations, but avoiding a sharp break. In practice Canada is already half outside the Empire, but the position awaits a crisis to be brought out.

In South Africa, on the other hand, where British influence has been financially strong, but lacking any broad basis, being linked up with the Rand financial oligarchy against both the Boer farmers and the coloured four fifths of the population, a change in the situation has brought an actual increase in Imperialist influence. The Boer Nationalists, represented by Herzog, have closed ranks with the British. This undoubtedly reflects the growing agitation and organisation of the coloured majority, which has manifested itself in many ways during the past two years (notably during the Prince of Wales visit, and in the protest against the Bloemfontein massacre), and resulted in a steady weakening of the old intransigent republican policy of the Nationalists. This process reached its culmination at the Imperial Conference; Herzog publicly ate his words amid the jubilation of the Imperialists at the one positive success of the Conference; the Whites closed ranks, and a fusion of parties may follow. Here the "unity" is simply the counter-revolutionary unity of the White exploiters against the coloured 80% of the population, who will inevitably carry forward the fight for independence to victory.

Finally in Australia and New Zealand, British connections and financial control are still close and strong; the American invasion has only just begun; and the anti-Asiatic policy involves strategical dependence on the British Navy. This is reflected in the close present alliance of Britain and Australia, as shown in the role of Bruce at the Conference, and in the scale of armaments contributions. But Australia has developed a strong independent bourgeoisie (as Bruce pointed out, over half the total Australian debt is now held in Australia), and is becoming a principal battleground of British and American influence.

This has been vividly shown in Bruce's visit to America and Coolidge immediately after the Imperial Conference, in the playing off of Wall Street against the City of London as a source of new capital, in the rapid American commercial invasion, and in the visits of the American Navy as the sign of the new protection. With the transference of the centre of world politics to the Pacific and the weakening of London as a financial centre, Australian orientation inevitably turns increasingly to the United States.

Summing up the situation, the "unity" which has been "saved" at the Imperial Conference represents an unstable equilibrium, in which the total of forces is steadily accumulating against British hegemony, but in which the various upper bourgeois elements of the different states hang together, partly on the basis of definite common interests, partly for fear of the consequences of disruption. Only a crisis will show fully the actual array of forces.

The policy of the British bourgeoisie in the face of this situation is to endeavour to carry through a far reaching process of Empire development or reorganisation on the lines of the propaganda of Mond and others for the development of the Empire as a "single economic unit". This conception runs like a single thread through the whole home, foreign and financial policy of the British bourgeoisie in the present period. Such a policy, however, can no longer be conducted on the old conception of the development of Britain as the industrial centre of a predominantly raw-materials-producing Empire. It has, on the contrary, to build on the new fact of the industrial development of the Dominions, and to endeavour to build up the new economic structure of the Empire on the basis of the transference of industrial development under British financial control to the Dominions and India, leaving Britain to more highly specialised, secondary and luxury industries. If this process can be developed on a large scale, then the "mass migration" of the unemployed in Britain to industrial employment in the Dominions, still bringing profit to their masters, becomes possible; and a new basis would be reached. But this process requires a series of years of undisturbed development, and during this period a large scale financing from London, such as can only be achieved by extracting enlarged profits from the declining British industry, that is, by driving down the British work-a-days. These factors give the key to Conservative policy in the present period.

Will the British bourgeoisie be likely to be able to succeed in this new line of policy of Empire development? The answer to this question lies in the whole character of the existing British and world situation.

The policy of Empire development comes into conflict with the central contradiction that it depends on the enlarged financial and capital-exporting power of Britain, just when that financial and capital-exporting power is declining. This decline inevitably continues with the home industrial decline, which cannot be solved within capitalist conditions. The attempt to raise enlarged profits out of the declining industry involves wholesale attacks on the workers, intensified class struggle and the revolutionising of the British workers. At the same time, the independent colonial bourgeoisie, untrammelled by these complications, develop more rapidly than they can be controlled by Britain finance. Finally the seat of world economic and financial power rests with the United States, which has all the advantages in these respects and is effectively endeavouring to take over into its own hands the development of the British Empire in the new period. From this situation a host of crisis and conflicts may arise; but what is certain is that British Capitalism has no longer the power to carry out the development of the Empire under its control, and the attempt to do so will only hasten the development of the revolution in Britain.

Nevertheless this policy necessarily remains the grand objective of the British bourgeoisie, and Imperialist propaganda will play a large and increasing part in the years immediately in front, not only from the side of the bourgeoisie directly, but within the Labour Movement. The Imperialist penetration of the upper strata of the Labour Party, both Right and so-called "Left" (the Clyde and Lansbury groups) is developing with increasing momentum — witness the "Forward" campaigns for Empire development in support of Garvin, Baldwin etc.; the growth of the "British Commonwealth Group" in the Parliamentary Labour Party to a majority of the membership; the foundation of the "London Weekly" as a "non-party" Empire weekly under the editorship of a prominent Labour member, Haden Guest, with the co-operation of Amery, Conservative Colonial secretary, and similar signs in abundance. This development is inevitable. Reformism, bankrupt at home through the economic decline, turns increasingly to the propaganda of Empire illusions as the sole alternative to revolution. The propaganda of imperialism goes hand in hand with the propaganda of class peace.

In consequence in the coming period it is necessary in Britain to redouble our anti-imperialist propaganda, to show the hopeless and illusory character for the British workers of the schemes of Empire development, to show the meaning of the development of Britain as a parasitic centre, to show the connection of imperialism and the attack on hours and wages, to show the connection of imperialism with armaments and the next war, and in consequence to show the unity of interests of the white and coloured workers and peasants in the Empire!



against the British and Dominions bourgeoisie and in unity with the international working class, and to show the line of development of Britain, not as the decaying centre of the Empire, but along the line of the socialist revolution as part of the United States of Socialist Europe and so eventually as an integral healthy part of world socialist economy.

## The Imperialistic Offensive of the United States.

By M. Tanin (Moscow).

The treaty with **Panama**, the intervention in **Nicaragua**, the conflict with **Mexico**, the interference as chief arbitrator between **Peru** and **Chili** in the question of **Tacna-Arica**, the allocation of enormous sums for the construction of ten cruisers, all these are sections of a whole front, to which the imperialism of the **United States** has now resorted, and to which the attention of the whole world is directed.

The recently published treaty which was forced upon **Panama** completes the policy which has been pursued for years and which aimed at the complete subjugation of this "independent Republic", through whose territory passes the Canal, which is one of the most important economic and political points in the world. This treaty binds **Panama** to declare war on any country with which the **United States** are at war, in which case the territory of **Panama** is to be put at their disposal for marching up troops, to hand over the island of **Manzanilla** which lies opposite the Canal in the **Atlantic Ocean**, in brief, the treaty puts an end to the last remnants of **Panama's** independence.

The intervention in the Republic of **Nicaragua**, the property of the banking house of **Brown**, where it is planned to construct a second trans-Ocean canal, is a supplement to this policy.

The conflict with **Mexico** is a further link in this chain. As pretext for this conflict, the **United States** bring up "the interference of **Mexico** in the internal affairs of **Nicaragua**, the disregard of the rights of American property owners and the persecution of Catholics who are citizens of the **United States**". In this connection the venal Press is carrying on a furious agitation against **Mexico** and is overwhelming it with public threats.

It draws the conclusion that fresh intervention or open war against **Mexico** should be prepared for.

What is at the bottom of these events? According to recently published reports, the capitalists of the **United States** have invested 1195 million dollars in **Mexico**, have taken about 70% of the petroleum fields into their hands and are "of course" striving to get possession of the whole country.

Opposed to this is the growing national revolutionary movement in **Mexico**, which is represented by the **Calles** Government who, in spite of the vacillation which is characteristic of him as of all petty bourgeois revolutionaries, has resolved to carry out, though in a restricted form, the well-known Article 27 of the Constitution of **Mexico** regarding the nationalisation of the oil wells. Under pressure from **Washington** and **London**, the bill of nationalisation has taken the restricted form that foreigners who own oil and other mineral concessions will merely have to exchange them for contracts lasting over a period of 50 years. The last term for this exchange expired on January 1st 1927; but the majority of the owners of concessions from the **United States** refused, obviously at the instigation of **Washington**, to submit to the new law and has claimed protection from, in the fullest sense of the word, their own Government. An extremely critical position has thus arisen.

The **United States**, by the blockade of the whole coast of **Nicaragua**, are openly challenging **Mexico**.

The situation is made still more threatening by the embittered campaign of the Catholics of the **United States** and of all the reactionaries who sympathise with them on account of the expulsion of the American Archbishop from **Mexico** for having agitated against the measures of the Government with the object of finally separating Church and State.

Almost the whole bourgeois Press of the **United States** devotes whole pages to all kinds of princes of the Church, who stand up in defence of their colleagues in **Mexico** and cling with all their strength not to the celestial but to the terrestrial wealth which the national revolution wishes to take from them.

The closest connection exists between this malicious agitation of the "victims" of the Mexican revolution in **Mexico**, the

**Mexican** counter-revolutionary agrarian unions (**Sindicato de Agricultores**) and the oil capitalists and diplomats of the **United States**. The driving force of this organism is the efforts of the **United States** to put an end to the independence of **Mexico** and the whole of **Central and South America**.

The "honest bargaining" in the above mentioned question of **Tacna** and **Arica** best characterises these hankerings with regard to **South America**. A dispute about this province has long raged between **Chili** and **Peru**, and the representative of the **United States** offered to act as mediator in the capacity of an "unprejudiced judge". He pronounced a Solomon's judgment; he decided that the territory in dispute should belong neither to **Peru** nor **Chili**, but to **Bolivia** which thus gained access to the sea. As, however, **Bolivia** has not enough money to build a harbour, it will appeal to the **United States** for a loan. As soon as this occurs, the State Department of the **United States** will be in a position, through its bankers — as was the case with the 24 million dollar loan — to put not only financial conditions, but political ones. This is extremely important in view of the obstinate competition of **Great Britain**, which is backing the company known as "**Bolivia Concession Ltd.**"; according to reports published in the "**Daily Telegraph**" of January 1st 1927, this company is achieving great success in scooping in petroleum, gold, rubber, cotton and wood.

This is how the links of the chain of the machinations of the **United States** are joined in **Panama**, **Nicaragua**, **Mexico** and **Tacna-Arica**. For such wide political schemes, armed forces are necessary. For this reason the President of the Commission for Naval Affairs in the Parliament of the **United States** has proposed a resolution for the construction of ten new cruisers which, together with the other allocations demanded, will require more than 600 million dollars. This plan, which coincides with the imperialistic attack of the **United States** in **Central America** and part of which has already been passed, has aroused tremendous indignation in the military and naval circles of **Great Britain**, **Japan** and other countries. Without any exaggeration, it can be maintained that this plan will produce a feverish increase of armaments throughout the world, will be one of the stages on the path towards armed conflicts in the imperialist camp.

The present imperialistic attack of the **United States** is above all connected with the fight for the virgin Continent of **Latin America**. In its stormy advance towards the South, the **United States** meets with the counter-action of **Mexico**, which is regarded by the advanced elements in all the other countries of **Latin America** as their outpost against the giant in the North, and as their leader in agrarian reform and in the fight against Catholic reaction, closely allied with the class of large landowners, which plays a very important part in these countries.

The collision of these forces is complicated by rivalries in the imperialist camp. Although **Great Britain** herself is interested in the fight against the national revolutionary movement in **Mexico**, she cannot admit of **Mexico** being turned into a base for the extension of the influence of the **United States** to the whole of **Central and South America**. **Japan**, which maintains friendly relations with **Mexico** as the enemy of her enemies, and which sends its emigrants and concessionaries to **Peru**, **Brazil** and other countries of **South America**, is also interested. The threads of the reviving **German** imperialism also extend to here (the journey of a **Mexican** delegation to **Berlin**, **Luther's** journey to **Latin America**, new oil transactions, plans for air lines, etc.). Even the **League of Nations** has been set in motion, as **Great Britain** wishes to use it as a tool for benefiting by the membership of **Nicaragua** and **Panama** in the **League of Nations** in order to frustrate the plans of the **United States**.

The attack of the imperialism of the **United States** on the South has thus given rise to movements and indignation among the other imperialist Powers and has filled the atmosphere with a belligerent spirit, which is pregnant with evil.

## The Imperialists are Preparing for New Wars.

By J. Shigur (Moscow).

### The Chief Causes which Lead to New Wars.

During the Great War, industry, in the most important countries, endeavoured to produce as large a quantity as possible

of arms, munitions and other material of war. There was a considerable expansion of the apparatus for producing material for war purposes.

In many countries industry worked during the first years after the war at reconstructing the war devastated areas and at re-equipping the factories which had suffered seriously during the years of war. The worn-out machines were replaced by new and more efficient ones which were capable of producing more goods than the old machines.

Furthermore, after the end of the war, the great majority of the factories, which up to that time had been working for purposes of war, were transformed so as to work at the production of articles of general necessity and of new machines for industry and agriculture.

In 1896 the total working capacity of the existing mechanical sources of power in the world amounted to 66 million horse power, in 1917 to 200 million, but in 1923/24 to about 300 million (in addition, motor transport in 1924 had at its disposal about 300 million h. p. propelling force).

Consequently, the industry of all countries taken together can produce a far larger quantity of goods in 1926 than was possible before the war.

The capitalists however meet with much greater difficulties as regards the disposal of their goods. The situation of the working class has on the whole grown worse. In the most important European countries, actual wages vary between 85 and 100% of their pre-war rate, while serious unemployment has become a permanent normal phenomenon (5-6 million unemployed are registered in Europe). In consequence of this, the purchasing power of the working class in its totality has greatly diminished as compared with pre-war times.

In many countries, the peasantry has not yet fully recovered from the severe blows dealt it during the war and from the serious agrarian crisis of 1920 to 1923. At the same time, the prices of agricultural products, although they have risen during the last few years, are still, as compared to the prices of industrial goods, distinctly lower than in pre-war times, so that the purchasing power of the peasantry has not yet reached its pre-war level.

During the last few years, we find on the whole, a lack of harmony between the capacity of production in the industry of all countries taken together and the purchasing power of the population.

In consequence of the inadequate purchasing power of the population and of the monopoly which characterises the most important branches of industry, we see that the apparatus of production in almost all the leading countries is not being used to the full.

Thus, in the middle of 1926, the degree of employment in the individual branches of industry in the United States was as follows: iron and cast iron 58%, steel 50 to 77%, textiles 50 to 80%. In Germany, heavy industry at present shows a degree of employment of 65%, the construction of machinery 50%, textile and potash industries 60 to 65%. The degree of employment in British industry is still less.

On the basis of the conditions described, a violent war of competition for markets is raging between the bourgeois countries, so as to give them the possibility of developing their capacity of production to the full.

Every capitalist country is trying to snatch new and favourable markets for itself (colonies, backward countries, capitalist endeavours to exploit the Soviet Union etc.). As however the whole globe is already divided up between the various States, the conquest of new markets can only take place by depriving other States of their markets, which they themselves need. At the same time, the fight for the export of capital and for sources of raw material is growing more acute.

At the present time, a re-grouping of the imperialist Powers is taking place on the basis of the intensification of conflicting economic interests, and armaments are being prepared for fresh imperialist wars. This also finds expression in the purely military preparations for armed conflicts, with which we will now deal.

#### The Preparations of the Imperialist Countries of Europe and the United States for a New Imperialist war.

The imperialist countries are continuing to arm. The progress of armaments in those countries on which no restrictions were laid by the Peace Treaty, is clearly demonstrated by the following data.

	1913	1923	1926
France, Italy, Great Britain and the United States together:			
Army Budgets in millions of dollars . . .	933	1743	1768
Strength of the standing armies in thousands . . . . .	1613	1681	1821
Number of military flying craft capable of action . . . about . . . . .	150	2400	3550

In consequence of the period of service having been shortened, a larger number of persons passes through the army every year than was the case in pre-war times and in the first years following the war. Thus for instance in France, 150,000 men passed from the army into the reserve in 1913, whereas in 1926, 370,000 passed over. Thanks to this circumstance and to the widespread military training outside the army, the number of those with military training, who can be called up, has greatly increased in the most important countries, and in some has reached a maximum (for instance in France 80%, in Great Britain about 75%, in Czechoslovakia 85% of the total number fit for military service).

Altogether, the leading European countries, with the exception of Germany, have carried through the military training of their reserves of human material and the elaboration of the questions of mobilisation almost to the limits of the attainable, so that a further increase of their military striking power in this domain is hardly possible to any appreciable extent.

The military striking force of these countries is growing and will grow in proportion as the technical apparatus of war is perfected, and chiefly through the economic and industrial preparations for war. The numerical strength of the mobilised armies is at present, and will be in the future, chiefly dependent on the general economic development, and in the first place on the capacity of the war industry of any particular country or of any group of States.

In all countries, attention is chiefly devoted to-day to the economic and industrial readiness for war. Special bodies are being formed or have been formed for the military mobilisation of industry, and even in this time of peace industry is being prepared for a transformation to the production of the requirements of war.

Thus for instance, the military and industrial capacity of France has, thanks to these measures and to the general economic prosperity of the country, increased by 50 to 60% in comparison with 1917/18, that of the United States by 30 to 50%. The military and industrial capacity of Italy, Czechoslovakia and Poland has increased considerably; England has remained at about the level of 1917/18. German war industry has been destroyed to a large extent, but the general position of German industry makes it possible to transform production to the manufacture of war requirements, above all of chemical means of war, in the course of a few months.

Taken as a whole, the military striking-force of the leading countries is making rapid growth, and this growth is closely connected with the economic and industrial development.

#### Preparations for War in the Countries on the Pacific Ocean.

The fight between the United States, Japan and Great Britain for the markets and sources of raw material, which are developing in the Far East (China), and for supremacy in the countries on the Pacific, is becoming more and more acute. The growth of the conflicting interests finds expression in the development of naval forces as well as in other ways:

	United States	Great Britain	Japan
(Naval Budgets in millions of dollars):			
1905 . . . . .	111	161	12
1913 . . . . .	142	237	48
1923/24 . . . . .	294	263	115
1926/27 . . . . .	323	282	109

#### Total tonnage of cruisers (In thousands of tons.)

	United States	Great Britain	Japan
1922 . . . . .	210	275	88
1926 . . . . .	230	270	145
1930 . . . . .	300	420	203



Tonnage of squadrons of torpedo boats.  
(In thousands of tons.)

	United States	Great Britain	Japan
1922	366	237	51
1926	366	235	89
1930	384	275	170

Tonnage of submarines.  
(In thousands of tons.)

	United States	Great Britain	Japan
1922	88	74	41
1926	80	47	38
1930	92	80	50

Japan possesses an extraordinarily favourable strategic position before the gates of China and in the Western part of the Pacific Ocean. Its weak point is that it is insufficiently provided with iron and fuel in the case of a war. In the last few years, Japan has worked with increased energy to establish a basis for raw materials for its war industry (building of foundries, exploitation of coal mines, railways etc.) in Southern Manchuria, especially in Shantung.

Its minimum programme with regard to the provision of iron and fuel may be completed by about 1930. From that time onwards, Japan will be able to adopt a more independent and aggressive policy towards Great Britain and the United States, the result of which will be a real danger of war in the Pacific Ocean.

**The Devastation of a Future War.**

In the present-day armies, the technical factor has greatly increased in significance in comparison with pre-war times and the years of the Great War.

Country	Guns		Machine Guns			
	1913	1925	Heavy		Light	
			1913	1925	1913	1925
France	5.2	7.2	2.4	10.7	—	49
Great Britain	4.9	7.7	1.5	10.0	—	45
United States	3.9	8.3	5.8	8.2	—	33
Germany	5.6	3.4	1.1	8.5	—	14.2

It should be noted that heavy artillery has grown considerably and that the range of a gun has increased.

The air fleet has increased not only quantitatively, but still more qualitatively.

Quality	1918	1926	Increase %
Average lifting capacity of a bomb thrower in kilos	150	400	160
Maximum weight of a gas bomb in kilos	1000	2000	100
Maximum firing rate of an air machine gun (shots per minute)	1000	1600	60
Average percentage of hits in bomb dropping from a height of 1500 m	14—15	50—60	300
Percentage of hits in firing at objects on the earth with machine guns more than	10	75	630

Thus, in 1926, the air fleet is at least two or three times better in quality than in 1918.

In 1918, bombs to a total weight of 22,000 kilos were dropped on Paris and its surroundings by 480 airmen. In 1926, the same number of quite average airmen would be able to drop 144,000 kilos. In view of the increased percentage of hits, the destructive effect of the bombs dropped would, to-day, amount to about twenty times as much.

One of the prominent members of the air force of a Great Power has drawn up the following guiding lines for the share to be taken by the air fleet in a future war:

1. Industrial centres are particularly suitable objects for bombardement by airmen. The distribution and position of these industrial centres must be ascertained in times of peace.

2. It seems impossible to protect towns in any way from attacks from the air. Where strong air-fleets exist (the Western Powers are thought of), it will be necessary in a future war, to evacuate the towns and only leave in them the workers necessary for the factories; this army of workers will be exposed to no less dangers than the army at the front.

Chemical means of warfare are developing still further, and numerous laboratories and military chemical stations are working in this field.

Thus for instance, the following sums were allocated to the military chemical centre at Porton (Great Britain) for experimental purposes: In 1921 about 270,000 dollars, in 1924 500,000, in 1925 570,000 and in 1926 650,000 dollars. The Edgewood Arsenal (United States) received for the same purpose: in 1925 720,000 dollars, in 1926 904,000 dollars.

The injurious effect of the chemical means of warfare has grown extraordinarily as compared with 1918. The technical means for applying poisonous substances have been simplified (in the artillery 30 to 40% of all munitions are gas projectors, light balloons for transporting gas, chemical air bombs etc.).

The development of naval technique increases greatly the fighting effect of all types of ships. The following data as to typical ships are evidence this:

Type of ship	Displacement of water (in thousands of tons)		Speed (in knots)		Capacity of engines (in thousands of h. p.)		Maximum callibre guns		Weight of ships salvo (in thousands of tons)	
	1913	1926	1913	1926	1913	1926	1913	1926	1913	1926
Ships of the line	27.4	41.2	28	32	78.7	144.0	12 in.	16 in.	14.5	18.6
Cruisers	5.5	10.0	25.5	35	25.0	120.0	6	8	400	600
Torpedo boats	0.98	2.4	31	36.7	24.5	50.0	4	5	100	206
Submarines	0.82	2.52	16	21.5	1.6	6.5	76mm.	127mm	27	104

On the whole, the navies of to-day have enormously increased their striking force in spite of the numerical decrease of the number of ships (as compared with 1913).

In the course of the imperialist war from 1914 to 1918, about 70 million men were called to the colours by all the warring Powers together, and the total maximum strength of the armies in the field amounted to 29 million persons. The total number of killed reached almost 19 millions, the number of wounded exceeded 19 millions. An imperialist war in the future would again call together armies many millions strong; in consequence of the perfection and development of the technique of war, it might prove far more devastating and losses would occur not only at the front, but in the countries themselves in consequence of the activities of powerful and numerous fighting air-craft.

In the time between 1914 and 1918, the production of arms and munitions in the six most important States at war (France, Great Britain, Italy, Germany, United States and Russia) was as follows: rifles 22.6 millions, cartridges 32.4 milliards, heavy machine guns 482,500, light guns (France, Great Britain, United States and Russia) 47,000, heavy howitzers (four States) 9000, munitions for light artillery 6.38 millions, air craft 70,000.

The production of such an enormous quantity of arms, munitions and other materials of war for the armies many millions strong in the years of war 1914 to 1918 demanded a tremendous economic effort on the part of the States at war. Russia withdrew from the war at the end of three years, the Central Powers submitted to four years of war, during which time their material in men and kind was exhausted to such a degree that tremendous social upheavals resulted in those countries, giving no prospect of success for a further continuance of the war.

The eleven most important countries at war, having an annual national income of 80 milliard dollars, and a national capital of 567 milliard dollars, spent about 250 milliard dollars for purposes of war.

In view of the perfected war technique and the increased power of destruction, a future war would exercise still greater pressure on the economic and financial resources of a country, and the moment of reaction, which would mean the beginning of civil war and of the proletarian revolution, might approach more rapidly than in the last war.

Thanks to the withdrawal of many millions of hands from productive activity and in consequence of the transformation of industry as a whole to satisfying, as its first object, the requirements of war, a new imperialist war would make the situation of the workers and of the broad masses of the people so much worse, that a revolutionary situation would inevitably arise immediately. The proletariat and the broad masses of the people who are called to the colours, are given arms which, at the

appropriate moment can be used by the proletariat for seizing power.

In such a state of affairs, a new imperialist war (given communist parties ready to fight) would inevitably lead to the outbreak of a victorious proletarian revolution in Europe.

**Preparations for a Military Attack on the Soviet Union.**

For the last few years, efforts have been devoted, chiefly under pressure from England, to the creation of a military and political alliance of the States bordering on the Soviet Union, from the Baltic to the Black Sea with the object of attacking the Soviet Union.

The fighting forces of the Western neighbours of the Soviet Union are being very much strengthened with the support of Great Britain and France.

The reinforcement of the armed forces of Finland, Estonia, Latvia, Poland and Roumania together are demonstrated by the following data founded on fact:

	1923	1926	Increase %
Army Budgets (in millions of dollars)	185	214	+ 15,5
Peace strength of the armies (in thousands)	479	533	+ 11,3
Membership of the civic volunteers, without Roumania (in thousands)	295	651	+ 120,7
Number of military aircraft in action	280	510	+ 82,2

The military overburdening of the border States, of Poland and Roumania in comparison to the Soviet Union and the zealous activity which is being employed to create a uniform military and political alliance from the Baltic to the Black Sea are striking evidence of the preparations for a military attack on the Soviet Republic.

Country	Soldiers per thousand inhabitants	Expenses for war purposes per head of the population (in dollars)
Finland	9,6	4,5
Estonia	12,7	4,7
Latvia	13,2	4,5
Poland	10,0	4,6
Roumania	9,7	3,6
Soviet Union	4,0	2,1

It should be specially noticed what great care and attention is devoted to creating armed troops exclusively of the bourgeois class. The latter have been increased by 120% in the three years from 1923 to 1926 and exceed the regular armies in numbers.

At the beginning of the tenth year of Soviet socialist construction, we are able to state that:

1. The imperialist Powers are preparing for a new imperialist war which will be much more devastating and ruinous than the last war of 1914 to 1918. The capitalist system inevitably leads to a new world war. This could only be avoided by a proletarian revolution, only by the international proletariat following the path taken by the Russian proletariat, the path of October.

2. The Soviet Union pursues a peace policy, not in words but in deeds.

3. In spite of the peace policy of the Soviet Union and its peaceful construction, its Western neighbours continue, under the guidance and with the support of the capitalist West, to strengthen their armed forces with hostile intentions towards the Soviet Union. In the tenth year of the existence of the Soviet Republic, the Red army must increase its striking force by better training and the best preparations, and must always be ready to parry an attack with a crushing blow.

**CHINA**

**The Imperialists, the Social Democrats and the Chinese Revolution.**

By Tang Shin She.

Every former disturbance, every revolt, every revolution in China has been made use of by the imperialists for their own purposes. The revolution of 1911, for example, was directly supported by the French Governor General of Annam, the French Consul at Tientsin, the Japanese Governor of Formosa and the

Japanese Government by their supplying the insurgents with arms and providing them with advisers. Tsarist Russia rendered indirect aid to the fighters on the outbreak of the revolution in Hankow in October 1911.

The imperialists have only gained by such actions. The revolutionaries granted every protection to their "helpful friends" and out of gratitude promised to observe the "sacred treaties". The extritoriality rights became greater and greater. The Shanghai mixed court of justice came completely into the hands of the foreigners. For a time the hostility towards the imperialists, or better said, towards the foreigners absolutely ceased. Once masters of the situation, however, the imperialists, owing to the radicalism of the Left Kuomintang people (Sun-Yat-Sen tendency), soon supported the monarchist efforts of the military ruler Yuan-She-Kai. The fate of the revolution of 1911 was finally sealed. The imperialists have known how to make use for their own benefit of every little revolt, every robbery. In these affairs they have always been able somehow to extend their treaty rights or at least to do profitable business by supplying weapons.

With the present revolution, however the situation is quite otherwise. The revolutionaries are more experienced. They have learnt from the defeats of 1911 and the victory of the Russian revolution of 1917. The leadership of the movement is in the hands of the Left (Sun-Yat-Sen) Kuomintang and the Chinese Communists. Their clear aims are: Fight against the imperialists and against their lackeys, the Chinese military rulers, abolition of the "sacred" unequal treaties, alliance with the Soviet Union and with the world proletariat. In any event their whole attitude shows irreconcilability towards the imperialists.

The imperialists, right from the beginning, endeavoured to crush the present revolution by mobilising and supporting against it the Chinese military rulers, by seeking to help the Right Kuomintang clique to come into power again, by sending warships, marines and land troops to China "to defend their fellow countrymen" and by representing the revolution as being the handiwork of the Bolsheviks. Only recently they maintained an irreconcilable attitude towards the Canton Government, the headquarters of the revolution.

After the capture of the three sister towns of Hankow, Hanjiang and Wuchang by the revolutionary troops and after the annihilation of Wu-Pei-Fu and Sun-Chuan-Fang, the imperialists were forced to realise that it is not such a simple matter to crush the present Chinese revolution. Along with the policy of warships, the liberal imperialist method is now being employed. The imperialists are now minded, quite suddenly, to recognise the Canton government which hitherto they had most furiously attacked. Their governments are sending delegations to it; the newspapers no longer speak of a Bolshevik but of a nationalist Canton government. In addition, to Lloyd George and MacDonald even the King of England (see the King's speech in parliament) expresses his sympathy for the national feeling of China.

An example of the British, so-called, liberal method is the British Memorandum. As a matter of fact it is a plan for the partition of China, and means further assistance for the counter-revolutionaries. Happily the imperialists are not agreed among themselves. Japan is a particularly obstinate opponent of the Memorandum. The conflict between Japan and Great Britain is mainly attributable to the fact that the former put forward its lackey Chang Tso-Lin to consolidate its power in North China; and particularly in Manchuria, whereas Great Britain ordered him to march to the South against the Canton government. The conflict has also become so acute within the Chang Tso-Lin clique that Chang Tso-Lin, at the end of December, removed the Chief of his General Staff, Yang Yu-Chin, who is a direct representative of Japan. The imperialists of the United States are adopting a reserved attitude towards the policy of the imperialists of Great Britain, whilst those of France are closely co-operating with Japan in the Far East.

The attitude of the new German imperialism deserves remark. The leading German foreign political organ, the "Deutsche Allgemeine Zeitung", quite openly declares itself to be opposed on principle to the measures of the Canton government. It throws it into the face of the British that it was they who, ten years ago, caused China to adopt the same policy against Germany, and that they are now reaping the fruits of their own policy.



The new policy of the imperialists in China, as in 1911, aims at making use of the revolution for themselves. The Social Democrats are proud of the change in the policy of the Powers and claim to be the fathers of the idea of this liberal attitude, just as they claim to be the fathers of the Locarno policy and of the world economic Conference convened for 1927. MacDonald, immediately after the issue of the British Memorandum to China, pronounced himself to be in favour of it and against his own so-called extremist Party comrades who had opposed the Chinese policy of the government. The social democratic Belgian Minister for Foreign Affairs, Vandervelde, alone of all the representatives of the Powers has expressed unconditional approval of the British Memorandum.

The attitude of the Social Democrats towards the Chinese revolution, right from the beginning was a hostile one. In the year 1924, when the government of Sun-Yat-Sen in Canton was striving to set up autonomy of taxation, Ramsay MacDonald, who was Prime Minister of Great Britain at that time, sent warships against the Southern Chinese government and did not even deign to answer the telegram of protest of Sun-Yat-Sen. In the past year the Social Democrat Vandervelde sharply opposed the termination of the Belgo-Chinese Treaties on the part of the Chinese. He caused to be arrested those Chinese students who protested in Brussels against the attitude of the Belgian government, and had some of them expelled from the country. When the Peking government declared the treaty to be invalid, Vandervelde appealed to the imperialist Hague Court of Arbitration for the protection of Belgian privileges in China.

The German Social Democrats did not lag behind their British and Belgian ministerial comrades. They have never at any time expressed their sympathy with the Chinese revolutionary movement. When, after the bloodbath of 30th May in Shanghai, Chinese members of the Kuomintang in Berlin approached the Central Committee of the German Socialist Party for the purpose of obtaining social democratic support for a joint demonstration under the slogan of "China for the Chinese", the latter indignantly repudiated such a suggestion, declaring that the Social Democratic Party could not take part in a "nationalist" meeting as they were international (!). At a meeting of German Communist students against the Shanghai blood bath, in which of course many Chinese students took part, the then social democratic President of police, Grzezinsky, arrested all the Chinese. They were to have been expelled from Germany but this was prevented by the opposition of the German bourgeoisie who wished to win a fresh market for their goods in China.

The chief organ of the Social Democratic Party of Germany the Berlin "Vorwärts", has reported practically nothing regarding the successes of the revolutionary armies. On the other hand, if it were a question of publishing news of their defeat, it would certainly be the first paper to print this news right on the front page. Thus, on the occasion of the defeat of General Kuo Sung-Lin who went over to the revolutionary army, it went into ecstasies of joy. Only recently it printed with satisfaction a lying report published by a bourgeois agency of the secession of an under-General of Feng Yu Hsiang. Apparently the "Vorwärts" is quite in ignorance of the intended participation of the new German imperialism in the Washington China Agreement, it seems to know nothing of the constant supplying of weapons by Germany to Chinese counter-revolutionary Generals. Perhaps the lying reports it publishes regarding the Soviet grenades leave it no space for such trifling items.

The Social Democrats have not yet clearly expressed their attitude towards the Chinese revolution in their chief organ. In a propaganda paper of the social democratic district federation of Greater Berlin, "Der Kämpfer", they published an article entitled: "World War No. 2?" in which they write:

"China stands in flames; dark and immeasurable the tempest sweeps over from India; here stand the English and Russian empires in silent but violent struggle against each other."

Thus the Social Democrats regard the gigantic Chinese liberation movement as an Anglo-Russian quarrel. The whole article expresses a hostile attitude towards the Chinese struggle for liberty.

It must be exceedingly sad for the Social Democrats to see how their Chinese colleagues are faring. Tired of the common fight with Wu Pei-Fu and Chang Tso-Lin against the Kuomintang, their leader, Chang Kung-Fu recently inserted an announce-

ment in the newspaper to the effect that, owing to the disturbances in China, his office must be closed for the time being. The Social Democratic International, in their bellicose attitude towards the Chinese revolution, probably must feel ashamed of such faint-hearted colleagues.

The Kuomintang still consists to-day of two different tendencies: the Right which is aiming at the bourgeois revolution, and the Left, the Sun-Yat-Sen tendency which is directed towards the social struggle. Although the first-named tendency is still fairly strong, nevertheless the leadership of the whole revolutionary movement lies in the hands of the working class. The Chinese working class is very proud of the fact that its revolution is a part of the World Revolution. The Chinese revolutionary masses will never object to their being characterised as the advance troops of the Bolsheviki. The efforts of the imperialists and of the Social Democrats against and "for" the Chinese revolution will be without result.

## AGAINST THE FASCIST TERROR IN LITHUANIA

### Whither is Fascist Lithuania Drifting?

By X. Y.

It has repeatedly been pointed out that imperialist Great Britain and Fascist Poland are behind the Fascist overthrow of the Government in Lithuania. This is confirmed by all the new reports. Wistras, the Christian Fascist Minister of Lithuania, who undoubtedly took an active part in the preparations for the overthrow of the Government, stated on the very day after the overthrow to a member of the staff of the Jewish paper "Di jidische Stimme" that:

"The official British wireless estimated the present events in Lithuania quite rightly when it said that the Bolshevik danger which had arisen in Lithuania, had compelled the army to take the power into its own hands for the time being."

How could the wireless of the British Government be so quickly informed as to what was happening in Lithuania and definitely take the side of the upheaval? Only if the British Government had been informed as to the preparations being made for an upheaval in Lithuania and as to its nature, only if the plan had been a British one.

Even before the upheaval, the Warsaw Government obstinately spread communications about preparations for a revolution in Lithuania. Immediately after the overthrow of the Government, the Warsaw correspondent of the London "Times" wired to London that the upheaval had been directed against the Soviet Union and against the Communist Party of Lithuania. The Riga correspondent of the "Times" wired practically the same.

That the upheaval was above all directed against the Soviet Union is still further confirmed by the leading article of the organ of the Christian Democratic party "Ritas" of January 7th, which was written by the Catholic priest Krupavitchius, the leader of the Christian Democrats, who undoubtedly plays a more important part in Lithuania than the Nationalist Woldemaras, the Prime Minister, who was, caliph for an hour. In his article, Krupavitchius insolently attacks the Soviet Union and shamelessly repeats the lies about the Bolshevik insurrection.

Krupavitchius, the honourable Jesuit, makes the Soviet Union the centre of organisation for the alleged preparations for insurrection in Lithuania and emphatically points out that the political representatives of the Soviet Union in Lithuania, especially the present one, Comrade Alexandrovski, are not so much diplomats as organisers of the revolution. He repeats the despicable story of Communist terrorists and "other specialists" being equipped for Lithuania in the Soviet Union and about stores of arms and explosives and "millions in gold", which were to be received from Moscow by the party organisations of Lithuania etc.

Neither does Krupavitchius forget the famous list of the "Lithuanian Cheka" of those who were marked out to be shot in the first place, which was said to have been found at the arrest of Czerny, who was executed by the Lithuanian Fascists. This proved that Patchis, member of the Christian Democratic secret police, a champion in affairs of provocation, had not committed

his usual provocations without the blessing of the priests of the Christian Democratic party. It also proves that on the basis of these provocations, the Lithuanian Fascists intend to continue in the future taking a sanguinary revenge on the best workers of Lithuania.

This lie is made use of by the leaders of the Christian Democrats in order to acquire more merit in the eyes of Great Britain and Poland and to create a hostile attitude towards the Soviet Union in Lithuania. In the same article he openly stands out against the guarantee treaty with the Soviet Union and declares that the Christian Democrats have deliberately fought and are fighting against the treaty with the Soviet Union being concluded, as they regard it as injurious to the interests of Lithuania. He is equally opposed to economic negotiations with the Soviet Union. On this subject, he writes among other things:

"The Bolsheviks only know how to take. What can the Soviet Union give, which has been plunged into a condition of misery by the Bolsheviks?"

The leaders of the Christian Democrats, however, have not by any means always written about the Soviet Union in the tone in which they now write and which we otherwise only find among the most furious "die-hard" British Conservatives. Only in 1925, the same Christian Democrats, when they were in the Government, welcomed Comrade Tchitcherin in Kovno with enthusiasm. Later, an industrial delegation from Lithuania, headed by Steponavitchius, a Catholic priest and leader of the Christian Democrats, visited the Soviet Union to enter into preliminary negotiations, and gave very favourable reports both of the economic development of the Soviet Union and of Lithuania's willingness to make an economic approach towards the Soviet Union. This however was in the times when the Christian Democrats still carried on an independent policy. At present they sing a different tune, for this is demanded . . . by London.

The tone of Krupavitchius' article reminds us of the tone of the Christian Democratic Press of Lithuania in 1921, when the same Christian Democrats resolved to accept Hymans' notorious draft which was dictated by France and Great Britain and which to all intents and purposes amounted to an actual federation between Lithuania and Poland. At that time, the leaders of the Christian Democrats wrote just such challenging articles against the Soviet Union as they are doing at present, and demanded that all forces be gathered against the Soviet Union. At that time they found a natural ally against the Red danger in Poland, and drew the conclusion that it was necessary to draw closer to Poland. This conclusion is not yet openly drawn by the Lithuanian Christian Democrats, but their attacks on the Soviet Union will undoubtedly lead to it.

Whilst the President of the Lithuanian Fascist Government, the Nationalist Woldemaras, who is actually quite without power, assures the Soviet Union of his friendly relations to it and of the inviolability of the guarantee treaty which has been concluded with the Soviet Union, the leader of one of the other Government parties, which undoubtedly is of far greater importance in Lithuanian politics than the Nationalist party, gets up and states that they have quite deliberately fought and will fight against the guarantee treaty with the Soviet Union, that they are in favour of its being annulled and that they regard the Soviet Union as their most dangerous enemy. They are quite prepared to join even with Poland in a fight against the Soviet Union. This is perfectly clear.

In the meantime, even before the overthrow of the Government, the Nationalists had entered into an alliance with the Christian Democrats. The revolution was carried out by their combined forces. Later, this alliance was solemnly confirmed by Krupavitchius and Smetona; when the latter was "elected" President of the Republic. The Nationalists now hold some of the Ministries, but the most important posts are in the hands of the Christian Democrats. The revolution was carried out by their well-known advocate of an alliance between Lithuania and Poland, is a puppet of the Christian Democrats. The secret police is in the hands of the Christian Democrats.

Some comrades maintain that neither the Nationalists nor the Christian Democrats are in power in Lithuania, but that the country is governed by a military "Committee of Five", which is nearer to the Nationalists than to the Christian Democrats. With this we cannot agree. First of all, Plechavitchius, a puppet of the Christian Democrats, is at the head of this "Committee of Five", and is an advocate of an approach to Poland. Secondly

the Nationalists who belong to this "Committee of Five" have always been in sympathy with the Christian Democrats and regarded the Soviet Union and not Poland as their chief enemy. In the past, these former officers of the Czarist army (Daukantas, Merkis and others) were certainly by no means connected with the Lithuanian national movement, and no doubt welcome Krupavitchius' article.

Krupavitchius closes his article with the pathetic appeal:

"I must inform Moscow and all its agents that the independence of Lithuania is more precious to the Christian Democrats than is their own personal safety, and that they will answer all Moscow's threats as the Lithuanian nation, answered in the past, when it was oppressed by the Czar."

The working masses of Lithuania did actually fight to free Lithuania from the Czarist yoke. At that time however the Christian Democrats kow-towed to the arbitrary rule of the Czar. They regarded the Czar as God's Anointed, and threatened anyone who fought against his arbitrary rule, even with excommunication from the Catholic Church. The Christian Democrats were the open enemies of the working masses of Lithuania, their freedom and independence.

We see the same thing now. As they previously cringed to the Czarist rule, so they now cringe to London and Warsaw and are leading Lithuania not to the consolidation of its independence but to its destruction, to its transformation into an appendage of Poland.

This is what Fascist Lithuania is drifting to. This explains the mean attacks of Krupavitchius, the leader of the Christian Democrats, on the Soviet Union and his lie about the Communist revolt which has not yet disappeared from the Fascist Press of Kovno. The Christian secret police is constantly "discovering" new "communist organisation for revolt" and is preparing for new deeds of violence. Moscow is said to be the centre of organisation for this "revolt". This is why we are compelled to speak. For this reason it is necessary to continue to unmask the shameful lies of the Lithuanian Fascists and to protest against the White Terror in Lithuania.

## Vindictive Verdicts in Lithuania.

By Z. Angaretis.

**Woldemaras**, Chairman of the Lithuanian Ministerial Council, recently declared in the Sejm that

"The Communists were shot on the strength of a judicial verdict. The Government had no say in the matter. If the persons still under arrest are found to be innocent, they will be pardoned."

This hypocritical announcement on the part of mere marionettes in the hands of the savage officers of the "Black Hundred", is in direct contradiction to all facts. Far from being shot on the strength of a judicial verdict, the four Communists were simply delivered up as victims to the officers' clique. Not even that miserable parody of a tribunal, the court-martial of the 2nd Infantry Regiment, was able to furnish any incriminating evidence. The witnesses summoned to appear were Ratchis, the former chief of the secret police, notorious for forgeries and provocations such as even aroused ample comment in bourgeois papers, Veyis, the heroic originator of the "electrification" of prisoners, and other wretched creatures of the most reactionary clerical regime.

But even these renowned provocateurs and forgers failed to furnish any fresh material or to add any colour to the rumour as to the preparation of a Communist rising. Even this tribunal of depraved officers found that it was hardly possible to speak in their verdict of a rebellion which the Communists never initiated. They had therefore either to fall back on the old fable of 1923 and 1924, or else make do with evidence already proved null and void. And later, when Comrades K. Poshella and J. Greifenberger started unmasking the witnesses recruited from among the secret police, the "court" hastened to silence them.

What, then, was the nature of the evidence on the strength of which the four Communists were shot? Let us examine the case of comrade Raphael Tschernyi-Tscharnyi, accused of being the organiser of the Communist "Tschaka", which is supposed to have passed a resolution aiming at the murder of numerous



officers and members of the former and present Lithuanian Governments; in this connection Tschernyi is alleged to have been found in possession of a list of those persons whom the Communists proposed to assassinate. The whole thing, however, is pure fiction. When Comrade Tschernyi was arrested a few years ago, exactly the same accusation was raised against him. Then, too, he was placed before a court-martial, which was eventually forced to abandon the charge of provocation raised by the secret police, condemning Comrade Tschernyi to four years' penal servitude merely on the charge of belonging to the Communist Party. By reason of the amnesty, Tschernyi was set at liberty in July last, only to be impeached again recently by his tormentors on the same old charge slightly forged by the substitution of the year 1926 for the dates 1923 and 1924.

Or, let us take the case of Comrade Kasis, Gedris, who was now called to account as a member of the Central Committee of the Communist Party of Lithuania, although he was in fact only a member of the Central Committee of the "Red Aid". In proof of his guilt, documentary evidence was extracted from the archives of the years 1923 and 1924 and, by means of the same "slight" falsification, applied to the year 1926. On the strength of this same evidence, Comrade Gedris had already on a former occasion been condemned to five years' imprisonment, in which connection the then court-martial ignored the greater part of the incriminating evidence furnished by the secret police as not sufficiently creditable. In July 1926, Comrade Gedris, too, regained his liberty by virtue of the amnesty. And now, on the basis of exactly the same evidence, he has been condemned to death and shot.

The same circumstances apply to the cases of the Comrades K. Poshella and J. Greifenberger, both of whom were originally arrested in April 1926. Both of them were confronted by Ratchis with copious forged evidence. Inter alia, several letters were removed from among the papers found in the possession of Comrade Poshella, as being contradictory to the evidence prepared by Ratchis. A judicial treatment of the case, however, failed to take place on the first occasion, seeing that the amnesty restored both Poshella and Greifenberger to liberty and caused the charge to be abandoned. The old evidence was raked out of the archives and the two comrades were shot.

On the basis of the Constitution and laws of Lithuania, the tribunal could not have condemned any of these prisoners, not to speak of causing them to be shot. But in the opinion of the Fascists, Communists must not be judged but annihilated. The new Government, which consists of the military party and the Directory of the Five (Merkis, Plechovitch, etc.), since Smetona and Voldemaras are mere figure-heads to mask the actual dictators — sacrifices the Communists to the sanguinary revenge of those officers that distinguished themselves on the occasion of the Fascist upheaval. These men arrange a farcical trial, invite as witnesses old members of the secret police, such as Ratchis, deprive the accused of all possibility of exposing these secret agents, and pronounce the death-sentence. Smetona and Voldemaras — professedly — protest against the execution, but eventually yield, "under pressure" to Plechovitch and Shukovsky.

The sanguinary revenge taken on the four Communists constitutes the bribe paid by the dictators to the reactionary clique of officers. The dictators know that their position is insecure; they fear that the officers, baulked in their prospects of putting down the alleged "Bolshevist rebellion", might turn against the leaders who are driving Lithuania into the arms of Poland. They tremble with fear lest the Lithuanian militarists remember the Polish origin of the heroes of the Fascist upheaval — men like Glovatzky, Plechovitch, or Dankautas — or recollect the treachery of the commander-in-chief Shukovsky. Hence the necessity of delivering up the four Communists to the sanguinary rage of the military clique and of exploiting the murder of these Communists as a cloak to hide the gravitation towards Warsaw of the Lithuanian Fascist dictators.

To the same end, yet more executions are being prepared. At Kowno eight more comrades have been handed over to the court-martial (P. Glovatzky, Adamovsky, and others), while the same fate is shared by eight others at Shaulen, six at Ponevish (including Goshko, Berger, and Domashevitch), and six at Memel (among them Vokelait). With a view to their trial, old documents based on false evidence are again being raked out of the archives. The object here, at issue is the total physical extermination of the Communist Party and the destruction of all and every labour organisation by acts of sanguinary terror.

## THE TRIAL OF RAKOSI AND HIS COMRADES

### The Rákosi Trial before the Court of Appeal.

Budapest, January 13th, 1927.

Today there began the proceedings in the trial of Matthias Rákosi, Karl Oery, Katharina Háman, Ignatz Göögös, Zoltán Weinberger and 29 other accused communist comrades.

As was the case in the chief proceedings in June 1926, the 31 members of the Hungarian Socialist Labour Party stand before the court together with the members of the Communist Party. As is known, at the first trial, the Communists were without exception pronounced guilty, and received severe terms of imprisonment; on the other hand the Public Prosecutor was unable to bring serious evidence against the Socialist Labour Party and only succeeded in getting the members of this Party condemned on account of "stirring up class hatred". The Public Prosecutor is now obviously making a fresh attempt to "prove" that the leaders of the Socialist Labour Party are Communists in order to enable the government, on the strength of a verdict of the courts, to proceed against the Labour Party more drastically than hitherto.

Comrade Rákosi and his comrades stand before the court for the third time. At first, immediately after the arrest of Comrade Rákosi and four of his fellow-fighters, the Hungarian government endeavoured to bring them to the gallows. They were brought before the Special Court and the hangman had already made preparations to execute the death sentence. The indignation of international public opinion, the stormy protests of the working class of the whole world and of thousands of intellectuals, however, in the last moment, thwarted the murderous intentions of the Hungarian government. Thus it was that the proceedings were transferred to the ordinary court.

These trials, and especially the courageous, death-defying attitude of the comrades before the court, aroused a tremendous response both in Hungary, in the suppressed and isolated working class, as well as among the proletariat of the whole world. In the shadow of the gallows, before the Special Court, just as before the threatening sentence of hard labour of the ordinary court, Rákosi, Oery, Háman and Weinberger fought for the liberty of movement of the Communist Party of Hungary, for the Communist International and for the Soviet Union with such a powerful revolutionary propaganda as is scarcely to be seen in the history of the political trials of the last few years. It was in vain that the judges endeavoured by a whole number of disciplinary punishments to intimidate the accused; they could not weaken the propagandist effect of the trial. The Rákosi process had a tremendous political effect in Hungary.

According to every indication, the proceedings before the Higher court will not be a pure formality. The proceedings will be held under the chairmanship of the President of the Royal Court, Gado, one of the most notorious judges of the white terror who, on the command of the government, pronounced death sentences without any justification.

The Rákosi Trial has already brought two defeats for the Bethlen government. The protests of the international working class, the propaganda before the court, by which Rákosi and the others succeeded in coming forward in the judgment hall on behalf of the Communist Party of Hungary, was a very bitter pill for the Bethlen government. Now, intoxicated by their election victory, they wish to take revenge for the defeats they suffered. The trial before the Higher Court is taking place in a situation in which the Bethlen government, strengthened in its position at home and justified by the foreign political situation in cherishing reactionary hopes, wishes to open the offensive against the entire Hungarian labour movement.

The Hungarian government, however, is not satisfied by causing Comrade Rákosi to be terrorised by the blood hound Gado. According to newspaper reports the Public Prosecutor has already prepared the charge sheet against the People's Commissar Rákosi, and is preparing the "proper" trial of Comrade Rákosi in which, among other things, he is to be called to account for 283 murders alleged to have been committed during the time of the Hungarian Soviet republic. The axe of the executioner is again to be poised over Rákosi's head. And

this threat is intended to induce Rákosi to moderate his language.

There is no doubt, however, that the accused Communists will behave as courageously in this trial as they did in the former.

The proletarian masses of all countries and all the opponents of white terror must again unite in a protest demonstration in order to continue the defence of Rákosi and his comrades against the murderous intentions of the Hungarian government. The real defence was, is and remains the work of the entire international proletariat.

One of the accused, Peter Némef, a shoemaker, who was charged with taking part in the Congress of the C.P. of Hungary, will be unable to appear before the Appeal Court, for the very good reason that he is dead. Comrade Némef who had been a Commander of the Red Army in Soviet Russia and was one of the first who was decorated by the Soviet Government with the Order of the Red Flag, was, after his arrest in Hungary, tortured in the most fearful manner, by the Bethlen blood hounds. As a result of the tortures he became seriously ill and died, a week ago, without having received any medical attendance. The Public Prosecutor did not even inform the relatives of his death. The repeated request of Comrade Némef that he be released in order that he might receive medical treatment, was continually refused by the Public Prosecutor, in spite of the fact that Némef had served more than half of his sentence. The ring-leader of the Franc forgers, however, Prince Windschgrätz, is enjoying himself in one of the best sanatoriums of Buda-Pest.

## IN THE INTERNATIONAL

### Resolution of the Moscow Provincial Conference of the C. P. S. U. on the Situation in the Soviet Union and on the International Situation.

The 15th Party Conference of the C. P. S. U. in the province of Moscow, having received and discussed the report of Comrade Bukharin on the international and internal situation of the Soviet Union, states as follows: The correct and firm policy of our Party and of its Leninist C. C. has guaranteed a tremendous development of the productive forces of our country, based on the reinforcement of the leading part played by Socialist national economy, has maintained and consolidated the alliance between the working class and the peasantry, raised the material level of the working class and the prosperity of the working masses, consolidated the internal and international positions of the proletarian dictatorship, preserved the unshakable unity of the Leninist ranks throughout our Party and still further increased the significance of the Soviet Union as the vanguard of the international proletarian revolution.

Our success is all the greater since it has been achieved in spite of the economic difficulties through which we have recently passed, in spite of the intensified fight which the capitalist States have carried on against us, in spite of the unceasing fractional assaults of the anti-Leninist Opposition Block.

The country of socialist construction, the Soviet Union, becomes with every year of its existence and prosperity, a firmer support of international socialist revolution with our proletariat as its vanguard.

The 15th Party Conference of the Province of the Moscow points to the success of the developing world revolution and its advance along intricate paths: The intensification of the class war on the European Continent, the struggle of the English miners, the Chinese revolution, the insurrection in the Dutch colonies. Our Party, which was, is and will be an internationalist Leninist Party, is of the opinion that Socialist consolidation, the strengthening of the Soviet Union is an inseparable component and the chief stimulus of the international revolution.

The 15th Conference declares that the serious accusation against the Party that it is limited by narrow nationalism and by a National Reformist policy is utter nonsense and a calumny. The Conference believes that the international situation in-

volves great dangers for the Soviet Union. The contradictory attitude of the capitalist countries towards the Soviet Union (on the one hand the desire for normal economic intercourse on the basis of the intensified struggle for markets, on the other hand the fear of the growth of socialism in our country and hostility to the Soviet Union as the centre of the proletarian world revolution) is the cause of the lability and ambiguity of the whole policy of imperialist diplomacy.

The Conference records that at the present time actively hostile tendencies have gained the upper hand in the policy of the international bourgeoisie towards the Soviet Union, that a number of States, under the leadership of the Conservative Government of England is more and more clearly showing a growing tendency to break off peaceful relations with us and to enter on to the path of armed adventure (Poland, Rumania, Lithuania).

The broad strata of the proletarian and peasant masses in our country, who are filled with the desire for peace and peaceful construction, are justified in the concern they feel at the open and secret preparations for war and intervention against the Soviet Union, the wild diplomatic attacks, the military councils and equipment of the border States of the Soviet Union, the shameless campaign of calumination of Social Democracy, the whole chain of Fascist revolutions and conspiracies etc.

The Conference calls upon the workers and peasants of the Soviet Union and the whole proletariat to be ever on its guard, it calls upon them to devote untiring attention to every hostile step of belligerent imperialism.

The working class of our country will continue to carry on consistently its peace policy, but it will be ever on its guard and will never for a moment forget the necessity of strengthening the defensive force of our country in every respect.

The Conference, whilst reporting the danger of war which threatens us from the side of the imperialist countries, places in the foreground the task of strengthening the Red Army of workers and peasants and suggests that the whole attention of the working masses should be concentrated on the question of the defence of the Union of the Socialist Soviet Republics.

The Conference is of the opinion that our Party is, in the interest of re-inforcing our socialist construction, correctly making use of the present conditions of a breathing space and the economic relations with the capitalist world. Like the whole Party, the Moscow organisation holds the view that we possess all the pre-requisites for victorious socialist construction in our country and heartily approves of the resolutions of the Party, the National Conference and the Plenary Meetings of the C. C.

In the present circumstances, when the financial position of our country places large sums in our hands and when we can apply the powerful instrument of the monopoly of foreign trade, the growth and expansion of our economic relations to the capitalist countries will lead, if the Party pursues the right policy, to a consolidation of our socialist positions, to the acceleration of the industrialisation of our country, thus making our country more and more economically independent. The Party Conference unanimously rejects the pusillanimous defeatist error, the views of the Opposition as to our alleged "growing dependence", as to the alleged increasing control of world capitalism, the opinion that we are only a "function of world economy". The Conference reports that, in spite of the pessimistic prophecies of the Opposition, the line of an equal and rapid rate of development in industry and agriculture taken by the Party — in accordance with the resolution of the 15th Party Conference, has led to considerable success in the industrialisation of our country, to the alleviation of the urgent demand for goods, has ensured the success of the State and co-operative provision of corn during the autumn campaign this year and has made it possible further to increase wages; it has raised the question of the reconstruction of our whole national economy in its full importance and has made it possible to undertake a number of big building plans (Dniepr power works, Semiretchensk railway, Volga-Don canal, the construction of naphtha from Grosni to Tuapse), which have created a new technical basis for the development of socialist construction.

At the same time the Party was faced last year by a number of important tasks, the most conspicuous of which was that of regulating prices; the excessive height of retail prices, caused by the factory prices still being high and by the excessive trading costs, represent a danger for the further development of industrialisation in that they make it difficult to develop national economy and especially agriculture systematically, in that they interfere



with the development of a basis for agricultural raw materials for industry, retard the growth of the actual wages of workers and produce discontent amongst the broad masses of peasants.

The Conference emphasises the necessity of a further decisive mass fight against the bureaucratic defects of the apparatus for the administration of industry and trade — these defects are due in a considerable degree to the position of monopoly held by these institutions —; at the same time the Conference states that the chief measure to be taken for reducing prices is the reduction of the cost price of industrial products by the rationalisation of industry, systematically prepared and carried through with all energy.

A no less important task is that of combating unemployment. Apart from the expansion of industry, the chief means for overcoming unemployment must be the intensification of agriculture, the cultivation of new areas of land, the intensification of the work of the agricultural co-operatives, in the first working up of agricultural raw materials and the development of co-operatives for retail trade. By these measures it will be possible in a short time to find occupation for considerable numbers of the surplus rural population.

Our policy is the only right proletarian policy of the movement towards socialism on the lines of the N.E.P. The 15th Party Conference of the province of Moscow demands that this policy be continued, it demands that the socialist elements in our industry be developed, that the social groups (Nepman; Kulak), which are hostile to us, be defeated in the economic field and that a class war be carried on against them. The block between the proletariat, the rural poor and the middle peasants must be strengthened in every respect. The support of the rural poor, of the agricultural workers and especially the measures for supporting the unemployed must be increased.

The fulfilment of all the enormous international and economic tasks by which the Party is faced, the consolidation of the proletarian dictatorship, are unthinkable without a maximum development of proletarian activity. On the basis of the proletarian Democracy, the work in the biggest proletarian organisations, the trade unions, must be developed with special energy. The masses of workers, even those which are backward, must be enlisted in the work of socialist construction through the trade unions. The trade union members must concern themselves more closely with the questions of economic construction (conferences on production, fight against bureaucracy in industry, discussion of every-day questions, price policy etc.). The tasks of the proletarian nucleus both in the work of the reviving Soviets and in the co-operatives, the activities of which must be more and more placed under the control of the masses (the duty of rendering accounts, the electibility of the functionaries, voluntary membership) are no less important. Efforts should be made to raise the ideology and the organisatory hegemony over the whole mass of workers by increasing the activity of the working class, in that the Party wards off with decision any attempt to influence the masses of workers and peasants by petty bourgeois and bourgeois ideology.

The Conference is of the opinion that the task by which the Party and the working class of the country is faced, can only be properly solved if the ideological and organisatory unity of our Party and of the Communist world movement is further consolidated, if a relentless fight is carried on against ideological vacillation, against any instigation to panic, against social democratic deviations, against the revision of Leninism, against every fractional attempt to form Opposition groups. The Conference calls upon the whole Party organisation at Moscow not to relax the support it as hitherto given to the Leninist C. C.

## The Bankruptcy of Fractionism in the C. P. of Austria.

Statement by the Politbureau of the C. P. of Austria.

At the session on January 9th, 1927, the Enlarged Central Committee of the Communist Party of Austria decided to expel Joseph Frey from the Party. This exclusion brings the C. P. of Austria to the end of a disastrous fractional fight, though the member excluded may still try for some time to interfere with the work of the Party.

The history and the motives of this expulsion deserve for two reasons to be included in the treasury of international ex-

perience of the Comintern. Firstly, they show whither a calcified fractional fight without principle must by its very nature lead; secondly, they contain a dangerous reflection of the Austro-Marxist Social Democracy within our ranks.

The expelled member, Dr. Joseph Frey, held a position of a certain importance in the C. P. of Austria. When in November 1918, the revolution placed the Austrian workers before revolutionary tasks, Austrian Social Democracy was in a specially awkward position. The workers were strongly radicalised and sympathised with the Communist Party, which had just been formed — though not in an organised form. The masses streaming back from the front, had arms in their hands and were prepared to make a clean sweep. A Red people's militia was formed, consisting of soldiers belonging to the working class, who made it their aim, though not in full consciousness, to establish a "Red Republic" by force of arms. The workers' councils, which had sprung up during the war, were at first at the helm of affairs. In Hungary and in Bavaria, the rule of the workers was actually established and, for a short time, the key to revolution in Central Europe was in the hands of Austria, which lay between two countries ruled by the workers.

In this situation Social Democracy would have needed to employ very clever tactics in order to stifle the revolution. In order to carry out these tactics in the struggle against the C. P. of Austria, it was obliged to enlist the help of Left leaders, who up to that time were unknown and who were uncompromised. One of these leaders was Dr. Frey. His particular field of activity was that of detaching the soldiers and their councils from the revolutionary front. He succeeded in detaching them.

Even in the time that followed however, Social Democracy found itself in a very serious position. The trend towards the Left of the Austrian workers was not so easy to arrest, and it found expression in the development of a Left wing of the S. P. of Austria and of the Workers' Council of the day. Dr. Frey was one of the leaders of this wing. The leaders of the S. P. of Austria however treated this wing extremely cleverly; furthermore the C. P. of Austria made certain mistakes, so that the S. P. was soon in a position to expel Frey with a fairly small group from the Party.

After he joined the C. P. of Austria, Frey was constantly trying to force himself upon the Party, which could not forget so easily his behaviour at the time of the revolution, as "the" leader. These efforts of his soon took the form of unprecedented, personal and violent fractional fights (since become famous in the Comintern). Since the beginning of 1923 Frey has not belonged to the C. C.; another reason for him to continue the fractional campaign with all the greater intensity. For years now the Party has been completely paralysed and has even taken retrograde steps. At the beginning of the fractional campaign, it counted more than 10,000 paying members, had tens of thousands of sympathisers gathered round it; the issue of the Party Press far exceeded in numbers the Party membership. All this was partly destroyed by almost three years of continued fractional fighting carried on unscrupulously, almost the whole Party sharing at first in the self-destruction.

The fractional fight which had flared up over the most negligible political differences, was in a large measure personal. It was waged between on the one hand Frey and on the other hand Comrade Tomann, who had been the leader of the Communist Party until Frey joined it.

After the Comintern had made repeated attempts to smoothe things out, at first in vain, the Party members, who were at last thoroughly tired of fractional fights, resorted to the only possible remedy — they detached themselves from the fractional leaders on both sides, the provincial organisations making a special contribution to the consolidation in contrast to the capital city of Vienna, which was particularly saturated with the poison of the fractional fight.

What happened then, was an example of unusual lack of principle and character. No sooner did the leaders of the fractions, who had up to that time wished to expel one another from the Party, see themselves isolated than, within twenty-four hours, they formed a "firm" Block, in order, by this feat of a pretended "union", to force themselves on the Party as the "destined" leaders. The last Party Conference of the C. P. of Austria in September 1925 however unanimously rejected this unprincipled Block and equally unanimously selected a Central Committee consisting of the most experienced of the workers' functionaries

and set it the special task of cleansing the Party from every form of self-destruction with relentless determination and leading it to serious work amongst the masses without any pompous "important policy".

A new period in the development of the C.P. of Austria then began. It is a matter of course that, in view of the impotence of Austria, which is known to every worker, and of the importance and skill of the S.P. of Austria which is largely due to this incapacity, our Austrian Party cannot at present expect brilliant results. Now, at last, after years of incessant retrogression, our Party begins to show some progress. The Party has already had very good results in the factory council elections in the most important Austrian factories, relatively good results in the elections to the Labour Chamber, good and successful work in supporting the appointment of a Labour delegation. The Party has begun to do fruitful, serious work among the masses. It has gained new members, activated the old ones, improved the Press and begun to reorganise itself.

The unprincipled fractional Block made use of the period when the Party was doing active work and willingly gave credence to its declaration that it intended to give up all fractional work, to continue its fractional activities. Frey especially began an unscrupulous campaign which did not even shrink from acts of direct sabotage. He advocated the slogan "fraction before shadow Party" and gave his partisans instructions to do nothing to prolong the life of this shadow party through "transient" success.

The internal logic of the fractional fight finally led to measures which meant an undisguised split in the Party. Frey resorted to these measures because he realised that he would never succeed in gaining the confidence of the Party, never succeed in gaining the confidence of the Comintern. The final blow was given him by the clear attitude of the E.C.C.I. which completely approved of the line taken by the C.C. and severely condemned the "activities of the Opposition". Frey who, when it came to the point, only cared to "be the leader of the Party", was faced by the alternative of either throwing up the sponge and putting himself unreservedly at the disposal of the C.C. or of splitting the Party. Frey chose the latter. His partners in the Bloc refused to follow him along this path; the unprincipled Bloc collapsed without political reason, and as suddenly as it had come into being.

Frey organised, quite publicly, central plenary meetings of his party; he collected subscriptions in the fraction, amongst whose leaders were dangerous elements who had been excluded from the Party; he began to publish a newspaper of his own which attacked the C.C. with unexampled personal offensiveness, he refused to answer for his behaviour to the Enlarged C.C.; he declared with cynical frankness in his paper that his fraction was the party, that the prohibition of fractions and that discipline were only valid in a party which carried on a policy which in his opinion was "correct".

Frey, who carried on a fight for power in the Party, which fight in its nature was completely non-proletarian and petty bourgeois and was guided only by his lust for power, in so far as he expounded political views at all, showed them to be deviating along the most dangerous social democratic lines. Frey's political platform, which he propagated within the Party by making use of his fraction, proposed:

1. The C.P. was to renounce all claim to have its own economic demands represented and was to take its stand on the basis of the demands of the S.P. "for reasons of exposure", which programme of demands Frey himself could not but describe as "a programme at the expense of the working class". Frey insisted that, in so far as the C.P. did make demands of its own, they should be measures which were "calculated really to alleviate the crisis of capitalism".

2. The C.P. was to demand the sole rule of Social Democracy as the "concrete form for Austria of the general slogan of the Worker and Peasant Government".

3. The C.P. was to arrange its tactics in such a way that the masses of workers would have the opportunity of convincing themselves "by their own bitter experience" of the falseness of the illusions they had cherished hitherto.

When the central organ of the C.P. analysed these views and pointed out that they were irreconcilable with Communist policy, Frey silently dropped his whole "line of action", only to continue more intensively with his personal fight and his efforts to bring about disruption.

Needless to say, Frey has not abandoned his views. He only gave further evidence of unprincipled factionism which, for reasons of opportunism, marches "for a time" with its colours furled. As a matter of fact, the campaign carried on contrary to his "political" views and the measures taken by him for disrupting the Party, have begun to lead back to the Party those workers who had up to the present supported him out of honest, though misguided conviction.

The fact that Frey has been able to use for his own purposes, even the few members of the Party who backed him, is due to the circumstance that even now many Austrian communists have not learnt to estimate rightly the special conditions of communist work in Austria, and therefore tend to reduce the great objective difficulties to the question of "the qualities of leadership". These comrades have now received the best possible lesson from Frey himself. The C.P. of Austria will only be strengthened by his expulsion.

The Czech central organ of the S.P. of Austria has already publicly invited Frey to join the S.P. which "takes exactly the same point of view". Well then, the C.P. of Austria has expelled a fractionist without scruples, who thirsts for power, destroys the Party and aims at disrupting it, and who, moreover, holds social democratic views. Thus, the Party, by the determined cleansing of its ranks from injurious factionism and from dangerous coquetting with Social Democracy, will find the inner force and unity which it needs in order to win over thousands of Social Democratic workers!

## UNION OF SOVIET REPUBLICS

### Is the Soviet Union Threatened by Inflation?

By M. Bronski (Moscow).

From time to time, the bourgeois and Reformist Press circulates one of the usual inventions about the Soviet Union. Above all, the French bourgeois Press has specialised lately and amuses itself by wild inventions as to a deterioration of the economic position of the U.S.S.R., of an inflation which threatens the Soviet Union etc.

As a rule, all these inventions are absolutely lacking in foundation.

The autumn of 1925 really brought with it a number of complications in the development of the national economy of the U.S.S.R. The exaggeration of the estimation of the harvests and of the possibility of export, the unusual rate of new investments in the individual branches of industry, the insufficiently careful credit policy of the issuing bank led to an intensification of the urgent demand for goods and to a certain increase of prices which resulted in part of the gold reserves passing out of the hands of the National Bank. These difficulties were recognised in good time and in any case, proved to be very short-lived. During the whole economic year 1925/26, the chief concern of the development of the national economy of the U.S.S.R., was to overcome these difficulties. In addition to increased industrial production (by 41% as compared with the economic year 1924/25) a cautious credit policy was introduced, and we entered on a campaign to stabilise our currency and to reduce prices.

The result was that in May 1926, which was the turning point in this respect, the chervonez began to be stabilised. From May to October the index of prices showed a considerable decrease. The index has dropped by 18 points in wholesale trade and by 20 points in retail trade, the urgent demand for goods is decreasing as regards a number of items, further the demand in the open market for gold and foreign currency is relaxing, and the reserves of the National Bank in the form of gold and currency are beginning to increase.

Whilst these phenomena, which are an unmistakable sign that the danger of inflation has been overcome, could, in the summer, still be attributed to a certain extent to seasonal conditions, i.e. to the usual depression in trade during the summer, the favourable juncture of affairs of the late autumn and winter months proves with indisputable clearness that the re-establishment of the currency which has been achieved, is not of a transient nature but has a stable foundation. Autumn is regularly one of the most difficult periods for the industry of the U.S.S.R., as it brings with it an increased demand on the part of the peasants, a rise in the prices of industrial products, an exacer-



bation of the financial situation in industry in connection with the buying up of raw materials and similar accompanying symptoms. Autumn 1926 on the contrary shows a picture of complete stability of prices (wholesale trade index of October 1st = 1.79; of December 1st = 1.78), a picture of a lessening of the financial difficulties in industry, of an increase of the reserve of gold and currency, of a growing influx of money on current accounts, especially into the savings banks. (The latter beat the record in regard to the amount deposited in November 1926.) A further proof of the stabilisation of the currency is the success of the lottery loan issued by the Government of the U. S. S. R. in November 1926. In spite of the pessimistic estimates made in anticipation, the loan, to the amount of 30 millions, was completely taken up in the course of a month, and that exclusively by private customers (without any participation of the banks, State concerns etc.).

Is it possible that there may in future be such fluctuations in the currency or difficulties of the kind which we experienced in the autumn of 1925? A study of the juncture of affairs in the national economy of the U. S. S. R. makes it completely justifiable to give a negative answer to this question. The Budget of the Union, which covered its deficit even before the reform of finances was carried through, has never threatened the stability of the currency. The dangers threatening the currency were to a much greater extent the result of a lack of capital in the country which prompted the National Bank to issue uncovered notes in a degree which exceeded the actual possibilities of the country. In connection with this, the cautious credit policy adopted by the National Bank from 1926 onwards, gave rise to a certain anxiety as to the fate of industry and trade.

The further development of the national economy, however, shows that a considerable and what is more, a rapidly growing accumulation is taking place in the industry of the U. S. S. R. The scheme of the development of industry in the current year is already based chiefly on turning to account the internal industrial accumulation and the possibilities of the Budget. The increase of accumulation among the working population (whose money is deposited in the savings banks and in the form of national bonds) are a further source from which means are supplied for the development of industry. This results in the last danger which might threaten the tchervonetz — the danger of an inflation of credit — being wiped out.

By this alone, the stability of the tchervonetz is guaranteed.

## THE WHITE TERROR

### For the Victims of the White Terror in Bulgaria.

Insist upon Permission to Help the Victims of the White Terror in Bulgaria being granted.

The brutality of the Liapchev-Zankov regime has never been so grossly evident as in the prohibition of help being given to the widows and orphans of the victims of the White Terror, and the persecution of those who offer it.

On the occasion of the last wholesale arrests in Bulgaria, dozens of wives of workers and intellectuals were arrested and tortured and some of them handed over to the court on the basis of the law for the protection of the State, merely because they were either receiving help as widows or were giving help.

In November 1926, the following persons were arrested and tortured in Sofia and Sliven merely because they were giving help. Nadejda Traikova, a woman worker from Sofia, was brutally tortured in the chief offices of the police of Sofia and Sliven. She is still detained in prison.

The wife of Jela Jeko Dimitrova, the murdered General Secretary of the trade unions was so brutally beaten for twenty days in succession at the chief offices of the police in Sofia, that on her release she could not walk because her feet were so swollen in consequence of her sufferings. She is the mother of three fatherless children.

The wife and daughter of Nikola Grabovski, the murdered deputy and lawyer, were also tortured in the chief office of the police in Sofia.

The widow of Dimo Chadji Dimov, the murdered deputy, and many other women, girls and boys, suffered the same fate, being tortured for weeks in order to extort from them a confession as to who had received support and who had given it.

In Sliven more than twenty persons, including some women, were arrested, under the accusation of having formed a committee for the relief of the political prisoners and the surviving relatives of the victims of the civil war.

The sum of 7000 leva (= 50 dollars) was taken from this committee by the police. An "accusation of conspiracy" was brought against this committee.

Dimiter Tchitchovski, a lawyer in Sofia, was kept in prison on remand for two months and tortured and then released, only to be arrested again in a few hours. He is accused of having defended political prisoners as their lawyer and of having given a small sum for the relief of widows and orphans in Sliven. He is now to be tried for "conspiracy".

In connection with these arrests, the Government Press began an agitation, in which they alleged that the subscriptions came from Paris (by which they mean the Paris-Balkan Committee for Combating the White Terror) or from the International Red Aid. This is sufficient reason for branding the victims who receive such support or those who distribute it as "conspirators" and "elements hostile to the State", and punishing them.

Liapchev himself made a statement in Parliament as to the "discovery of a new organisation of conspirators in connection with the I. R. A." (!)

Blagoi Zachariev, a teacher, is being sought for everywhere because he is said to have distributed donations to the victims of the White Terror.

Assen Bojadjev, the editor of the trade union journal "Edinstvo", who has been under arrest for months without any reason, is also accused of having given 2000 leva (14 dollars) for the widows and orphans of victims of the civil war.

A. Bildirev, a Sofia lawyer was also arrested for having given legal advice to political prisoners. As is well known, the "irresponsible elements" prevented all lawyers, even the bourgeois ones or those belonging to no party, from defending Communists by sending them threatening letters and by attempts on their life.

On the occasion of Christmas, the chief office of the police prohibited any collection of money in Sofia. It meant of course only those for the victims of the White Terror, for the collections of bourgeois philanthropic associations and in churches were naturally allowed to proceed undisturbed.

As the direct prohibition of material support being given to the victims of the White Terror is not provided in the barbarous "law for the protection of the State", the Government is now preparing a new law which pretends to regulate the activities of philanthropic associations but which really is to make the prohibition of collections for the victims of reaction legal, and thus fill up the "gap" in the law for the protection of the State.

On the basis of a regulation recently issued by the Ministry of Justice, all political prisoners are to be removed to very remote prisons, so as to render it more difficult to help them. The prisoners are to be removed from their native places and to be isolated in remote districts.

The following case throws the most glaring light on the baseness and the barbarity of the present regime of murder in Bulgaria.

In the district prison of Plovdiv there is a farmer from Karlovo called Rantcho Kementchiev. He has been sentenced to death and has been expecting the sentence to be carried out every day for a year. He was persecuted as a Communist. As he hid himself, the authorities declared him to be a dangerous conspirator. He was arrested in the following way: The wife of an informer was sent from Plovdiv to Karlovo, ostensibly to bring relief to the victims of the White Terror. (!) At her request, the relief was to be distributed by Rantcho Kementchiev personally, to whom she was to hand over the money personally. When he put in an appearance, in order to take over the money, he was arrested. This was not enough; his mother, Rida Kementchiegiewa, a sixty year old woman, was also arrested. The son was sentenced to death the mother to fifteen years imprisonment, the latter as an "accessory to the crime", because she had concealed her own son. The old mother is still in the prison at Plovdiv and has gone out of her mind as a result of physical and mental tortures.

In the town of Shumen, six schoolboys and a student were arrested last year because each of them had given five leva (about 4 cents) for the political prisoners; — two of them had brothers in prison.

Two respected personalities, Anton Strashimirov, a Bulgarian writer and Marcam, an American journalist and



missionary who has lived in Bulgaria for many years, raised their voices in vain and tried to oppose the wild persecutions of the White Terror and to appeal for material help. Both of them paid for their courage by threats on their life and a furious Press campaign against them. Strashimirov was even arrested and is now awaiting trial; Marcam, the American, is threatened with expulsion from Bulgaria.

The international workers and other delegations in Bulgaria have also tried to effect some help for the mitigation of the unbearable situation of the victims of the White Terror. These attempts have also failed owing to the threats of the Government and other obstacles.

The cruel persecutions in Bulgaria are still going on. Indeed, the number of persons arrested and tortured is constantly increasing, the misery and distress of the relatives and survivors is steadily growing. Just in this situation, the necessity of help being given to the victims of reaction and of the White Terror in Bulgaria is more urgent than ever. A powerful protest on the part of the international proletariat would make it possible to put an end to these ghastly conditions and to gain by force the permission to help the relatives, widows and orphans. The immediate demand in the present fight against the White Terror in Bulgaria should be for freedom to collect and distribute relief, and for this to be carried out at once.

## IN THE CAMP OF SOCIAL DEMOCRACY

### Julius Barmat before the Court.

By Arthur Rosenberg (Berlin).

As a New Year's treat for the German republican citizens, the trial of Julius Barmat before the Berlin Court has begun. Once more the heroic deeds of this eminent man of the 2nd International will be before the public. It is calculated that the Barmat trial will last nine months. The deed of accusation is published in the form of a thick book. In addition to Barmat, a dozen other accused will appear who come into question as accomplices in his profiteering transactions.

The Barmat scandal in 1925 brought about the fall of a former German Chancellor (Bauer), the active German Postmaster General (Hoelle), the active Police President of Berlin (Richter). Three "Reichstag" deputies had to resign their mandates because of the Barmat scandal, i.e. the two already named, Bauer and Hoelle and further the deputy Lange-Hegermann. Of the politicians mentioned, Bauer and Richter belonged to the S.P. of Germany, Hoelle and Lange-Hegermann to the Centre party. Heilmann, the President of the Prussian "Landtag" fraction of the S.P. of Germany, admitted that he had taken part in the Barmat undertakings as a member of the board of directors and had been in the habit of advising Barmat in his business. Mr. Heilmann however did not find it necessary to act in accordance with this; he is still a leader of Prussian Social Democracy.

Nevertheless the casualty list of the Barmat battle is long enough. Germany has never previously experienced a similar affair. The fate of Hoelle, the Postmaster General was particularly dramatic. So to speak over night, he had to resign his office and his "Reichstag" mandate, he was arrested on remand and died in prison. Deputy Lange-Hegermann was excluded from the Centre fraction, but, for the time being, retained his mandate in the "Reichstag". He is one of the accused in the present trial. Gustav Bauer was excluded from the S.P. of Germany, when the impression of the Barmat scandal was fresh; some time later, when the wave of excitement had subsided, he returned to the bosom of Social Democracy. Richter's membership of the S.P. of Germany was not even challenged. On the whole it can be stated that the Social Democratic leaders bore the Barmat accusations with unexampled cynicism. These gentlemen, felt so certain in the possession of the party apparatus, that they imagined they could weather this storm too.

Julius Barmat's activities were examined in detail in 1925 by two investigation committees, that of the Reichstag and of the Prussian Landtag. The proceedings dragged on for many months and led to stormy scenes. Thus the trial before the regular Court will only bring an aftermath. At the beginning of 1925, Julius Barmat, who proudly called himself General Director, was arrested in his castle of Schwandenwerder near

Potsdam and sent to the Berlin detention prison. After some time, however, Barmat was released, ostensibly because of his shattered health. Now he is again living in Schwandenwerder and again calls himself general director. Compare this with the fate of the political prisoners in Germany, belonging to the proletariat; not a soul troubles about their condition of health.

Julius Barmat used to say at his examinations by the Investigation Committees that he was only the victim of political intrigues, that he was being persecuted and ruined because he was a Socialist and a Jew! In reality, the damage suffered by the German State through Barmat's affairs, amounts to about 100 million gold marks. Half of this sum was withdrawn from the Prussian National Bank by Barmat in 1924 through his credit speculations. The other half of the loss is to be attributed to his other business transactions, especially his supply of food-stuffs to Germany.

During the Great War, Barmat was settled in Holland as a merchant and speculator. When the revolution broke out in Central Europe, he suddenly discovered that he was a Socialist. He tried to get into touch with Dutch Social Democracy, with the 2nd International and then with the S.P. of Germany. He came to Berlin, managed to be received by President Ebert and immediately understood how to make good business out of his relations to the first men of the S.P. of Germany.

At that time, in 1919/20, Germany was still suffering from the after-effects of the blockade. War rationing was still to a large extent in force, the importation of food was centralised. Barmat secured from the German Government orders to supply foodstuffs on a large scale. Barmat's Dutch firm, the Amexima (Amsterdam Export and Import Association) delivered enormous quantities of condensed milk etc. to starving Germany. At that time, Robert Schmidt, the Social Democratic Minister, was head of the food supply department. The detailed proceedings before the Investigation Committee of the Reichstag did not, it is true, bring any proof that Schmidt personally accepted bribes from Barmat. As a friend of the leading men of the S.P. of Germany however, Barmat had so much authority in the Ministry, that he was able to impose his own conditions of supply and could thus cause very serious injury to the National Treasury. In addition to this, Barmat carried through a large number of other transactions of a dubious character, in which he was eagerly helped by the Social Democrats Bauer and Heilmann.

During the time of inflation, Barmat resided in grand style in Berlin as a Stock Exchange prince. He was surrounded by a circle of faithful adherents and assistants, one of the most prominent of whom was Richter, the President of the Berlin police.

Then came stabilisation, and Barmat had to transform his system. At that time the public coffers of Germany were filled with large sums of money which had been withdrawn from industry by taxation. Anyone with luck and good connections could get this money on loan. Supported by recommendations of leading Social Democrats, Barmat secured an introduction to the Prussian National Bank, the "Seehandlung", which lent him many millions in return for "securities" of a most doubtful nature. At that time also Barmat entered into connection with the National Ministry for Posts and procured large sums from the money reserves of the post. Hoelle and Lange-Hegermann were also involved. The greater part of the gigantic sums which Barmat got hold of in this way were swallowed up by his concern. Barmat wanted to be a second Stinnes; he bought up industrial concerns wherever he could get them, overreached himself, and this is what led to his bankruptcy and arrest.

The political significance of the Barmat scandal lies in the fact that the leading clique of the S.P. of Germany was discredited in an unexampled way, for it was chiefly the old Right Socialists, leaders of the Party, who had committed themselves with Barmat. The Barmat case shows to what extravagances the coalition policy of the S.P. of Germany will lead. Those who in theory are in favour of co-operation with the capitalists, are soon led in practice into Boards of Directors. It was a peculiar misfortune of the leaders of the S.P. of Germany that in doing so they found themselves in the doubtful Board of Directors of the Barmat concern and were implicated in the Barmat failure. The bourgeois politicians of Germany, having more experience in this field, join solid boards of directors in which they are spared accidents of this kind.