

"The idea becomes power when it penetrates the masses."
—Karl Marx.

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The Stabilization of Capitalism

The Second (Socialist) International and Ourselves.

By N. BUCHARIN.

Below we publish from Comrade's Bucharin's report on "The Present Situation and the Policy of the Party," at the Sixth Union Conference of the Russian Leninist Young Communist League, the introductory section, which deals with the international situation.

IN analyzing the international situation, I must dwell on the question of the stabilization of capitalism.

First of all we must explain what we differ from all theoreticians, economists and politicians of the Second Socialist International. When they speak of the stabilization of capitalism (Hilferding and many who blindly follow him in Germany, Austria, etc., are typical in this respect) they describe the present period more or less as follows: the revolution which resulted from the war is, in its nature, no proletarian revolution and is altogether a peculiar kind of revolution. It is, as the menshevik Dan says, a military species of revolution. Now the excitement has subsided; Russia which has lived thru the military revolution, is being reestablished, according to their opinion, on the basis of bourgeois conditions, and a new cycle of sounder capitalist development is beginning. In the most important capitalist countries, things are again running on smooth lines capitalism is flourishing once more, the curve of capitalist development is ascending and capitalism is assuming new forms.

HILFERDING maintains that the Marxist assumption that the development of capitalism is inevitably accompanied by shedding of blood, should be done away with and that peaceful forms of understanding between the great powers are possible.

Thus we are entering on a great period of world history with a much greater advance and much wider development of capitalist conditions than before the war. This is the theoretical conception which the theoreticians of the Second International connect with the idea of the stabilization of capitalism.

When we speak of the stabilization of capitalism, we understand something quite different. We do not in any way repudiate our assertion that capitalism has entered on the epoch of its decay. We only state that in the course of this epoch there will be periods of ebb and flow, periods of decay and periods of expansion of capitalism. In one country capitalism will advance, in another recede. It will present a very variegated aspect. It will be different in the various parts of the globe and will change with the times.

It would be wrong to imagine that capitalism will necessarily decline at the same rate in every country. During the last few years capitalism has declined, but now the picture has changed. In all European countries capitalism was a short time ago on the decline, but it is now beginning to raise its head again.

We say: in the first place, this phenomenon is a temporary one and in the second place it is not to be seen everywhere. It does not embrace the whole extent of capitalist conditions, but only some countries in which the crisis of capitalism has been particularly acute. This means that when we speak of the stabilization of capitalism, we understand a comparative stabilization.

NEEDLESS to say, this point of view is diametrically opposed to

that shared by the theorists of the Second International. The theorists of the Second International maintain more or less the following: thruout the whole world, capitalism which has recovered from its wounds, is advancing uninterruptedly forwards. We however, say that capitalism on the whole is even now in a period of decay. Only in a single section of the front, in which the affairs of capitalism were in a very bad way, have conditions improved. But this is all.

It is not difficult to demonstrate that the deliberations of the theorists of the Second International are simply contrary to the facts. In all countries of the world, an increase of arma-

do away with the Marxist assumption that there will always be war." And they say this when under our very eyes two wars are proceeding, in China and in Africa. We have at present a whole series of very deep-seated conflicts and we have two wars.

In these conflicts and wars capitalism is showing its most loathsome side. It is carrying on an imperialist policy of plunder which will lead to collisions and serious conflicts and will inevitably result in a second world war. Therefore the menshevik theory as to a peaceful stage in the development of capitalism is a completely nonsensical, deceptive, mendacious and rotten theory, which is

is no German navy and the German bourgeoisie has had its fangs drawn; therefore it hisses with a toothless mouth and preaches virtue: "Oh, how disgracefully the entente is behaving in China!"

NOW as regards England. The capitalist regime is still in force there. But the working class is there also now beginning to make its appearance as a fairly strong revolutionary force. Further, take into consideration a whole series of colonial fermentations in Egypt and other countries.

Is all this a pre-war picture? How can anyone say that capitalism has a firmer foothold than before the war?

It is true, things have apparently improved in Germany, but in China there is a great commotion, but war is being carried on in Morocco. England has issued victorious from the German war, but on the other hand its working class has begun to get a move on. Draw the balance, and we shall see what kind of a stabilization you will have. So you see that stabilization is of an extremely relative and extremely conditional character.

Among the questions of international relationships which are at present of interest, there must be mentioned the question of the united front of the imperialists against ourselves.

YOU know that a comparatively short time ago, a series of communications appeared in the newspapers to the effect that the capitalist powers are preparing for a general attack against us. They spoke of the demand that the Communist International should be expelled from the Soviet Union, of the economic blockade and so on. An English squadron is to visit the Baltic in order to show how formidable it is. You know many other things as England's activity in Afghanistan, Persia, Turkey, Roumania, etc., not to mention the conference of representatives of the general staffs of the Baltic countries which took place a short time ago. To put it briefly, they are feeling our pulse in order to ascertain how weak or how strong we are.

The campaign against us was especially intensified in connection with the explosion in the cathedral of Sofia and in connection with the terrible, absolutely unprecedented persecutions which were let loose on our brother Communist Party in Bulgaria. The possibility of united action against us could be felt in the air. It cannot be said that an end has yet been put to this activity. At the first suitable opportunity the capitalist powers may inflict a whole number of horrors on us. That this has not happened so far is due to the fact that many states have more troubles than they know how to deal with. Do you not think that China is a pretty hard nut for England to crack? Do you think that Morocco is a trifle for France?

You know however, comrades, how things occur in history. Exactly the same cause, acting in the same way, leads at one stage to one kind of result and at another stage to completely the reverse result.

THE aggravation of conditions in China has up to now shattered the united bloc against us. If, however, events in China continue to develop, it is extremely likely that the imperialists, seeing themselves seriously threatened, will proceed against us in a united front.

All must know that we are not concerned in any "maneuvers" and that we desire peace at all costs.

Breaking Its Chains



ments and preparations for new wars are taking place.

NOT long ago a proposition was made at the Conference of the Limitation of Armaments called by the league of nations. The proposal was to restrict the use of bacteriological war, i.e. to institute a campaign against the use of bombs filled with cholera and other plague bacilli and all kinds of other good things (laughter). The conference rejected this proposal, alleging as the reason for its rejection that in any case the proposal could not be carried out. This means that the cause of war has already advanced so far that it would be of disadvantage to the most powerful states to limit themselves even in such a dastardly affair as is the preparation of bacteriological bombs. Armaments are going ahead at full steam. At the present moment there are more men under arms than before the war. The theorists of the Second International, however, say: "we are now entering on a peaceful epoch. We must

contradictory to facts.

CAN it possibly be said that the present situation is similar to that which preceded the war? This is simply nonsense! Before the war we had czarist Russia. Now we have Soviet Russia. In China, where there are 430 millions inhabitants, we have a colossal movement which is receiving spiritual nourishment from us. A very eminent German professor openly states that he wishes god would give every bourgeois government as much influence with its own people as have Comrade Karachan and the Soviet embassy in Peking. Thru its correct national policy, the Soviet Union has roused the greatest sympathy for our country among the enormous number of the Chinese people. Was there anything similar to this before the war? Not a bit of it, there was nothing similar.

Before the war we had a very powerful Germany. Germany and Russia were the incorporation of the international gendarmerie. At present there

Concerning Jackasses and Other Animals

By HARRISON GEORGE.

"What the jackass community where Scopes is held need to convince them (that all things are forever changing) is for an amoeba to develop into a whale during the years their bosses let them live."—The Industrial Pioneer, June, 1925.

BUT if, as the dictionary says—"the jackass is to be distinguished by its long ears and loud braying," the above quotation from the editor of the Industrial Pioneer, is an obvious discourtesy paid by a jackass who believes that nothing has changed in sociology since the I. W. W. preamble was written, to his fellow jackasses of Tennessee, whose biological knowledge is begun and ended with the Book of Genesis.

The sociological understanding, for example, possessed by the editor of the Industrial Pioneer, John Gahan, has carried him no further than the conceptions of the yellow socialists of the Second International, that it is absolutely useless for colonial and oppressed peoples to try to throw off the yoke of foreign capitalist imperialism. Witness his editorial observations upon the question of China driving out those who have oppressed her:

"This is unadulterated bosh. China is to be developed by foreign capital. American wage slaves. . . are destined to furnish the surplus value used by their masters to get factories in China started, mills running, mines dug, and railroads thrown across the vast territory. And after a while the goods produced in Chinese factories are going to be on the world market. Another erstwhile backward country will have advanced to industrial prominence."—Industrial Pioneer, July 1925, page 40.

MUCH good it will do the Chinese proletariat 6,000,000 strong, or the rest of the 443,000,000 Chinese people oppressed by foreign imperialism, to come to the I. W. W. for a solution of their grievances against their oppressors.

Are Chinese workers and students massacred by British and American troops on Chinese soil? "No use kicking," says John Gahan, I. W. W. editor, "it is all a necessary part of developing China."

When an American marine named Dizick shot a strike agitator at Shanghai last month, this act of imperialist butchery had the "scientific" approbation of the editor of the I. W. W.'s magazine—"China is to be developed by foreign capital." And it is clearly inferred by Gahan's social democratic theory, that Dizick's bullet was just as helpful as the surplus value furnished by American wage slaves to "advance this erstwhile backward country."

PLEASANT reading is the I. W. W. magazine to Wall Street bankers. It tells the American workers that by way of incident to "developing" China, American workers who are unemployed may get a job furnishing the surplus value. It tells the Marine Transport Workers' Industrial Union of the I. W. W., pleaded with by the Chinese Seamen's Union and the Red International of Labor Unions to block shipments of arms used to murder the Chinese workers, that such action is "scientifically unsound"—according to Marx!

This editorial ally of capitalist imperialism evidently regards the historic upheaval of the Chinese people as a silly mistake, the life long labor of Sun Yat Sen as misguided zeal, the Kuomintang party and the Canton government as a fighting center a piece of folly, and is prepared to sprinkle the holy water of "revolutionary science" over any armed invasion undertaken by the imperialist powers to drown it all in blood, with the blessings of the I. W. W. I am sure that the Chinese seamen, who have heard of the beauties of the I. W. W. philosophy from the honest rebel seamen of the I. W. W., will be saddened by their disillusionment.

I HAVE spoken of Gahan's idea of the relation of colonial and oppres-

sed peoples to the proletarian revolution as belonging to the yellow socialist Second International. This, because under the period of expanding capitalism, the Second International, distorting Marxism and giving mere lip service to internationalism, acted as handmaiden to nationalist development and taught that each nation was a separate entity, the possibility of revolution within which corresponded to the completeness of mechanical development and financial concentration.

In this antiquated socialist view, each nation was an isolated economic phenomenon, independent of the others—and it ill becomes Editor Gahan to sneer at the jackasses of the Tennessee mountains who believe in the independent creation and non-relation of the species, so long as his practical solution of proletarian emancipation is based upon a theoretical ground essentially antagonistic to the integrated view of capitalism as a world system, a single whole.

EDITOR GAHAN may protest that he does believe capitalism a world unit, but so long as he regards that an incomplete industrial development in a particular country is an insurmountable obstacle to a revolution herein, he does not exhibit anything but confusion. For—once he grants that each nation is only one link in the great imperialist chain of the world system as a whole, he will have to grant a conclusion to which his "fundamentalist" fellow workers are very loth to admit.

For if capitalist imperialism is a world system, then where would one logically conclude the revolutionary proletariat would first break thru capitalist rule? In the countries where the capitalist dictatorship was most perfected, with its schools, movies, preachers, police and press (including the Industrial Pioneer) to divert, chloroform and convince the workers that it mustn't be done, or will the break come first in a country where the capitalist chain has its "weakest" link, with a homogenous mass schooled by the facts of life to revolt against universally hated exploiters?

Obviously, the imperialist chain is broken at its weakest—and not its strongest—point. And obviously, too, the I. W. W. does not understand this, because many of its spokesmen still insist that there has not been and could not be any proletarian revolution in Russia, because "Russia was undeveloped industrially, is just a mass of small farmers and there ain't no proletariat." Editor Gahan's dictum on China is merely a sample of the stock argument.

BUT Gahan's confusion on China is just one "fundamentalist" error of many which illustrates the ideological confusion under the burden of which the I. W. W. is staggering owing to his brilliant editorship. One can find as many solutions for proletarian emancipation in the pages of his Industrial Pioneer as there are writers therein.

P. J. Welinder, member of the I. W. W. general executive board, writing in the Industrial Pioneer, May, 1925, issue, page eight, states that emancipation is not to be consummated by "any general strike or any mass insurrection." But that did not prevent Louis Bartha, editor of the I. W. W. Hungarian paper, writing in the very next issue of the Pioneer from saying (page 18, June) that "This weapon of the working class was, and must ever be, its economic action—the general strike."

GAHAN makes no comment upon these conflicting theories of vital importance. One may take one's choice, apparently, between I. W. W. theories, they contradict and cancel each other! Gahan merely adds to the confusion in both the May and June issues, by casual shafts at "politicians," some of whom he claims advocate "voting" and others, more sinister, who observe that social revolutions are connected with what he terms the "madness of insurrection."

As for himself, Gahan can furnish the panacea for all social ills. The

I. W. W. has sold it for, lo, these many years (though not so successfully as the A. F. of L. it must be conceded). His remedy is so general and all-embracing, that it cannot be mistaken, and as he fails to go into details, no one can trip him up. For years the I. W. W. has offered over its counter the good old remedy—"Organize on the job!"

NOW, there is nothing wrong with that. It is a perfectly good direction to put on the label. But when the workers take the wrapping off, there's nothing in the bottle—for the I. W. W. fails to tell them just what to do after they are organized on the job.

"Ah," but Gahan will protest, "didn't I say to 'take' the industries?"

Very true, my esteemed fellow, but you also objected to insurrection! And you, as editor of the Pioneer, allowed Welinder to discourage both insurrection and the general strike! How in hell are the workers going to get this revolution, by immaculate conception? "Fundamentalism" again!

NATURALLY, such sociological survivals object to Leninist criticism of their pre-war ideas and antiquated theories. Naturally, also, they find affinity in the labor fakers of the A. F. of L. officialdom in waging war on the Communists and the terrible borers from within." If there were anything needed to convince the militant workers of the necessity of revolutionary work within the unions they belong to, it is this general assault on them as "borers from within." When fascists want to throw Communists out of the unions, it is proof that Communists ought to stay in—and work for revolution.

Again stepping off into reactionary paths as dark as his advice to the Chinese that they must bear with being shot down, beaten to death in the cotton mills and tried by foreign exploiters' courts set up by bayonets on Chinese soil—all in the interests of "developing" and "advancing" them, so does Gahan take the side of craft union reaction and all its unholy brood of labor fakers, when he preaches (Industrial Pioneer, April, 1925, page 46), that "It is folly to attempt the impossible"—in discussing the question of revolutionary activity in the craft unions.

Not only does Gahan lend aid to the reactionary labor fakers by his advice, which—read by those I. W. W. members and sympathizers who are, by reason of their jobs being controlled by the A. F. of L., members of such unions—actuates them to a passive or even hostile attitude toward the left wing groups which are fighting bravely against the sluggers and organized machines of the labor fakers, but Gahan goes on to crow over the set-backs which this left wing movement has suffered in its initial battles.

ONE battle (even many battles) is not a war. A war to revolutionize the trade unions, not to mention a war to accomplish to the overthrow of capitalism, which is a uniformly successful war, which has no reverses and no defeats, would be a miracle, indeed. But Gahan, we must remember, is a "fundamentalist." He believes in miracles. He sees his pillar of smoke by day and his pillar of fire by night. He makes a sacrifice before his god of dual unionism, he knows that his god is pleased to witness the reversals of his enemies, for his god is a vengeful god who permits no other gods before him.

So in his editorial Gahan gloats that Bill Dunne was thrown out of the Portland convention of the A. F. of L. by Gompers, that the Communists were expelled by the reactionaries from the Seattle Central Labor Council, that Bud Reynolds was expelled in Detroit and Duncan MacDonald driven out of the Illinois Miners' Union.

ONE would think that after such an exhibition that Editor Gahan would take in good grace the accusa-

tion of a "fraternity between the most reactionary labor fakers of the A. F. of L. and the fanatical anarcho-syndicalist leaders of the I. W. W."—which I made in the March 31 issue of the DAILY WORKER. But anyone who reckons on a "fundamentalist" thinking about "what he thinks about," is due for surprises, as Mr. Darrow discovered at Dayton, Tennessee.

In a long article devoted to the general theme of showing the uniformity in idea and co-operation in practice between reactionary labor fakers and the present long-eared leadership of the I. W. W., I mentioned that "Gahan, editor of the Industrial Pioneer, is invited by the reactionary labor fakers of the Barbers' Union of the A. F. of L., to speak against the Workers (Communist) Party to the local. He did so on March 26."

NOW, as you will soon discover, Editor Gahan is adept at swallowing camels while straining at gnats. And so while it is true that the labor fakers of the Barbers' Union did, as stated, invite Gahan to speak to the local membership against the Communists, and it is further true that Gahan promised he would do so on the evening of March 26, yet it is not true that he actually did—for he failed to keep his promise to the fakers' emissary sent to see him at his office on West Madison street.

Whatever consolation Editor Gahan may get out of the fact that not knowing him personally, I depended upon him being an honorable man who would keep his promise—that consolation he may have, for, writing the article previous to the date mentioned (as journalists often do) I rashly depended upon Gahan doing as he promised, and remarked, as noted, that he had spoken. But, alas, there is no honor among labor fakers.

WHAT may be Editor Gahan's regards for promises, however, his conscience bothered him not at all about a virtue of their non-observance. Nor did his perception of the whole course of my article embrace the fact that the general charge made by me was that I. W. W. leaders and labor fakers work together against the Communists.

Having been charged with collusion with the officials of the local barbers' union—what does the man do but to rush down and get a certificate from these very officials, that he did not appear to speak at the meeting of the union and publish this labor faker's letter to him as proof that I "lied" when I charged the two of them with collusion!

He omitted getting a letter saying that he had not even been invited to speak, but it is to be presumed his collaborators in the Barbers' Union will furnish him with whatever sort of statement he desires.

WHY shouldn't the officials of Local 548 of the Barbers' Union be very grateful to Editor Gahan? They have a revolt on their hands against a sell-out, a surrender to the bosses on the matter of wages and hours—and both the bosses and the fakers are glad to see Gahan tell the membership that they "can't do anything" about it. These officials lately sent one honest union man to the hospital and have a list of seven left-wingers already expelled from the union.

The fakers furnish the broken ribs, fractured skulls and expelled rebels; Editor Gahan furnishes the editorials which the fakers can well pass around among the membership they wish to see remain cowed and helpless. Like the Chinese workers, the members of the trade unions are told it's no use—that rebellion in the unions is "impossible."

The fakers say so because it means hanging on to the treasury for them. Editor Gahan says so because—until he sees the Communist amoeba develop into a revolutionary whale right under his nose—he will remain a "fundamentalist," regardless of his scornful braying at his fellow jackasses in the mountains of Tennessee.

The Real Rulers of These U. S. A.

By SID BUSH.

WHEN the average American speaks of "our National Government" he associates the thought with the Capitol, Washington, D. C., and all that goes with it. To the average citizen it seems as tho the real governmental power really lies in that city. Is not Congress holding its sessions there? Are not the president and the members of his cabinet there? Are not all of the most important of the nation's governmental institutions there? Are not all of the federal laws made there? And, finally, are not foreign relations settled there? The millions of Americans who look upon Washington, D. C., as the seat of the real government do not realize that it is merely the seat of the gigantic apparatus which is putting into effect decisions made by men who are neither congressmen nor senators, and who meet in an entirely different building than the National Capitol and in a different city than Washington, D. C.

One of the buildings where the real rulers of the U. S. A. meet is the Bankers' Club, in New York City.

ON July the 16th an eminent foreign gentleman was invited to a luncheon. The group which extended this cordial hospitality consisted of twenty-nine distinguished American citizens. The foreign gentleman was Baron Natza, the German ambassador to the United States. To the right of him sat Otto H. Kahn, of Kuhn Loeb & Co., international bankers, director of the Equitable Trust Co. of Los Angeles, I. A. & S. L. Railroad Co., Morristown Trust Co., American International Corporation and Mr. Schiff, partner of Kuhn Loeb & Co. Director L. A. & S. L. R. R. Co., Mortgage & Trust Co., Western Union Telegraph Co., American Railway Express, Wells Fargo Express, Pacific Oil Co., etc., and others representing such interests.

To the left of Baron Natza were Mr. Young, the gentleman connected with and vitally interested in the enforcement of the Dawes plan.

Mr. Lamar, the representative of the House of J. P. Morgan & Co., George F. Baker, Jr., chairman First National Bank, director American Telephone and Telegraph Co., D. L. & W. R. R. Co., Atlas Portland Cement Co., American Sugar Refining Co., U. S. Steel Corporation, General Motors Co., General Electric Co., etc.

BARON Natza was the guest of 29 men who are holding under their iron rule and exploiting millions of workers, that control the great industrial and finance corporations, who are subjugating colonial peoples, and because they hold the supreme power of this country they dictate the national and foreign political policies of the government at Washington, D. C.

Baron Natza was not invited for the sake of the luncheon. This was evident from the slight attention that was paid to the best of food obtainable. It was gobbled up quickly. That bourgeois decorum which in these circles at formal affairs was entirely lacking. Everyone ate his portion hurriedly as soon as it was placed on the table, without waiting, while conversations in a serious business-like mood was carried on. Those who served this choice coterie had to be very snappy, and before they even had a chance to remove the desert plates

A Jack of All Trades



The Russian White Guards in China are acting as scabs on the striking hotel workers, public utilities workers, ship loaders, etc.

and serve the finger bowls they were herded out and the doors were locked upon the secret meeting.

THE business of that meeting was of most vital concern to the industrial and financial capitalists of the U. S. Was not the Dawes plan attacked and threatened by the International Congress of Bankers which was held recently in Brussels? Is not French capital forging ahead for and is cementing an alliance with the heavy industry of Germany? Is not the Treaty of Rapallo between Russia and Germany a thorn in the side of the American capitalists, who in league with world capitalism, are preparing to crush Soviet Russia? Many other such vital issues must be settled. And just as soon as these gentlemen, the real governing power of this country, arrive at decisions at these secret meetings, then the official government at Washington begins to act, which seems to the average person that the course of action was decided upon by the president and Congress. Many counter-revolutions in Mexico and other Central American Republics and in the island possessions of the U. S. were concocted at these secret meetings and carried out thus giving the official government a cause to intervene in the name of establishing "law and order." And as soon as "law and order" is established with the help of American bayonets the latter remain guarding it in the interests of Wall Street.

NOW that since the world war the U. S. is the most powerful capitalist nation, and has placed Europe in the clutches of its finance capital-

ists, the latter are on guard against any one nation in Europe that may endeavor to dislodge them there just as they guard the principle of the Monroe Doctrine in the Americas.

The imperialists of the U. S. are now deeply interested in every nook and corner of the world. And just as England fought nearly every nation in the world to become the world power so is American imperialism preparing itself to war upon anyone that will stand in its way. This is the reason for the propaganda for preparedness by General Pershing carried by the newspapers of this country. In his last article of a series he says:

Letters from Our Readers

Appreciates DAILY WORKER.

To the DAILY WORKER: Having spent some time in the orient, the recent editorials by Dunne, Engdahl, et al., have inspired a goodly respect for your paper. It is the only paper that gives to persons interested in the progress of that class which produces the world's wealth, truthful information on what is taking place in the world today.

From what I have experienced during my three years in China, I can imagine how Georges Tchicherin must now feel being aware of the broad justice of representing a comparatively free people, and in being unhampered in dealing with foreign affairs by the means of lying intrigues. He surely made monkeys out of all the "diplomats" who attempted to cross his path.

But to return to the matter of subscription—I wish your paper a fast and ever continuing circulation which means in the long run that there will be numbers added to list of those who are students of social economics, with a view of bringing about a condition where the proletariat will be master, to a great extent, of himself, his product and a builder for a nobler future society.—E. C. Wagstaff, Portland, Oregon.

Prosperity Bunk Shown Up.

To the DAILY WORKER: The sales manager of the Fox Film Co., devoted a full column in a trade journal to panegyrics on "Business is Good." But the same issue of the same paper carries long obituary lists of small movie houses that have gone

out of business because of hard times. And the little fellow reads this as the handwriting on the wall. One of the little fellows, L. M. Jones, of the Arcadia Theater, Vandergrift, Pa., unburdened himself thus:

"In the Film Daily of July 6, the sales manager of the Fox Film Co. has a full column under the heading, 'Business is Good.' On the same day I talked with three film salesmen one of whom was one of the good Fox salesmen. Every one of them stated that they had never experienced such terrible conditions as right now.

"One of them stated that he was satisfied from personal observation, and general information that twenty million people in the good old U. S. A. on account of either total unemployment or part time work are not actually getting enough money to pay their rent and groceries. I agree with him. I know, and the salesmen know, and I have an idea that James R. Grainger and the other high salaried men who are putting out this 'business is good' know that the picture business is very bad.

"Now on July 6 comes another half column of optimistic predictions. I do not know, and he does not know what is going to happen. But the facts are that conditions are very bad now. All the general sales managers are putting out this line of talk in order to spur their salesmen in to get more money from the exhibitor for good, bad, and indifferent pictures. I can read a lot of this bunk without getting riled as long as it is all prediction. But, when a man goes far enough in the face of present conditions, to head an article with 'Business is Good,' it is too much for me."

Air Routes in Soviet Union



The arrow shows the airplane route that has been established between Moscow and Peking. The first trip has already been successfully accomplished. Other routes will be begun soon, in different sections of the Union. The Moscow-Peking route not only cuts the time from Moscow to Peking by several days, but establishes closer connections between the workers of Russia and China.

RUSSIA TODAY! Official Report of British Trade

(Continued from Yesterday's Daily Worker)

The general recovery by private enterprise of some of its lost start is attributable to the stimulus given to trade by the stabilization of the currency and the new economic relation with the peasantry that caused a growth of retail trade in the provinces, of which the big official enterprises could not take immediate advantages. Since then a slower rate of development and the extension of the activities of Government Trusts and trading into the smaller towns has given less favorable opportunities to the private trader.

STATE, CO-OPERATIVE, AND PRIVATE TRADE.

Percentage of total trade, 1923-24.
1st quarter. 2nd quarter. 3rd quarter. 4th quarter.

Textile Syndicate and Trusts.				
Cotton yarn:				
State	39	30	34	30
Co-operative	17	34	44	56
Private	44	36	22	14
Linen yarn:				
State	86	77	93	89
Co-operative	3	11	3	6
Private	11	12	4	6
Woolen yarn:				
State	85	80	85	81
Co-operative	8	10	9	17
Private	7	10	6	2
Leather Syndicate and Trusts.				
Leather goods:				
State	30	25	30	24
Co-operative	36	35	38	47
Private	34	40	32	29
Sugar Trust.				
Sugar:				
State	24	21	23	21
Co-operative	49	51	61	74
Private	27	28	16	5
Salt Syndicate.				
Salt:				
State	23	13	15	9
Co-operative	37	51	68	81
Private	40	36	17	10
Oil Syndicate.				
Kerosene:				
State	30	31	42	29
Co-operative	33	31	20	41
Private	37	38	38	30
Total sales on Moscow Goods Exchange:				
Co-operative	7	14	18	25
Private	21	21	15	8

The above figures suggest that co-operatives are gaining ground on private trade, with results examined in the chapter on co-operatives. Private enterprise is fulfilling the function assigned it, of acting as pacemaker and pilot to State enterprise. For the New Economic Policy is based on the conviction that the principles of the Revolution and the predominance of the workers will be sufficiently secured if the State retains command of the bulk of the capital and credit in the country and of its foreign commerce. Also that State enterprise can only be made efficient if put on the same business basis as private enterprises and brought into free and fair competition with them. In this competition private enterprise opens the new fields, and as these new fields come to be organized and operated on a large scale State organisations gradually drive private enterprise further afield again.

So far as can be judged at present the superior economy and energy of the private owner will tell in small industry and retail trade, while Government credit and co-operation will prevent any considerable control of large industry by private capital.

According to one good authority (Larin, "New Commercial Policy," 1924, page 19) the restoration of private trade has been so rapid that by the end of 1923, in Russia proper, private traders conducted nine-tenths of the retail village trade, four-fifths of the retail town trade, and nearly half of the town wholesale-retail. This last figure is confirmed by official estimates for the whole Union, which show wholesale and wholesale-retail urban trade distributed: 57 per cent. to State trading, 9 per cent. to co-operatives, and 34 per cent. to private traders.

State and Private Manufactures

It is difficult within the limits of this report to deal with a comparison of State and private production. The following may give some idea of their present relationship: In the cotton textile industry 95 per cent. of the Turkestan crop was in 1923 taken up by the Trust (Turkkhlopkom), leaving only 5 per cent. for private industry, and of the Khorasm and Bokhara crops some 15 per cent. to 20 per cent. went to private industry. Of wool manufactures in 1923 22 per cent. to 25 per cent. were from private industry. In this industry private enterprise profited by want of solidarity as between State enterprises. In leather manufactures private industry in 1923-24 provided about 10 per cent. It would appear, moreover, that private industrials were often able to raise prices generally even with this small proportion of the business.

Middlemen

It is also noteworthy that of the wool used by the State Trusts only 30 per cent. was in 1923 bought direct from the producer and the remainder through private dealers. In the linen industry information on this point is less detailed, but it appears that in 1923-24 of the five Trusts two are sufficiently equipped to get their raw material direct from the producer, the remaining three do so through middlemen. The leather

manufacturing Trusts obtain their material wholly through middlemen.

Bread production was, in 1923-24, estimated as being still to about 27 per cent. in private hands. But this proportion was not growing, and Government enterprises lost no ground when the sale was entirely freed and the wheat tithe in kind was converted into a money tax. On the other hand, the supply of the two main centres of consumption, Moscow and Leningrad, was more than half in private hands.

But enough has been said on this point to give an idea of the present relation between public and private enterprise.

Profiteering

The large share acquired by private trading, while greatly facilitating trade, has led to some profiteering. The State Trusts are, it is true, restricted to a profit of 13 per cent. as between their wholesale and retail prices. But private traders have been found to be making as much as 33 per cent. at Kharkov, and 150 per cent. at Rostov, and the same articles were found to cost double at Rostov what they did at Kharkov. It seems quite possible, however, that the average difference between wholesale and retail prices is no more than 50 per cent. (as stated in a report of Rykov), which would compare well with conditions elsewhere.

Cases of exaggerated profits are also generally found to be due to a local and temporary excess of demand over supply. They were worse in 1923, a period before the currency stabilization when prices included a large insurance against loss by depreciation of the rouble. They will no doubt disappear when industry can keep local markets fully and fairly supplied, also when the State trading and co-operative retail enterprises are more fully developed.

An outbreak of profuse private expenditure and profligacy in Moscow that resulted from the profiteering in 1922 and 1923 was sternly checked. Several thousand profiteers were banished from Moscow.

Future of Private Enterprise

The Communist Party is much occupied with proposals for checking such profiteering by "nepmen." But on the one hand it must be borne in mind that profiteering in Russia is mainly attributable to the present transition stage, and is in the aggregate and on an average much less excessive than in other countries, and, on the other hand, that there must be a greater difficulty in regulating private trading profits in Russia, even under Socialism, than elsewhere. For a calculation, unnecessary to reproduce, shows that of the total retail trade, 475 million gold roubles per quarter, only 282 million passed through wholesale trade. The remainder, about two-fifths of the whole, passed direct from small producer to small consumer. Regulation of prices in this direct local trade can only be effected indirectly through competition of State trading concerns and co-operation.

The State Trusts should be able to compete advantageously with the private trader, because they can work on longer credit (one to three months in 1924 as against one month to a week for private trade); and because the State Trust can, if necessary, be content with a manufacturing profit only—cutting the whole commercial profit on which the trader depends. That the growth of private trading has reached its limit, and that private enterprise is turning now to small industries, is suggested by a comparative classification of the licenses applied for in 1922 and 1923.

Licenses

	1922	1923
For commercial enterprises	523 thousand	346 thousand
For industrial enterprises	162 thousand	243 thousand
For industrial occupations	313 thousand	423 thousand
	998 thousand	1017 thousand

Organization and Regulation of Industry

The authority over industry is the Council of Labor and Defense (Sto) and its provincial and district economic authorities (Ekošo). General dispositions of this Council, enforcing the economic program (Gosplan), are directly applicable. Otherwise decrees concerning industry are executed through the Supreme Economic Council and its local organs, the district bureau (Prombüro), and the Provincial Councils of National Economy. The administrative authority of the S.E. Council over Trusts is very considerable, but over mixed and private companies is limited in principle to seeing that legislation and the terms of their concessions are observed.

At the last reorganization of the S.E. Council the dual character of its responsibility for State Trusts was recognized by a division of its functions between a Central Administration of the national industry (Zubrom), which is a general administrative management of the whole national industry, and a Chief Economic Administration which performs the usual function of a Ministry of Industry in regulating industrial activities.

Gosplan

But the most interesting and, in some respects, the most important institution in the organization of the economic activities of the Union is the so-called State Planning Commission (Gosplan). This novel instrument for co-ordinating production and trade has its central department in Moscow with branches and agents all through the country. It has no executive or administrative powers, but its advisory authority is very great. Its approval is necessary for the framing of any economic policy generally, and its advice is sought by the administration before provision is made as to any State enterprise or expenditure.

The Central Council of "Gosplan" consists of 200 experts,

"Who Is Who in British Industry"

HERBERT SMITH years president York deration. President, tion of Great Britain president, 1907. Se royal commissions. national Miners' Con of school board, Wes county council and ot for many years. Mer ary committee, trade 1913-16, and general Appointed J. P. in 19 tral committee, min central committee, n board.

BEN TILLET, g of trade unions since of Dockers' Unio from the Tea C p Laborers' Union st A pioneer of trade nationally. Conteste mentary elections. R Remained dockers' g until amalgamation t General Workers' Un ary of Political and partment of Amal. Member of trades un eral council since 1 parliamentary com union congress, 1892-

JOHN TURNER, socialist organization timate with founders socialist thought, s Morris, Belfort Bax, neers. Closely associ Kropotkin from 1886 to Russia in 1917. A hours legislation and Assistants' Union. union from 1898 unt general secretary aft in this position until general council, trade 1924; reelected by co to 1924 for period to

JOHN BROMLEY, of railway trade un many positions of tr pointment as branch sociated Society of L eers and Fireman, 1 ganizing secretary of Secretary also of cor Elected general secre 1914. Elected membe executive, 1920 and member of trades un eral council, 1922-24. bor party delegatio times candidate 1924. Prominently as bor and socialist prop years.

ALAN A. H. FIND United Patternmake since 1893. Branch other offices. Electe eral secretary, execu 1913. Elected general Formerly treasurer, Shipbuilding Trades three years, subsequ president, at present position. Elected to t gress general council each year until 1924, September, 1925.

A. A. PURCELL (c gation). Member, Fu Union since 1891. M mocratic federatio n ber, Salford Borough years. Sectional se quently organizer, fu Parliamentary candi ford, 1910. Contested 24. Elected 1923. Su tor in co-operative an Elected to general union congress, 1919, year: Elected by trad tional conference, V president. President union congress. Vice eral council. Appoin American labor conve companied the delega 1920.

Union Delegation

Thru Courtesy of the International Publishers Co.

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in the gation

P. Nineteen re Miners' Federa- ce 1921. Vice- d on several esident, Inter- ittee. Member- ing (Yorks) public bodies r, parliament- nion congress, ncil, 1923-24. Member, cen- welfare and ing examining

eral secretary 1889. Founder ic originated and General ished in 1887. ion movement several parlia- ted for North eral secretary Transport and 1. Now secret- ernational De- nated Union. gress gen- 2. Member of ittee, trades

associated with since 1884. In- and leaders of h as William and other pio- ed with prince ntil his return loneer of shop nder of Shop ficial of this retirement as twelve years 24. Elected to nion congress, press each year ptember, 1925.

P. A pioneer ism and held t prior to ap- retary of As- omotive Engin- 4. Elected or- he union, 1910. liation boards. y of the union, of labor party 1921. Elected i congress gen- Member of la- and. Three ow, elected ed with la- anda for many

AY, member of ' Association retary and assistant gen- ve department, secretary, 1917. ngineering and Federation for ntly appointed occupying this ades union con- 1921, re-elected or term ending

airman of dele- nishing Trades nber, social-de- ny years. Mem- Council for six retary, subse- nishing trades, ite, West Sal- Coventry, 1923- cessful arbitra- other disputes. council, trades re-elected each union interna- enna, 1924, as at 1924 trades Chairman, gen- ed delegate to tion, 1925. Ac- on to Russia in

picked for their practical experience, and it controls a whole body of sub-commissions, each dealing with some specific department. This body of experts plays no public part in politics. Their work, like that of a civil service, lies entirely behind the scenes. Their opinions are framed on the statistical and technical data that they collect daily. New plans and schemes for re-equipment and reconstruction are formulated by them in consonance with their general plan and in co-operation with the competent Departments and then carried out in consultation with the Commissariat of Finance in conformity with the possibilities of the Budget.

By means of the Gosplan it is possible to keep not only the policy of the Union but of the autonomous Republics subordinated to certain fundamental principles, such as balancing the Budget, and subject to the proper priority of investments of the national credit. In this way it is also possible to provide for new and necessary national schemes such as the electrification of all power and the standardization where possible of all machinery, the centralization of power and overhead charges, and the intensive development of agriculture—all matters which without the special attention of an expert authority would be overlooked in the competition for support of existing industrial and commercial interests.

In working out these schemes, the Gosplan is able to prevent one State enterprise from profiting to the prejudice of another and can direct the very complete control still retained by the Government over production and consumption, in the interest of the people as a whole. Thus it was due to Gosplan that the Government were able to handle successfully the "scissors" crisis, described later under agriculture, and so restore the economic exchanges between town and country to a healthy and natural operation. On the other hand it deals no less with such technical details as discovering the most suitable tractor for Russia or the application of American speeding-up systems.

The success of Gosplan depends largely, of course, on the Intelligence Service by which it keeps contact between the peasantry and the proletarian ruling class. So important is this that a wireless installation will shortly be set up with a special wave-length for this purpose alone. In fact, Gosplan is not only a novel department which has borrowed many of the most up-to-date features of the most up-to-date departments of the Western World, like the American Department of Agriculture, but is the official embodiment of a new governmental element—a new Estate of the Realm. If the new Government of the Soviet System has its legislative and executive elements still somewhat indefinite and, in some respects, under-developed, its new expert element can serve as an example to the still chaotic conduct and control of the national economy in Western States.

Financing of Industry

By 1922-23 industry was beginning to finance itself, and in that year State Subsidies reached 123 million gold roubles. By 1923-24 this fell to 93 million gold roubles, and the estimate for 1924-25 is 71.9. In 1922-23 textiles were heavily subsidized, but in 1923-24 subsidies went for metal, coal, and for electrification. Receipts from industry on the other hand have increased from 4.4 million gold roubles in 1922-23 to an estimated 45.7 and realized 31.2 in 1923-24 and to an estimated 61.4 in 1924-25. Expenditure and revenue therefore in 1923-24 leave a deficit of about 62 millions and an estimated deficit of 10 millions in 1924-25. This seems to represent the facts, though other estimates reduce the deficit in 1923-24 to about 24 million gold roubles and show a surplus next year of 21 million gold roubles.

But a more important point than the actual financial balance is the manner in which the money is spent. The 10 millions spent on Don coal went to reducing fuel prices. The 1.7 million spent on oil went to building pipe lines. The large sum given to the metal industry is to keep it going only. And, in general, the subsidies might with advantage probably be increased.

Industry is perpetually clamoring for credits, and the Supreme Economic Council with the help of Gosplan does its best to give support when required. Thus the heavy metal industries desiring to increase production, without having profits enough to pay wages regularly, have been slowed down and have had to be helped. But in the interests of finance the program of general output in 1924-25 has been reduced from 303 million poods to 273 million poods, which reduces the subsidy from 47 million gold roubles to 36 million gold roubles and additional credits from 90 million to 75 million gold roubles.

As the general State subsidy annually decreases bank credits more than take its place. In 1922-23, when the subsidy was 123 million gold roubles, debts to banks were 140 million gold roubles. In 1924-25, when it was 92 million gold roubles, the bank credits for the first nine months of 1924 were 351 million gold roubles.

Increase of Industrial Production

The result of the New Economic Policy in restoring production is best expressed in the following table, and is all the more remarkable when it is remembered that this was accomplished in spite of one famine year and with practically no help from foreign finance:—

	ANNUAL PRODUCTION. (In thousand roubles.)	Per cent of pre-war.
1912	3,489,892	100
1920	511,109	14½
1921	527,904	15
1921-22	753,633	21½
1922-23	1,127,351	32.1-3
1923-24	1,490,400	42

The following are the percentages of present production compared to that of pre-war in certain leading industries:—

Heavy Industries.	Per cent.	Light Industries	Per cent.
Coal	52.0	Electrical	59
Oil	63.6	Cotton textile	31
Minerals	8.0	Woolens	38
Cast iron	16.6	Linen	119.5
Metal (manufactured)	25	Paper	64.8
		Leather	54.5

Coal

The damage, amounting in some cases to destruction, by war of the Don Basin Collieries was one of the causes of the economic emergency in Russia. Of the 1,200 pits in operation in 1913, only 687 could still work in 1921. Enormous expenditure was necessary to re-equip these fields, with the following results:—

COAL PRODUCTION (GROSS). (In millions of poods.)

	Total.	Per cent.	Don Basin.	Per cent.
1913	1,711	100	1,544	100
1918	709	41.5	541	35
1919	465	27.1	338	21
1920-1	472	27.5	286	18
1921-2	622	36.3	439	28
1922-3	696	40.7	494	32
1923-4	888.8	52.0	661	43

The net production gives even better results. In 1922-23, it was 503,461 thousand poods; in 1923-24, it was 723,187. At the same time the coal used or wasted in the mines, which was in 1922-23 as much as 23 per cent., was in 1923-24 no more than 15 per cent., showing proportional improvement in methods and management. Finally, the coal dispatched rose from 461 million poods in 1922-23 to 612 million poods in 1923-24.

In the years 1919 and 1920 the Don Basin was continually under White occupation. The first year of return to normal conditions was 1922-23. Up to then colliers to a large extent went away in summer to the villages owing to insufficient pay. The present production is sufficient to meet the present requirements of Russia. The undeveloped resources of the Russian fields are enormous and there is a large accumulation of supplies in excess of demand.

Oil Production

Oil production has been even more exposed to disturbance by civil war than coal. During 1918-19 Baku was in occupation of forces hostile to the Revolution. Since 1921 production has increased until the home demand is fully met.

OIL PRODUCTION (In millions of poods.)

	Total.	Per cent.	Baku.	Per cent.	Grozny.	Per cent.
1913	553	100	467	100	73.7	100
1920	233	44	150	32	75.8	102
1921-2	284	51	184	39	87.7	119
1922-3	322	58	218	46	91.7	124
1923-4	363	63	127	54	43.7*	120

*Half-year only.

The industry this year has made no call on the Treasury; in contrast with last year when 23 million gold roubles were spent on re-equipment. The demands of transport and industry are fully met and large supplies await export (see report on Baku).

MINES

Production of Minerals

Iron Ore.—This is still an insignificant percentage of pre-war production. At present only 23 mines are working out of 122, and of late years industry has been supplied from pre-war accumulations. These are now nearly exhausted and a revival of production is in hand.

PRODUCTION OF IRON (In millions of poods.)

1913	533,000	100 per cent
1920	9,420	1.7 "
1921-22	10,895	2.0 "
1922-23	29,796	5.5 "
1923-24 (half-year)	20,950	8.0 "

Cast Iron.—In 1913 there were 140 furnaces at work, in 1921 there were 14, and in 1924 there were 28:—

PRODUCTION OF CAST IRON (In millions of poods.)

1913	256,800	100 per cent
1920	7,060	2.7 "
1920-1	10,185	3.9 "
1922-3	18,400	7.1 "
1923-4	42,645	16.6 "

Before the war, the southern region supplied 73 per cent., and the Ural 21 per cent. Now in consequence of civil war, the South only supplies 37 per cent., and the Urals 46 per cent. The Centre produces 25 per cent. of its pre-war production, the Urals 15 per cent., and the South only 3½ per cent.

Machinery

The production of metal manufactures generally is at present (1923-24) estimated as about 25 per cent. of pre-war. As it was found that factories were working at 15 to 20 per cent. of their capacity, the Trusts agreed to shut down nine of the 67 works, thereby raising the percentage of full capacity to about 40 per cent. in some.

(To be continued in next issue)

Banker Morgan Wars on the Riffs in Africa

By B. BORISOFF.

HAS the United States declared war on the Moroccans? No, there has been no official declaration of war. However, how could we interpret the action of a squadron of volunteer American aviators, holding high ranks in the American aviation service who have offered their services to the French government to assist in the military offensive against the Riffians? How will the Riffians interpret the action of this squadron when it will proceed to bombard their troops, to burn the villages of the natives and to kill innocent civilians, their wives and children? Surely, they will interpret that as a declaration of war, since it becomes apparent that this squadron is acting with the consent and under the silent approval of the American government.

THAT this is actually taking place is becoming apparent from the following report which we read in the Chicago Daily News edition of July 15:

"Paris: Premier Painleve last night gave his consent to the formation of a new Lafayette-American air squadron to proceed at once to the Moroccan battlefields. This squadron is being organized by Colonel Charles Sweeney and thus far the following veterans, who saw service in the French and American armies during the world war, have asked to join: Maj. Grey of Chicago, who commanded an American flying group in 1918 and won fourteen victories; Captain Wm. Rogers of Pittsburgh, formerly of the Lafayette squadron; Maj. Baer, assistant chief of the Peruvian air service and a member of the New York air police reserve force; Paul Rockwell, formerly a correspondent of the Daily News in Paris; Maj. Pollock, who helped organize the New York air police; Commander Parker, who won eight victories while in the Lafayette squadron; Col. Kerwood, who saw service in the United States, French, Honduran and Greek armies and organized the New York air police reserve.

"The members of the new unit will have French airplanes and will reach Morocco about July 22, in time to take part in the big French offensive against Abd-el-Krim."

WHEN the high ranked American officers will take an active part in the subjugation of Moroccans by the French troops, they will do so undoubtedly with the consent and silent approval of the American government.

To be sure we do not want to imply that there has been an official exchange of notes between the French and the American governments on the subject. Such would be unnecessary, and even embarrassing. But can any

one conceive that these "volunteers," these war veterans who were brought up in military discipline, should act without being sure that their action finds the approval of their superiors of the American army officials, of the American diplomatic representatives in France and of the American government itself?

The government at the White House is thus responsible for the blood of the Moroccans to be shed by these aviators and for other crimes which they commit, unless it takes immediate steps to recall them.

THE American workers would like to know in the name of what cause this French-American war against the Riffians is being organized, and already the French and American imperialists are giving a suitable moral explanation. Here it is, as we hear it from the lips of the commander-in-chief of French armies in Morocco:

"I can hardly express my feelings in appreciation and gratitude for the magnificent generosity of those Americans who, in an hour when they consider France is again in difficulty, have again abandoned their personal interests and offered their help. It is not only the fact that the French air force will be increased by so many valorous elements that rejoices all Frenchmen; we appreciate far more the desire of the Americans to aid France in a difficult moment.

"The American people have always been on the side of justice, and this offer of new service to France is a sign of their belief that our war in Morocco is a battle for civilization and justice.

"We are not after territorial conquest. We want the Riffian mountaineers to live peacefully in their own country. We will give them every facility for trade with the people in our protectorate. But when they try to impose their will on territories that do not belong to them, they force us to take measures which will cost them dearly.

"No doubt the French will have to pay the price for victory, but we shall prove to the Riffians that they cannot disregard the rights of France with impunity."

THE French general appears to be overcome by emotion. He is hardly able to speak. Indeed, is it not a suitable occasion for such an emotional outburst? For again the "noble Americans" come to the rescue of "France" in a difficult moment. And again, as in 1914, this is by no means a war of aggression but a war for "civilization and justice." "The French government," the general assures us, "is not the invader of Moroccan territory, but the Moroccans themselves, attempt to force their will on the territories which do not belong

to them."

So speaks the French general, a master liar in the employ of the French imperialists. He lauds the "heroic" act of the American volunteers as if it were inspired by the entire American nation. To quote again his own words: "The American people have always been on the side of justice and this offer of new service to France is a sign of their belief that our war in Morocco is a battle for civilization and justice."

THE general is lying. The great toiling masses of America refuse to be deceived this time. They do not believe that the invasion of French imperialism in Morocco against the heroic and brave people, fighting valiantly for their independence, can be explained as a war for "civilization and justice." The American workers understand that not civilization and justice are endangered by the Moroccans, but that the French imperialist rule in Africa is in deadly danger to be overthrown. The American workers do not approve the "heroic" act of the officer-volunteers, nor are they responsible for the silent support given this act by the American government. In their conception these high ranked officer-aviators are not heroes but simply hired assassins and murderers which should be tried for the destruction and murder they will inflict upon the totally innocent population of Morocco. It is quite clear that these volunteer aviators were bought by the promise of still higher titles, and altho at the present time it is said they receive only one franc a day, it is quite clear that a much greater reward is awaiting them in the future.

But what prompts the American government to allow the organization of American detachments for war against the natives of Morocco? Here,

too, the explanation is to be found, not in the field of idealism, but in the field of imperialist self interest. What would happen with the loans of millions of dollars by the House of Morgan and Company to the bankrupt French imperialist government if France were to lose her African colonies? What would happen with the payment of war loans of France concluded in America?

THE interests of French and American imperialism are interlocked. They demand the subjection of Moroccans. The interests of workers are different. It is in their interest not that the French and American imperialism become strengthened, but, on the contrary, that the exploited colonial people win over their imperialist oppressors.

That is the reason why the American workers must demand that the American government should cease making war against the peaceful native population of Morocco; that this government should recall its volunteer aviators from Morocco and that it should compensate the Moroccans for the destruction of life and property which was caused by the American flyers in their war for "civilization."

The Workers (Communist) Party of America, the defender and champion of the exploited colonial people should be the first to act. It must tear off the mask from American imperialism; the party should demand an explanation why the government permits its officer-aviators to carry on war against the peaceful population of Morocco and why it assists the French imperialists to suppress this population. Our party should organize the working masses for a protest and struggle against the murderous acts of our "own" imperialism.

Along the Bowery

IT is night.

On the street of the poor the crowds walk up and down. . . Up and down endlessly.

Outside of the "Holy Heart Mission" many unemployed are waiting to get their supper and lodging for the night. There are young, old, white, colored.

Not far from the mission a big crowd has gathered. It is an old man stretched out on the pavement. His face is ashen white, his eyes drooping and perspiration is running from his brow.

The crowd stands motionless and none stir to render any assistance to the poor unfortunate.

Every now and then the old man opens his eyes coughing chokingly, a whiteish foam coming out of his mouth. Then for a while he remains quiet, not moving at all.

LOUDLY ringing bells announce the arrival of the ambulance. The ambulance physician quickly steps out of the wagon, scrutinizes the face of the prostrate individual and with an air of determination pronounces:

—Hunger. . .

—He fainted from hunger.

The man is placed in the ambulance. The automobile drives speedily to the hospital. He may die when they arrive. Who can tell?

By this time the people are admitted to the "Holy Heart Mission," and the crowd continues to walk up and down the Bowery as if nothing had happened.

"MEN wanted". . .

On the employment office windows the above is written. There is plenty of work, the wages are good, and there is need of men.

"The Ontario railroad is looking for men at seventy cents per hour, the work is easy, board, food, etc."

Questioningly I enter the employment office.

—What kind of work have you got for me?

—Good job.

—Is there a strike here? I asked.

—Oh, no! God forbid we would never hire scabs. . .

By this time about twenty men came into the office, mostly in overalls, workers, with unshaven faces. It is easily perceptible that they are long without employment.

THE train leaves at six at night, says the proprietor of the employment office. All write their name on a sheet of paper; at last they have work. . .

They are kept waiting for the train's leaving and a tall husky looking fellow guides them to the station.

I read in the Times the next morning: Four thousand men strike on the Ontario railroad. Bloody fight between strikers and scabs. Six dead, many wounded.

On the window of the employment office I still read the sign: "Help wanted" . . .

SOMEONE screamed!

The passers by stop for a moment wondering what has happened.

In front of "Fairy Land" cabaret many gather to find out about the excitement. . . A man is struggling with a young girl.

—Give it back to me! he said.

—Nothing doing!

A policeman seen on the corner, stalks heavily towards the scene of the quarrel. He is a burly Irishman as tall as an electric pole.

—Whot the hell ar' yez doing? hollers the policeman.

Now the struggling ceases, the man's flush highly flushed with little streams of blood trickling down his forehead. The girl shoots nasty looks at the man.

—What happened? asked the policeman.

—She stole my money, the man replies angrily.

—He's a liar! the woman retorts.

—You did, you g—w—! And the man is about to jump at the woman.

The husky bluejacket grabs both and leads them to the police station. . .

L—y K—n.

Riffians Halt Heralded French Drive



The predicted drive of the French on the Moroccans, which has received tons of publicity in the capitalist press, has not materialized.

No. 1 shows where the Riffians are massing troops for another attack. The French are already falling back around Quezzan, which the Riffians threaten to capture.

No. 2—The Moroccans are still pressing the French back near Taza, and the city is surrounded by the natives.

No. 3—The menace to Fez, the capital of Morocco, is still acute, the Riffians being in the country south of Taza.

The Riffians have captured several French posts in the past few days.

SHOP NUCLEI EXPERIENCES

By Martin Abern

ONE thing is certain, the Workers Party must be a Party of shop nuclei. With that feeling prevailing, the tasks before the Party are the steps to be taken in that direction.

Even the meager experiences of the Workers Party give some idea as to better ways and means for shop nuclei reorganization. Under pressure of the Party, some Party units have organized shop nuclei; other places on their own initiative have proceeded to organize.

It would be well for purposes of education and encouragement if various district organizers would report some of the results in their districts.

300 Members in Shop Nuclei.

IN District No. 8 a start has been made. There are some 24 shop and street nuclei in existence, as follows: Chicago, 7, composed of clothing, railroad, machine shop, printing. Gary, Ind., 2, a steel mill and a street nucleus. Pullman, Ill., 4, in steel mill and automobile factories. Hammond, Ind., steel nucleus. South Bend, Ind., automobile. Dowell, Zeigler, Valier, West Frankfort, are mine nuclei. There are approximately 300 Party members organized in these nuclei as follows: Chicago, 50; Gary, 60; Pullman, 46; West Frankfort, 40; Dowell, 9; Hammond, 15; Valier, 10; Zeigler, 75. This is about 10 per cent of Party membership in this district. THESE figures in themselves do not mean so much, but in their possibilities, they are a good deal. The nuclei are organized in the large and basic industries, coal, mining, railroad, etc.

Gary, Ind., and Zeigler, Ill., Set Pace.

Gary, Indiana is completely organized on a shop nucleus basis. There are two nuclei, one a shop nucleus and the other a street nucleus. The shop nucleus has some 38 members at present. The comrades in Gary after a couple of educational meetings organized on their own initiative, and it is worthy of note and congratulations that the first city organized wholly on

the shop nucleus basis is Gary, a main stronghold of the steel trust. All the language branches there are only auxiliaries to the Party and have no special Party powers.

PULLMAN has over 50 per cent of its members in shop nuclei and there is no reason why Pullman should not be altogether organized into shop and street nuclei in the next thirty or forty days. Only unnecessary objections which need not be taken up here can prevent that.

In Zeigler the 75 members in the shop nuclei, one of 65 and one of 10, are made up of the former language and English branches with the exception of a few language members who, it is reported, have refused thus far to enter the nuclei. Persuasion and education, not extreme measures at this time, will solve such difficulties.

IN Chicago the best functioning nucleus is the nucleus in the print shop, not because it is in the DAILY WORKER shop, but because the members are thoroly alive to the possibilities of nuclei organization. I do not wish to go into detail here on experiences of the various shop nuclei, but only to point out a few generally important facts which must be noted.

Greater Encouragement from Federations Needed.

First, as to the question of reorganization itself. There is the problem of getting the language federations to encourage reorganization to a greater extent than they have. In the writer's view, laxity of some comrades in getting into the nuclei, where they have been organized, is not due to their own unwillingness, but because they felt that their bureaus were not any too anxious to get them into nuclei. Leading comrades in Zeigler, for instance, report this, in their opinion, as one of the reasons why the handful of comrades yet remain outside the nuclei.

FURTHER it can be said, without any intention of discussing it from that angle now, that the factional sit-

uation in the Party has not contributed toward speedier shop nuclei reorganization. Where the nuclei are organized, with some few exceptions, the comrades report themselves satisfied with the change and lay plans for nuclei work.

The English speaking comrades nearly everywhere take the initiative in reorganization and the lead in the work and are most enthusiastic for shop nuclei.

Too many comrades approach the question of shop nuclei reorganization mechanically. They assume that reorganization is a matter of a Party edict or mandate, a sort of an affair where the Party rubs Aladdin's lamp and nuclei spring into existence. Some assume, too, that shop nuclei reorganization is a matter of setting a date in which the reorganization must be completed and the latter is over with. Shop nuclei cannot be organized after the fashion of a hen scratching for food. It must be more systematic and planned, with an understanding of Party history, its composition, kind of work our members are in, etc.

THERE are comrades who feel that in the reorganization and in the work of the nuclei, too much stress is laid upon the economic problems and that the political character of the nuclei does not come out. But it is a truism that the problems of wages, working conditions, etc., are the matters which first engage the attention of the workers, of the Party members. There is nothing terrible about that. Quite the contrary; these are closest to them and form the base of political development of the nuclei. Party guidance, meetings of Party functionaries with nuclei, will soon result in development of these primary issues into channels which result in nuclei developing these issues politically.

In a Party like the American Party, with all its diverse language elements, one of the first things in the nuclei is to get acquainted with one another to talk, to feel that the language differ-

ences are no barrier in the Party reorganization. In some localities the first contact of all comrades with one another has been thru nuclei. Discussion of shop problems is a first step toward getting acquainted and laying a sound basis for complete nuclei activity.

Organization Must Be on Large, Swift Scale

BUT if there is reason for care and planning in shop nuclei reorganization, there is, nevertheless no reason for slowness in reorganization.

Shop nucleus reorganization in the various districts shows this fact, thru reorganization cannot be on the style of the junk dealer, done on a second hand basis. Party reorganization must be on a large intensive scale, taking in large working areas at a time. Spotted organization, that is, organization of isolated nuclei here and there, instead of helping reorganization tend to hinder, discourage and, perhaps, for a time destroy possibilities of reorganization.

ORGANIZING in isolated fashion, which has been pretty much the case thus far, only results in most of the comrades not participating in the reorganization, in being by-standers, watching the parading shop nuclei, who are perhaps not all in step as yet, and who have not yet learned to drill or to function as they should.

Reorganization, to be effective, must begin with the close of the party convention, be sweeping in its form. Cities must be chartered out into sections. Sections registered accurately, meetings called, sections reorganized into shop and street nuclei, shop nuclei branches wherever possible within the sections, formed, etc.

In the large cities the method of reorganization will vary in accordance with the kinds of towns and industries. In small towns the problem is simpler. But the question of organization in the different towns is subject matter for another time.

The Mission of Count Skrzynski

By M. DURDELA.

Count Alexander Skrzynski, Polish minister of foreign affairs, arrived in the United States on the 14th of this month. His arrival in the U. S. has much to do with the present political and economic situation in Poland. There is no doubt that his purpose is to gain the active support of American capital for the Polish policy of exploitation and oppression of the workers and peasants in Poland.

Count Skrzynski left Poland just after an agreement has been concluded between the Polish nationalists and Jewish bourgeoisie at the expense of other national minorities in Poland (Ukrainians, White Russians, Lithuanians and Germans.) For the promised support of the Jewish representatives in parliament the Jews have gained some privileges (viz., to keep their shops open on Sundays, kosher for Jewish soldiers in Polish army, etc.)

MR. SKRZYNSKI'S purpose evidently is to use the influence of rich Jews in America for strengthening of the alliance between Polish and Jewish bourgeoisie in his fatherland. He will also try to loan more money from the American bankers. A "special dispatch" from Washington, July 22, to the New York World says: "Coincidentally with the visit to the United States of Count Alexander Skrzynski, foreign minister of Poland, to attend the round table discussions at Williamstown, Mass., Polish financial agents are preparing to approach American banking interests on the subject of a Polish loan, according to advices received in an official quarter today."

Of course, the loan is one of the main points on the program of Count Skrzynski. His lectures at Williamstown, Mass., are only incidental.

The money of American bankers robbed from the American workers, will go to the Polish bourgeoisie in order to strengthen the hold of Polish capitalism upon the workers and peasants of Poland, and the oppression of national minorities.

MUCH has been written in our press about white terror in Hungary, Yugoslavia, Bulgaria, Rumania, and about imperialism of America, England, France, etc. The case of Poland has been practically ignored. There is no reason for that. Poland is the most important outpost of European capitalism in the East. Soviet Union is her neighbor. Her role is that of a wall between the Union of Soviet Republics and capitalist Western Europe. The events in Poland have great bearing upon the general development of the struggle between capital and labor.

Poland, about the size of the states of West Virginia, Ohio, Kentucky and Tennessee, has the population of about 29 million. Of this there are 18 million Poles, about eight million Ukrainians, and the rest are Jews, White Russians, Lithuanians and Germans. The Ukrainians, White Russians and Lithuanians live in the eastern territory in Poland. In that territory they are in the majority, but in relation to Poland as a whole they are the national minorities.

The Third Congress of the Communist Party of Poland in its thesis on "The National Question" said:

"The present Poland is a state of nationalities, whose basis of existence is not only the class rule of the Polish bourgeoisie over the masses of Polish people, but also its rule over the masses of people annexed by force of arms to the Polish state (viz., Ukrainians, White Russians and Lithuanians), and over those scattered among the masses of Polish people (viz., Jews and Germans)."

THE hold of the Polish bourgeoisie over those conquered peoples is a question of life or death for the bourgeois Polish rule. The control of White Russian and Ukrainian territories makes Poland a great state with great military forces, and makes it possible for Poland to play an important role in international imperialistic politics. The control of Western Ukraine and Western White Russia

(Soviet Ukraine and Soviet White Russia are "Eastern."—M. D.) is also from the economic point of view one of the most important bases of Polish capitalism: These territories are for Poland the sources of raw material (lumber, oil), as well as the markets for her manufactured products; in addition to that tens of thousands of Polish officials are enriching themselves in those "borderlands" at the expense of Ukrainian and White Russian peoples.

"Of special importance, both economic and political, are the 'borderlands' to Polish big landowners. They own enormous tracts of land in western Ukraine and Western White Russia, which circumstance allows them to wield great influence in state politics.

"The rule over the subjugated peoples is, therefore, one of the sources of the economic and political power of the Polish bourgeoisie; it strengthens their class rule, it increases the slavery of the Polish workers and peasants. The liberation movement of these peoples, which bursts the frames of the capitalist Polish state and aims its attack at the very basis of the class rule of Polish bourgeoisie, is the prerequisite of the class emancipation of Polish workers and peasants revolution in Poland."

The thesis on "The tasks of the Communist Party of Poland," adopted at the same congress, says: "The party, raising among the masses of Western Ukraine and of Western White Russia the slogan of joining those territories to the neighboring Soviet Republics, points out at the same time to them that under the banner of Communism only can they be victorious in their class and national struggle, propogates among them the feeling of solidarity with the exploited masses of entire Poland, and the consciousness that the victorious uprising in their territories is possible in this international situation only hand

in hand with armed uprising of the workers' and peasants' masses in Poland."

THIS is the policy of the Communist Party of Poland in regard to national minorities.

On the other hand, the Polish bourgeoisie tries by all means to suppress any sign of liberation movement in non-Polish territories. White terror reigns supreme. The assimilation policy is being pushed with whole force. The "borderlands" are being colonized by the hangmen of the Polish bourgeoisie.

Thousands of the best fighters for workers' and peasants' interests are now in Polish prisons.

Count Skrzynski who has come here to fill up the money bag of Polish bourgeoisie will not tell of those things. He even does not mention the fact that at present millions of workers and peasants in Western Ukraine are now in the clutches of famine as a result of bad crops and ruinous taxation policy. The workers and peasants of Soviet Ukraine have sent about 30 carloads of wheat to the famine stricken; here in America the Ukrainian workers are collecting funds for that purpose. But the Polish bourgeoisie has practically done nothing. The Polish government has put aside a small sum of money in order to "help" the famine stricken population—and the help goes to the big landowners and rich peasants that they might buy some corn for sowing instead of helping the poor peasants to save their lives.

There is no doubt that Count Skrzynski, will now attain his purpose: he will gain support of the rich American Jews for the new Polish-Jewish bourgeoisie agreement in Poland and he will carry back with him new millions of dollars from American bankers. But the American workers should let Count Skrzynski and all his clique here, and in Poland, know what they think of the bourgeois Poland—the exploiter and oppressor of the Polish, Ukrainian, White Russian, Lithuanian, German and Jewish working masses.

The New Schools in Soviet Russia *By Morris Backall*

I visited the "Lunacharski School" in Moscow on Chliebnaia Street. It occupies two buildings; one for the first "stupen" (stage), and one building for the second stage. I found three hundred and eighty nine children mostly of workers, playing joyfully, sitting in their classroom, but always doing something, always creating.

You could feel that the new spirit and new life takes hold of the entire school work. The teacher in the classroom, as well as in the play hall is not a superior, but a friend and helper of the children.

It was the old and able teacher Vaselievna who has been teaching for the last thirty years whom I met first, and her deep eyes stimulate the entire atmosphere of the school with their friendly looks.

Gives Teachers Chance.

She feels that the Soviet government is giving the teacher as well as the children the first chance in the world to create a new education, a new kind of children who will build a new world and be able to absorb and solve the difficult problems of life and society.

From the very beginning the Lunacharski school as well as all other schools that I visited impresses the American with its difference and novelty. It calls out the image of our school life in America where everything is conservative, old and narrow, where the curriculum in American schools are relics of the middle age; where the pupils are quiet and dry and scared. In Russia the school rooms are full of life, full of movement, full of joy. The pupil is merely a member, an equal one of the creative life.

Work—Nature—Society.

The system of the Lunacharski school is the educational system of the (Gus) government educational system. It consists of three primary elements. First, work; second, nature; third, society.

Work: The spirit of work is the central one in the educational life of the school. The child studies the work shops, industrial history of its surrounding, starting with its district, going to its city and then state and government.

The school itself has work instruments like weaving, carpentry, shoe making, and so on. The child gets a knowledge how to produce, how to organize and how to study labor and its problems.

Study Evolution of Social Life.

But, as a school system, the method of study in the Lunacharski school as well as in all other schools of Soviet Russia is the new method of complex study. The child begins with the very simple beginning and goes through the entire evolution of human effort, for instances, house building. The child learns that the first house was a cave, then a tent, then an improved kind of tent, small peasant house, up to modern apartment buildings. The same is applied to the metal industry which developed out of a stone knife.

The method of education in its preliminary work is so combined and gives the child such a vivid picture of life that beginning from a house the child studies, not merely work, how a house is made, but also the evolution of social life, when people lived in caves, then in tents, small peasant houses, modern houses and apartment buildings. Together with this, children study the complex of modern plumbing, how at the beginning water was brought from the river and how people living in big apartment buildings and hotels are able to get modern comforts. Children works in the shops of the school; children visit small shops outside and factories and all modern big industries. They study the whole evolution of society, of labor and of nature, combining the three and uniting the efforts of the child through one channel, beginning with the house, then with the district, the city, state, government, and then in the higher grades the whole world.

Contact With Realities.

The children in the Lunacharski

School as well as in all other schools in Soviet Russia study their reading, writing and arithmetic, not through books but from actual life, from actual contact with realities, therefore their study has not merely a practical value, but it is a part of their own life.

The children in the Lunacharski School, according to the educational program of the Soviet Government are socially organized. First, in a "san-kom" (sanitary committee), which

tion and fantasy and interest are awakened to nature, to work and to society, which they are reproducing in color and line and rhythm. You see pictures on the walls of the schools of the open field, of the peasant working on the field, of workers in shops and of movements of the streets. The stories they write are full of the very life that surrounds them and through which they give expression of their knowledge gained in language, in their work.

Going on a Spree



takes care of the sanitary condition of the children, and teaches that they should have clean hands, feet and dress. Second, a "belkom" (a committee for laundry), so that the towels and underwear of the children should be kept clean. Third, a "choskom" (house committee) which takes care of the building and school materials.

Study Peasant Life.

The school of the second stage begins its studies from the village. The life of the village in fall and all activities connected with agricultural life of that period of the year are explained. The holiday of harvest, of taking the grain to the city, the problem of speculation with the products of the peasants in capitalistic states and the changes that took place in Soviet Russia are gone into.

In this way the child gets a knowledge of buying and selling and exchange through a plain example of the life of peasant, the life of the village and the city, and also of the problem of co-operative in distinction from private business.

The children of the Lunacharski School, as well as children of all the other schools in Soviet Russia are taken out for three months of summer to the villages of Russia. They work out a plan, then they go out to observe and study, then they write reports and stories and poems, then they paint.

It is wonderful to see the paintings of these children, how their imagina-

Study of Labor Stimulates.

The children of the city coming to the village participate in the life of the peasant and at the end of the semester they bring back to the city a knowledge of the life of the village, together with botanical atlases and collections that they created during the summer months. Generally near the village a factory stands and the children of the Lunacharski School get acquainted also with the life and work of the factory.

The children of the school of the second stage do advanced work in the different occupations of which they get only a glimpse in the first stage of the school life.

Different groups of children study different occupations. Every group reports its accomplishments and problems to the other group, and so every child is confronted with the entire situation of labor.

It is in Soviet Russia where the spirit of labor dominates the entire life of the community, where labor came to the forefront of political economic, educational and artistic life that the children can realize the value as well as the necessity to study it, with that love that I could find there. With them it isn't mere theory but a stimulation to the entire life of childhood.

Study The Revolution.

The children in the schools of Soviet Russia are studying the holidays before the Revolution and the holidays

after the Revolution. They express it also in painting and in writing their stories. The third year the children study the development of factories, transportation, culture, public utilities in the state. They begin with the times of the czar and end with the development of the same institutions in Red Moscow.

The fourth year the children study not only the development of the entire life of industry in S. S. S. R., but the struggle between peasantry in the village against the landowners, how the workers develop and how the interest of the working class combined with the peasantry and the present motto "with the face to the village."

Children Help Controlling.

In the fifth, sixth, seventh and eighth grades of the second stage the children studying advanced mathematics, physics, chemistry, also through the method of complex.

The Lunacharski School as well as all experimental schools in Russia, which are very many, took over from America the "Dalton Plan" which gives the child self control over its studies. The child itself takes care of the results of its studies and registers itself the outcome of its daily studies, daily attendance, hours devoted to each study, which is determined beforehand through a plan, and each child learns to be responsible for itself and to take account of its un-development.

Orphans Get Best Treatment.

There are thirty-three experimental schools in Moscow alone and they are very many experimental stations in Soviet Russia. Each and every school is doing its work through a general plan, but finding new methods how to make the general program more effective and more beneficial to both children and society.

There are Youth Organizations in the Lunacharski School which are to be found also in every school of the country. A young pupil was shown to me as the chairman of the "komsomol" organization. I asked him how he was getting along and he answered, "I live better than anyone, they all respect me," and I was wondering why he is treated better than anyone and I asked him, "Why, are there any privileges?" And he flushed and answered, "I am an orphan on both sides, I have no father and no mother," and I understood that this youth who would be an outcast in a capitalistic state feels more than anyone, the spirit of a communistic government.

Ideals of Youth.

He explained to me that their organization consists of fifty members and they have also one hundred and twenty pioneers. They organize debates and lectures and they are interested in the life of the children in America, in Germany. He told the dreams they dream of a new world and their readiness to help humanity, so I understood the ideal that Soviet Russia gives to its youth in the interest that awakens in the young generation to all phases of life, all phases of humanity.

There are 250,000 teachers in Soviet Russia living, teaching in the farthest corners of the big land; some of them teach for months at a time in lamp lighted rooms in distant Siberia; most of them work in villages among peasants, but all of them have the divine feeling that they are molding a new personality of collective life, of creative forces, a generation which will astound the world with its idealism.

Teachers Support Soviets.

At the last All-Russian Soviet convention of Teachers which was held in Moscow the teachers expressed their willingness and readiness to help the government of Russia in its educational efforts, notwithstanding the fact that only from eight to ten percent of the bulk of the teachers are communists but they all feel that only the present Soviet Government of Russia is able to cope with the educational situation in Russia and is able to organize the most modern school system in the world.