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Bad Harvest and Grain Exports of the Soviet Union.

Extract from the Report of Comrade Rykov in the Plenary Session of the C. C. of the R. C. P.

Our Grain Balance.

The Central Statistical Board calculates the harvest of this year to amount to 2640 million pud. The figures of the State Planning Commission and those of the People's Commissariat for Agriculture differ somewhat from these, but the differences are not great, since they do not exceed 100 million pud. If we add the remainders from the last harvest, calculated by the State Planning Commission and by the Statistical Board to amount to more than 150 million pud, then the total sum of grain at the disposal of the Soviet Union is about 2800 million pud. With such a harvest the requirements of the Union are fully satisfied, and moreover there remains still a net surplus of about 100 million pud which can be used for exports. This is why the Government has decided not to exclude grain exports in this year.

Grain exports in the present economic condition of the Soviet Union act as a corrective for those market relations between town and village, between industry and agriculture, which arise from the results of the harvest. We therefore can pass to exports only, when the results of the harvest and of the seeding campaign are fully known and the requirements of the whole population of the Soviet Union have been satisfied, so that the Soviet Union will have at its disposal a reserve stock sufficient for maintaining entire control of the whole home market and of grain prices. We must have a sufficient reserve stock not only to provide the towns, but also for reducing the prices in those agricultural districts where they will be extraordinarily high. For this reason the Government has decided that the exports plan, comprising about 75 million pud, is to be carried out according to special instructions of the Government to be given later on.

The Effects of the Bad Harvest.

Had there not been a bad harvest, then, according to the reports of the first weeks of May, the harvest of this year would have amounted to 3200 or 3400 million pud. As a result of the bad harvest, we have lost no less than 500 million pud. This means that, had the bad harvest not occurred, we should have been able to take a huge step forward. In particular, grain exports, as compared with those of last year, could have been raised to nearly the double extent without any detriment to the provisions for the population of the Union. This would have procured us considerable sums of foreign values which would have enabled us to revive our industry very considerably, to enlarge its production and to help the peasants. The bad harvest of this year touched about 8% per cent of the agricultural population and about 11 per cent of the area under cultivation. As compared with the bad harvest of 1921, the losses by the bad harvest of this year amount to about one quarter.

Our industry and the whole planned economy are, to a very great extent, dependent upon the harvest which under our present conditions appears to be a phenomenon dependent upon the elements. In this respect we are more like Asia than Europe, because we have very insufficient means for regulating the harvest and determining its stability.

There arises the question whether industry and trade will be reduced, whether the working class is to suffer as a result of the bad harvest. Last year there was a very great disparity between the grain prices and the prices for industrial products, to the detriment of the peasants. The grain prices were so extraordinarily low that they gave rise to fears regarding our rela-

tions with the peasantry. This year we are faced with the opposite danger, and this means that the money to be derived from the sales of the market produce of this year will not be less, but rather more than last year. For this reason the market will not be reduced nor will there be a reduction in the peasants requirements in industrial products. Hence there will be no necessity to reduce industrial production.

We are faced with the prospect of a further growth of the market, of a further development of goods turnover. This will take place partly as a result of an increase in the purchasing capacity of those economic units which already have been drawn into the market, and partly by drawing new economic units and new districts into the market. The relatively high grain prices and the reduced prices of industrial products render a substitution of the money exchange system for the natural exchange system unavoidable. This process is only in the first stage of its development.

Our economic plans as well as our apparatus must be adapted to the consequences of the bad harvest and must aim at the utilisation of those districts which are not affected by the bad harvest. Our financial and commercial policy must be directed towards supplying those districts, from which we get grain, with sufficient goods and with sufficient means for the purchase of grain and agricultural raw materials. We must emerge from the economic situation of this year not only with an enlargement of the market, but also with a stable currency, but this depends upon our wage and price policy. Our task essentially consists in maintaining the real wage on the level reached already, or even in raising the purchasing capacity, by reducing the prices of industrial products, by improving the organization of the retail trade and by reducing the extraordinary high grain prices.

Measures of Combatting the Bad Harvest.

The districts affected by the bad harvest are typical drought districts which have been affected by drought in the years 1880/81, 1891/92, 1897/98, 1906, 1911/12, 1920/21 and 1924. As can be seen, the drought and the bad harvest in these districts are not accidental.

Our measures for combatting the bad harvest of this year diverge considerably from those taken in 1921. We regard as districts to be supported those which yield less than 6 pud to the head of the population (in 1921 only 4½ pud). In this year we have spent for every inhabitant 15½ roubles (in 1920 only 9 roubles 80 kop.). Also the system adopted for relief work is quite different this year, since we have almost completely renounced so-called charitable relief. In our struggle with the consequences of the bad harvest we strive at maintaining the amount of the area under cultivation, at any price. This is our chief task as well as the maintenance of the cattle and the support of the peasant economy.

The supplies of seed are developing so rapidly and so timely as never before. The task of maintaining the area under cultivation has been fully accomplished; in some districts we even have enlarged the area under cultivation. This is effected by granting credits to the peasantry.

For feeding children the rather high sum of 7 million roubles was assigned.

As regards the preventive struggle against droughts, we have repudiated several plans and adopted that of the People's Commissariat for Agriculture which aims at raising the whole economy of the districts affected by bad harvest, and proposes to devote only a quarter of the sum assigned for the work of improving the soil. The carrying out of this plan the execution of which is to cover five years, will cost 260 million rouble. The state will grant about a third of this sum, the rest will be provided by the central and local agricultural credit institutes, and a small portion by the local Soviets.

The panic in the districts affected by the bad harvest has completely ceased. A great inclination towards forming co-operative societies and towards improving economics has arisen. The bad harvest has made the peasants extremely receptive for the agitation in favour of all kinds of measures tending to improve cultivation and to avoid a new bad harvest. We are organizing the peasants to take such annual measures as will save us from the repetition of such catastrophic harvests. A special stock is to be collected in those drought districts which are very often affected by bad harvests, which, however, in good years yield very good harvests sufficing for two years. These years of good

harvests are to be utilized for creating an emergency stock for the struggle against drought. A special law concerning these stocks is being prepared.

The total amount of the expenditure in our struggle against the consequences of the bad harvest will amount to about 70 million rouble, a portion of which is to be taken from our budget, while 5 or 6 millions are to be furnished by the Agricultural Bank. About 20 millions must be derived from a special tax or from a surplus tax to one of our existing taxes. We prefer the application of a special tax to the system of appeals for collections, because we can thereby divide the burdens more justly. We shall burden with these taxes the well-to-do classes, the Nep people, and not the workers.

This year the catastrophe is not so great as to induce us to mobilize everything, to create new social organizations, to put the whole Party and the Soviet power entirely at our disposal for the solution of this task. The struggle against the drought must, however, become a mass slogan for the peasants of the districts affected by the bad harvest; in this fight the peasants must be organized. State and Party must help them in every possible way.

POLITICS

Appeal to the Men and Women Workers of England.

Comrades!

Fifteen months ago, the Bulgarian Bourgeoisie by means of their armed Fascist organizations and of the Military League, seized power by an armed "coup d'état" and set up their bloody Fascist dictatorship. This "coup d'état" was actively supported by the Italian and English governments. The White Guard Zankoff government would nevertheless not have been able to hold out very long, if it had not been actively supported by Mac Donald's Labour government. As the tool of the English bankers and capitalists, Mac Donald defends the group of professors and generals around Zankoff, since he sees in this group, the only support of capitalist England against his rival in the Balkans, France, and as only Bulgaria can serve him as basis of operations against the great Union of Socialist Soviet Republics. Therefore today the "pacifist" Mac Donald demands that France, Italy, and the little Entente allow the Zankoff government a standing and enlarged army, which today defeats the people, struggling for bread and freedom, and tomorrow will be sent against the Russian workers and peasants.

Men and Women Workers of England!

The Bulgarian White Guard government, the protégée of the "Socialist-Pacifist" Mac Donald, has performed the following deeds of violence against the Bulgarian working people. In order to strengthen the power of Capital, after the suppression of the two popular insurrections in June and September of last year, it butchered 4000-5000 workers and peasants, expelled 3000-4000 from the country, threw 8000-10,000 into prison (of this number, 2000 are still in prison, without being given a trial), destroyed whole villages etc. etc. Capital has enjoyed unlimited freedom, which has resulted in unheard-of speculation, dearth, unemployment, acute housing crisis and poverty. In order to pay reparations, and to maintain the army and the police, the people have been rescinded, and the achievements of the workers in their twenty years' struggle have been annulled. The working day lasts 10-14 hours, while wages are hardly 45% of pre-war wages. The laws for the protection of the workers remain unregarded, and the unemployed receive no support, although 30% of all workers are unemployed.

Every possibility of fighting against this exploitation has been taken from the workers by the "law for the protection of the state". In April of this year, the General Trade Unions League, the Workers' Co-operative Society "Osvoboshdeniye", the Labour Party, the Communist Party, and the Communist Youth League, were dissolved. The Peasants' Union, the Peasants' Co-operative Societies, and the Workers' Trade Unions, are effectively set without the law. Their members are mishandled, their newspapers are confiscated and forbidden, their meetings are not allowed and strikes are throttled with the help of the military and the police.

Men and Women Comrades!

In spite of all, that slavish quiet, desired by the capitalists, Mac Donald and his friends, the Bulgarian Social Democrats, has not come into our little country. The workers and peasants have combined more closely, and are making a stand against the attacks of the capitalists and Fascists. In spite of the awful terror, the murders, the arrests, the mass dismissals, the united struggle of the workers and the peasants for bread and for freedom and for the overthrow of the bloody Fascist bands is still going on. In this fight we are reckoning on the international proletariat, and it depends on this support whether we shall conquer Bulgarian Fascism more quickly and with less sacrifice.

English Comrades!

The bands of Zankoff-Volkoff are preparing for the beginning of September, a new blood-bath for the Bulgarian people, in order, once for all, to defeat its struggle for freedom. In order to influence the public opinion of England and of the rest of Europe, this band has corrupted a number of your journalists, who for the last three or four weeks are publishing articles full of forged documents. In these articles, the struggle of the workers and peasants is represented as a matter of "Bolshevist Agents" and "Money from Moscow" etc. The struggle of 90% of the people is represented as the work of Russian agents provocateurs, and Mac Donald, the Labour leader, spreads these lies, and stands before the Serbian and Greek governments, for the support of the bloody work of Zankoff. Even Mussolini, the brother in spirit of Zankoff, does not dare to support the anti-popular struggle of the Fascists among us. The only one in the whole world, who helps the Bulgarian White Guards, is Mac Donald.

English Workers, are you going to be silent, while your government supports the murder of our working people? Are you so powerless, that you cannot prevent these encouragements of deeds of blood on the part of one of your leaders?

The workers and peasants of Bulgaria await your answer. They expect you to call out to Mac Donald: "Stop your bloody support of the bands of Zankoff!"

Your leader Buxton and others were in Bulgaria in September 1923. They saw the massacres with their own eyes, but they did not only not protest, but they encouraged Zankoff and the social traitor Kasasoff still further. At that time you were silent. Will you also be silent now? Or will you cry out with us:

Long live International Proletarian Solidarity!
Long live the Fight for Liberation of Workers and Peasants!
The Central Committee
of the Communist Party of Bulgaria.
Sofia, end of August 1924.

The Horthy "Restoration".

By Eugen Landler.

The miracle of Hungarian "restoration" was introduced and forced by the English conservatives. The English "Labour Government" took over the heritage of the Horthy "restoration" and they have succeeded in completing the great work. The foundation stone was laid accordingly: the English money-market took over much the greatest part of the foreign credit, and Hungarian crowns were not, like the Austrian crowns, stabilized in relation to the dollar, but to the English currency. On the 3rd of August it was laid down that 346,000 Hungarian paper crowns represent an English gold pound, and that from this moment the Hungarian crown was to vary only as the English currency.

At the same time it was decided that, in spite of the fact that one gold crown was equal to 15,232 paper crowns, a gold crown was to represent 17,000 paper crowns, and that in assessing and reckoning taxes, duties, customs duties, rents etc. and also in the salaries of state employes, 17,000 must be kept to, as the multiplication figure. Thus there was a 13% disparity between the arranged and the real value of the gold crown: this purely technical financial measure meant in reality a 13% new burden on all direct and indirect tax-payers and rent-payers. On the day of the stabilizing of the crown and in the following days, it came out that, as a result of continual dearth, the inner buying power of the stabilized crown had further depreciated.

The stabilizing of the crown is the foundation pillar of the Hungarian "restoration". In the first step towards "restoration"

it was clearly proved that the stabilizing of the crown means only a false pretence of false economic facts, a condition which it is not possible to hide even for a moment, because of the completely shattered state finances, and the maintaining and strengthening of the anti-revolutionary machinery in Hungary.

But another very important fact was also demonstrated in Hungary. Immediately before the stabilizing of the crown, a new regulation of the salaries of state employes was introduced. Important anti-revolutionary strata were put into a higher wage class, special additional payments were arranged for the police and gendarmery; in the interest of the Horthy judges an extraordinary status was artificially elaborated. Thus it was announced to the workers at the first step, that the "restoration" of Hungary was the restoration of the anti-revolutionary machinery for the purpose of unlimited possibilities of exploiting the workers.

From the concomitants of these first "restoration" measures, one can see what results the miracle will bring.

While the paid inland and foreign press made a tremendous boom, and the Social Democratic press was silent, the various classes of the population reacted as follows:

1. The unemployed demanded of the Social Democratic parliamentary group the immediate calling of the parliament to carry the Unemployment Support Law. In addition they demanded that during unemployment they should not pay rent. They threatened mass demonstrations, if their demands were not immediately considered and put into practice.

2. In one of the larger provincial towns, Pecs, 800 working men's houses are being built for the miners. The contractors wished, by all kinds of dodges, to get out of their agreements: the whole of the workers went on strike, and — against the will of the Trade Union — demanded peacetime real wages.

3. The Union of Shopkeepers protested against the ruling that the protection of tenants as regards shops, is to be taken away next year according to the "restoration" law, and demanded that the payment by installments of rent should be at once conceded. In case of opposition, they threatened the closing of the shops.

4. In the name of the middle and small peasants, the moderation of the burdens of taxation introduced by the "restoration" laws, and a moratorium with regard to ground-rent debts, were demanded.

5. The Union of Small Manufacturers and Retailers demanded the suspension of tax confiscations, and of the public sales prescribed against more than 30% of them.

6. The lower classes of state employes were not satisfied with the new regulations, and brought forward demands.

7. In proletarian districts the opposition in the Social Democratic organizations and in meetings demanded the immediate foundation of Proletarian Tenants' Unions which should as quickly as possible by means of mass actions carry out the revision of the unbearable rent orders laid down by the "restoration" laws.

In the "restoration" week, in which the paid press did homage to the Horthy Government as the "Saviour of the Fatherland", far and wide over the working masses such an excited mood was aroused, particularly in Buda-Pest, that not only the Horthy press, found it right to prepare a pogrom mood against the workers, but also the central organ of the Social Democrats in a leading article and in appeals tried to intimidate the workers in the dirtiest way, and denounced the discontents, the mutineers, as "agents provocateurs".

Before and during "restoration" week, the Bethlen government concentrated the provincial gendarmery in Buda-Pest, and hundreds of gendarmes demonstrated on the streets of the capital, in motor lorries with machine guns, as the best proof of the "restoration". Besides this, the premier's substitute on "the request of the Social Democratic party" received a monster deputation of the unemployed, and granted that the unemployed have not to pay the current rents. He promised immediate arrangement of emergency works, and intervention in the sense of cheaper credits, so that contractors would not have to stop production.

If mass action was thus put off by threats of mass murder, by aid of the traitorous Social Democracy, by government promises, still the mass mood of "restoration" week characterized the work "restoration" better than all explanations.

The essence of the Hungarian "restoration" is the colonizing of the country, i. e. a thought out plan by which the Hungarian proletariat of town and country should be turned into coolies.

in the interests of the big land owners and of Hungarian and foreign capital.

In a country where the workers for four and a half months witnessed Proletarian Dictatorship and afterwards suffered the school of the most awful counter-revolution with rock-like steadfastness, one cannot think for one moment of the carrying out of this plan, without the maintenance and the continual strengthening of the counter-revolutionary machinery.

That was the real foundation thought of the democratic trio: MacDonal-Masaryk-Bethlen, in the carrying out of the work of Hungarian "restoration". Therefore the Horthy "restoration" law rests not on the pulling down, but on the building up of the state machinery. But that means already in reality that every six self supporting persons, whether workers or commercial employees, small manufacturers or retailers, labourers or small peasants, clerks or independent intellectuals, must support one schoolmaster or administrator, policeman or tax collector, minister or gendarme with their family in order that these who are supported may help to turn their supporters into coolies. The political-economical foundation thought of the "restoration" of Hungary must fail in its execution, not only out of state financial grounds, but for economical reasons.

The Hungarian anti-revolutionary state machinery received in the first days of the White terror its distinct peculiar character. The higher and highest classes increased to such an extent, that now the reduced Hungary has the disposal of more state officials in this category in actual numbers than Hungary before Trianon. This character was also kept in the consolidation. This also means that the greater part of these people must not only be kept, but well kept. That can only happen however at the cost of the lower categories. The irritation surfaces between lower and upper categories, therefore increase daily.

The second foundation thought in the execution of the Hungarian "restoration" plan is the absolute maintenance of the monopoly of the big land owners. This thought was also systematically handled in the details of the "restoration" law, and in practice pushed still further in favour of the big landowners and to the disadvantage of the small peasants. (Taxation favours, credits, greater customs duties on small farming implements etc.) Apart from the fact that this state of things hinders production in general, it must not be forgotten that Hungary is an agrarian country. In an agrarian country where the greater part of the population is occupied in farming, a plan which means, that the clash of interests between the thousand big landowners and hundreds of thousands of small owners must become always sharper and sharper, cannot even be seriously thought of, let alone carried out.

Beside the foundation thought of setting the state finances in order by means of tremendous consumer taxes, a specifically Magyar thought has come to the surface. That is: without capital sharing, state profit sharing in production. It is not enough that at the head of the taxes marches a turn-over tax, it is not enough that a species of this tax, never seen before, has been introduced (when an article needs industrial treatment, — from raw producer to consumer each 3% — altogether 21%, otherwise 15%), but also on state financial grounds, the Bethlen Government insists upon profit sharing. This has already been introduced for some vital articles, but in general this perverse thought can only be put into practice when the union or formation of trusts among the contractors has been accomplished. The Horthy government supports and forces the formation of unions and trusts in Hungary, even where the economic conditions are absolutely lacking. How this plan increases the cost of everything, from water and matches to housing, what broad masses are thereby condemned to impoverishment, how this in the last resort hinders production, need not be further discussed here.

An industrial worker can now reckon on an average wage of 400,000 paper crowns. The existence minimum amounts to about 800,000 crowns. A farm labourer who does seasonal work, earns yearly three hundred kilograms of corn. A deputation lodged a complaint about this, with the Minister of Agriculture, who himself once did field work, and who found this fact so unbelievable that he promised to look into the causes. The proletariat of town and country has however revolutionary tradition and experiences, and knows, without looking into them, the reasons for its enslavement. It does not believe in democratic illusions, it is not to be led astray by restoration booms. The most terrible White terror, and the most terrible of betrayals by the Social Democratic leaders, has not destroyed its confidence in its own strength.

In addition to the important specialities of the work of Hungarian "restoration", the maintenance and strengthening of the gigantic anti-revolutionary machinery, in addition to the maintenance of the monopoly of the big landowner, and the unbearable burden of the artificially elaborated taxation system, which carry in themselves the death germ of the "restoration", there is still an important essential speciality of the Hungarian "restoration", and that is that the Hungarian proletariat has at its disposal the glorious tradition of Proletarian Dictatorship. From all these signs one can conclude that this speciality offers a good guarantee that the mood of the "restoration" week will remain no passing phenomenon.

ECONOMICS

Economics and Economic Policy in the First Half Year 1924.

Report up to 30. July 1924. *)

By Eugen Varga.

I. Introduction.

The most important events and tendencies of the first half year of 1924 appear to us to be the following:

The economic crisis in the United States, which as early as a year ago we anticipated for the autumn of 1923, broke out in an acute form in the second quarter of 1924. Various signs go to show that the delay in the appearance of this economic crisis has been due to the deliberate intervention of certain capitalist groups. It has often enough been observed that, when there is an election to the presidency in America during the last stage of an economic crisis, the party suffering defeat is invariably the one governing at the moment. This is a perfectly natural phenomenon in view of the defective development of class consciousness in America, and the prevalence of democratic illusions there. It would thus appear that certain big capitalist groups, anxious for the Republican Party to retain power at the impending election to the presidency, have been trying to postpone the outbreak of the crisis by means of large orders, and by a further forcing of investment activity (building, railway orders etc.). The good business conditions obtaining during the first three months of 1924 are not in the least compatible with the natural course of economic development.

Whether any such intervention took place or not, it is in any case a fact that the economic crisis in America broke out with unaccustomed acuteness at the end of March, and has become worse and worse ever since, so that the production of important branches of industry has been reduced by half. All the illusions about the enormous wealth of the United States, the superfluity of gold, still being increased daily by a fresh supply of about one million dollars, and the mighty combinations of production in the form of monopolies: cartels, trusts, and concerns — all the illusions as to these being able to prevent the outbreak of a crisis, and to ensure a certain and constant course for capitalist production, have thus been completely dispelled.

We shall discuss the American crisis in detail further on. Here we shall only make mention of its reflexive effect upon the economic life of Europe. The boom in America naturally brought fresh life into European economics, for even up to the first quarter of 1924 it was still possible to sell various European goods to America which had not otherwise found a market there, but were now required to meet the extensive demand. By the second quarter this demand had not alone ceased, but the industrial productions now becoming superfluous in the American markets are now flowing into the markets of the world, in part to Europe, and are thus aggravating the difficulties obtaining in European economics. Here the following appears to us to be of theoretical importance:

*) In consequence of various circumstances — German-Russian conflict, Congress of the C.I., — it was not possible for me to write a special report on the first quarter of 1924. I am thus making an exception and giving a report on the whole of the first half year. E. V.

Beginning with this number, we shall print in instalments the most important sections of Comrade Varga's Report. Ed.

If we regard the economics of the United States as the centre of the capitalist world economics, and the evolution of American booms and their decay as decisive for the course taken by the industrial cycle as a whole, then we may ascertain the following: in the cycle closing with the outbreak of the American economic crisis, there has been no boom phase for European economics. The effect of the general crisis in capitalism, the crisis period, has been so powerful in Europe as to completely suppress the boom phase.

With respect to European economics, during the period covered by this report, the decay of capitalism has been mainly evidenced by the fact that in almost every European country economics have been in different stages of prosperity; there has been no uniform rise or fall in all the countries of Europe at once, as was the case under pre-war capitalism*).

There is one phenomenon common to the economic life of all the Central and East European states, and that is a disastrous lack of capital and credit. These are the regions most impoverished by the war, and formerly named by me "under productions districts". The impoverishment of this district is shown at the present time, in accordance with the rates of exchange as now stabilized, in the fact that in Germany, Poland, and other East European states, borrowed capital is being paid for at a rate of interest up to 180% annually. The bourgeois political economists ascribe this fact to the necessity of bringing about an artificial scarcity of money in order to secure the newly won stability of the rate of exchange. We are however of the opinion that it is not the technics of circulation which come in question here, but that as a matter of fact there is not sufficient "capital" on hand, that is, not sufficient accumulated value products to secure the maintenance and development of production.

That capitalist economics are falling to pieces, is most clearly evidenced by the fact that, whilst in Central and Eastern Europe a catastrophic lack of credit prevails, and fantastic rates of interest are being charged for loans, in England and the United States the rate of interest is extraordinarily low. In America call-money can be obtained at 1% annual interest, bill-credit for several months for 2.5 to 3.5%. In America the superfluity of money capital is extraordinarily great. In spite of this, the superfluous capital of America does not overflow to Central and Eastern Europe, as the American capitalists do not consider the security certain enough, and have no faith in the social permanence of capitalism on the European continent.

This lack of uniformity in economic conditions is particularly conspicuous, if we observe the course taken by economic development in the various most important capitalist countries of Europe during the past half year. In Germany the year began with the severe economic crisis involved by the stabilization of the currency, but with a strong tendency towards improvement. This tendency was maintained until about the end of April. Then conditions began to worsen again, and have continued to do so up to the present.

In France the rapid depreciation of the franc first brought about extensive sales for French goods, this stage being followed about the middle of March by a reverse and abrupt improvement of the French rate of exchange, resulting in a stagnation of selling possibilities threatening to lead to a crisis, but arrested by a renewed depreciation of the franc. In England economic conditions improved gradually until about the end of May, but the improvement then slackened off again. In Poland an extraordinarily acute economic crisis commenced with the stabilization of the rate of exchange in February, but appears to be abating within the last few weeks. In short: the economic conditions have developed differently in every country, and there is an obvious tendency for the improvement enjoyed by one country to be gained at the expense of another or of several other countries.

From the standpoint of economic policy, the most important event is the abandonment by the United States of their position of isolation, and their intervention in the adjustment of economic and political conditions in Europe. As we have repeatedly predicted in earlier reports, the outbreak of the economic crisis has been the means of giving the upper hand to the pro-European tendency of politics in the United States. So long as it seemed, as if it were possible for American econo-

*) This phenomenon may be observed for some years; I have dealt with it exhaustively in my pamphlet: "Rise of Fall of Capitalism?" IV. chapter.

mics to continue to thrive in the midst of economic and political chaos in Europe, anti-European politics were able to hold their own in America. This line of politics had even been legislatively confirmed by the United States in their refusal to sign the Versailles Peace Treaty, by their non-participation in the Reparations Commission, etc. This refusal has now resulted in the remarkable fact that the United States are actually taking part in the London Conference, represented by their minister for foreign affairs, Mr. Hughes, and their finance minister, Mr. Mellon, but are forced to keep up the fiction that these ministers only happen to be accidentally in London, as private persons.

The economic ascendancy of the United States became economically decisive, as soon as America intervened in European affairs. This has been excellently pointed out by various French newspapers. The agreements made between the English and French prime ministers have been simply declared null and void by the American bankers. The American banks, American big capital, are actually dictating to London the conditions under which the attempt toward solving the reparations problem is to be made.

One and a half years ago we designated the real essence of struggle for the reparations to be the question: Whose colony is Germany to become? We pointed out that the question was whether France, whose economic powers do not suffice to colonize Germany completely, would succeed in ruling Germany by the traditional method of dividing up the country, by holding the Rhine and Ruhr areas occupied, dividing South Germany from North, and thus keeping it in political subjection, or whether England or the United States would exercise decisive influence in Germany.

We pointed out that time that Germany, whose dense population makes it dependent on the export of industrial productions for its support, and whose most valuable asset is its highly developed and qualified industrial working class, can be properly utilized by the United States only. The United States form the sole country which suffers from lack of skilled industrial during a boom period; the smallness of the increase of America's own population renders it dependent on a constant influx of immigrants for the development of its economic possibilities. But since an influx of politically unreliable immigrants is undesirable to the American bourgeoisie, for social reasons, there exists a tendency to exploit the European proletarians in their own continent, instead of having them emigrate to the United States. The import of the development of the reparations question during the last nine months is: Germany is to become an American colony.

But not Germany alone, strictly speaking, but France as well, and, in a further perspective, the whole of the continent of Europe. The economic weakness of France was shown in the first quarter of 1924 by the catastrophic fall of the value of the French franc. France was not able to maintain the solution of the reparations question by force of arms. It was forced to call upon the help of the American and English bourgeoisies, in order to escape sharing the fate of Germany. What were the political conditions set by the American bankers: whether the granting or prolongation of credits was actually made contingent on the condition that France accepts the Dawes Plan, that is, opens up the path for the absorption of Germany into America's sphere of influence, cannot yet be stated on documentary evidence. At least not by us. This is however of little importance. Whether this obligation has been confirmed by agreement or not, makes no difference to the relations of economic powers. The fact that the depreciation of the French franc could only be arrested by the aid of the Anglo-American bourgeoisie; the fact that France is no longer in a position to obtain at home the credits required for continuing the work of restoration; the fact that the Anglo-American bourgeoisie possesses the power of precipitating the French franc in the abyss at any desired moment by demanding repayment of the newly granted credits, or settlement of the inter-allied debts: these facts suffice to prove that France is at the mercy of the American bourgeoisie, and this whether any actual treaty to this effect exists or not.

The economic import of the solution provided by the Dawes report, and by the negotiations in London, is as follows:

The superfluous capital present in the United States is to be brought over to Europe and employed for the purpose of exploiting the European proletariat, above all the German proletariat. In order to render this possible, the political pre-requisites

According to statistics, 75% of the members are workers. In Germany the bourgeois sport movement embraces about 3 1/2 million members, whilst the workers' sport organisations have about 1 1/2 million members. It would be possible to quote similar figures from every country, from which it would be clearly seen that the greater portion of the trade union organised workers are active members of the capitalist sport organisations.

The bourgeois sport movement is an open and concealed enemy of the labour movement. In Norway, during the great strike of 1920, the bourgeois sport league mobilised its members to carry on strike breaking work. The chairman of the bourgeois national organisation, who is now also a member of the olympic committee, is one of the chief organisers of the fascist organisations of Norway. Fascism makes use of sport in general for its own purposes. We see that Mussolini is one of the most eager promoters of the Italian sport movement and is often personally present at the opening of great sporting fêtes and competitions. He claims that sport will strengthen the Italian nation and preserve it from deterioration. In Germany the bourgeois sport organisations are for the greater part merely a cloak for military fascist organisations.

Bourgeois militarism dominates the greater part of the sport organisations. In France, Belgium and other countries the war ministers are patronizing these organisations. In Hungary, as a substitute for the forbidden military service, a law for compulsory participation in sport has been passed which renders possible the militarising of the youth.

In recent years a new form of the sport movement has developed, i. e. the workshop sports clubs. These clubs are chiefly to be found in the big industries. The industrials have taken in hand the initiative in founding these clubs, prompted thereto by a purely capitalist interest. The chief aim is to divert the workers from political and trade union life. The employer thereby obtains more efficient workers for his workshop and in the third place he can invest his surplus capital in his own sporting grounds. The workers in the workshop sport clubs are becoming completely corrupted and converted into spies of the employers. These workshop sport clubs are spreading mostly in America, England, France, Italy, and Germany. The trade union functionaries in the factories must devote great attention to these workshop sport clubs and attempt to get them out of the clutches of the employers.

There are even cases where bourgeois sport organisations have made it a direct task for their members to agitate against the trade unions, as for example the German Gymnastic School in Czecho-Slovakia, which at the same time is forming the foundation for a future fascist movement.

3. Proletarian Sport Movement.

The workers' gymnastic and sport movement has been formed in order to oppose the bourgeois sport movement. The workers sport movement comprises two wings: the reformist and the revolutionary movement. The reformist movement is gathered round the international league for workers' sport and physical culture, that is, the Lucerne Sport International; the revolutionary movement centres round the Red Sport International. The Lucerne Sport International works in the spirit of the Amsterdam Trade Union International. Its numerical strength is about 2 million members. It comprises three tendencies: a revolutionary wing, which works in close contact with the Red Sport International (Italy, Alsace-Lorraine, Finland) a vacillating wing (Switzerland, the German district of Czecho-Slovakia and Germany) and a right wing (Belgium, France and the Czechish part of Czecho-Slovakia, England and Lettland). In Austria the Social Democrats have set up a united front with the exclusion of the Communists. In all organisations there exist fractions which work for the Red Sport International, so that the Red Sport International has gained considerable influence.

The Red Sport International comprises five sections: Russia, Czecho-Slovakia, France, Norway and Uruguay. The organisations in Bulgaria and Esthonia have been destroyed by the white terror. Attempts are being made in various countries to form independent workers' sport organisations. The task of the R. S. I. consists in freeing the proletarian elements from bourgeois sport, to place sport and its attractive power for the masses at the service of the revolutionary class struggle; further, to promote the physical efficiency of the proletarian youth in order to render them fit for the military tasks of the

class struggle, and in addition to fight against militarism and fascism. Besides this, sport is closely connected with political and economic life. The capitalist offensive, the robbery of the eight hour day, touches the immediate interests of the working class sportsmen, so that they are very susceptible to political and trade union propaganda. The trade unions have therefore in this field a direct connection with the sport organisations. Hence it is necessary to draw the workers' sport organisations into the economic and political defensive struggle of the proletariat, to conduct propaganda among the workers belonging to the bourgeois organisations by calling attention to their economic needs.

As a result of a strong opposition in the reformist sport International, the secretariat of this body has approached the R. S. I. with a proposal as to uniting these two Internationals. Before this step was taken the R. S. I. had carried on a propaganda for the united front within the reformist sport International, so that the members of the reformist sport International and individual sections have submitted resolutions demanding that the R. S. I. be invited to the I. International Workers' Olympiade, which is to take place next year at Frankfurt on Main. In order to placate its members the International Secretariat had to consent to submit this proposal to the R. S. I.

In the International Sport movement there is a similar situation, only with other relations of forces, to that which exists in the International Trade Union movement. The R. S. I. will be prepared to set up the international united front of the workers' sport movement. The R. S. I. is numerically as strong as the reformist sport International.

4. The Trade Unions and the Sport Movement in Russia.

The great importance of the workers' sport movement is to be seen in Russia, where it is greatly encouraged by the trade unions. Trade union sport clubs have been established in nearly all the factories. The trade unions are represented in the High Council for physical culture. In Russia, sport is one of the most active means for raising the cultural level. The members of the sport clubs know that it is necessary to bathe, to clean the teeth, to sleep with the windows open and to observe cleanliness in general. The workers and peasants have never been taught these requirements under the tsarist system. The health of the workers plays a great part in production, particularly in the proletarian state. Its importance must also not be forgotten in regard to training a sound and vigorous youth for the proletarian army. In the proletarian state the positive side of sport is most clearly demonstrated. For this reason the trade-unions in the capitalist countries must give heed and seek to influence this movement.

5. The Tasks of the Trade Unions.

In the first place the trade unions must see to it that their members sever their connection with the bourgeois organisations. The trade union functionaries in the workshops must carry on a suitable work of enlightenment, pointing out that bourgeois sport is opposed to the interests of the proletariat. The capitalist workshop sport clubs must be controlled by and affiliated to the existing central workers' sport federations. The bourgeois sport organisations must be combatted by the trade unions, the trade union press must expose the injurious tendencies of bourgeois sport. In those countries where no workers' sport organisations exist the trade unions must create such together with the political parties and youth organisations. The so-called neutrality and non-party character of sport are to be opposed in the same way as we oppose them in the trade-unions. The proletarian sport movement must be made use of for the revolution as a portion of the whole proletarian movement.

The III. Congress of the R. I. L. U. has discussed this question and adopted appropriate resolutions.

IN THE INTERNATIONAL

Letter to Swedish Communists.

By G. Zinoviev.

Thus, Höglund has definitely joined Social Democracy, which is tantamount to joining the bourgeoisie. Just at present this will sound, may be, to some people a little exaggerated, but alas, it is true. There is no doubt that just at first Höglund

will attempt to don the mantle of Communism, he will endeavour to form "his own" "communist" or "left-socialist" or "socialist-communist" party. But this is nothing but a farce. For, in reality, Höglund's present position leads him straight to Branting and through Branting to the Swedish bourgeoisie. The Swedish workers will come to this conclusion very soon indeed. For Höglund is bound to tread the path taken not so long ago by Frossard.

For the last three or four years Höglund retrogressed systematically from Communism to Social Democracy. This was perfectly clear to us. And if nevertheless we consented to make personal concessions to Höglund and warded off a definite split for years, we did this only because of Höglund's valuable services during the war.

Yes, Höglund was a man devoted to the Swedish workers. During the war his conduct was admirable. But it is evident that Höglund was never a communist, that is a revolutionary Marxist.

The time has come for us to tell the Swedish workers quite openly that Höglund was a revolutionary. Höglund has closed to be a revolutionary. Have we not had during recent years many examples of working class leaders going over to the bourgeoisie? Plekhanov and Guéde were bigger men than Höglund, and yet they went over to the bourgeoisie.

For several years already Höglund and Co. are playing an objectively reactionary role in the Swedish labour movement. They hinder the formation of a truly Communist Party. Now this obstacle has been removed.

Comrades, Swedish Communists! Now is the time to act with iron energy. Höglund is a played out person for the revolutionary labour movement. Höglund is a man of the past. But the Swedish labour movement, as part and parcel of the international proletarian movement, has a big future before it. It is absolutely necessary to mobilize all Swedish communists for an energetic exposition to the Swedish workers of the meaning of what has taken place. For our part we must do our utmost to change the minds of all communist workers who, for some reason or other, still have faith in Höglund, and to capture them for the Comintern. The Swedish Communist Party owes its existence to a great extent to the Youth League. At the present juncture the Youth League must again play an important part. During the last few years Höglund and Co. strangled the youth movement, which they were instrumental in bringing into being. The time has come for the youth to display afresh revolutionary energy which is one of its attributes.

The bourgeois and Social Democratic press will naturally give whole-hearted support to Höglund. It is of course impossible for a man who has deserted the Communist International, not to become a "hero" for the bourgeoisie and the Social Democracy. Höglund and Co., supported by the Social Democrats, will fill for months to come the columns of the press with scandals, sensations etc. All they want, is to drown the Communist movement in a flood of personal attacks, "disclosures" etc. It is the business of Swedish Communists not to submit to this. It is your duty to make this question a question of principles: the fight is between Communism and Social Democracy, between the Comintern and petty bourgeois fellow travellers. Penetrate into the masses, penetrate into the trade unions!

Höglund purposely kept away the Swedish Party from questions which are the foundation of the Comintern. He did his utmost to convert the Swedish Communist Party into a provincial organization ignorant of and not desirous of getting into touch with the problems of the entire international Communist movement. Now the time is coming, when the Swedish Communist Party will become a real Section of the Communist International.

Höglund and those who share his views, have gone over to the side of Social Democracy. We have a few unstable "leaders" less. This will not injure your Party, on the contrary it stands to gain by it. We are convinced that you will very shortly surmount the crisis caused by Höglund and Co. treachery, that you will close up your ranks and will proceed with more speed than before on the way towards the capture of the majority of Swedish workers for Communism.

Moscow. August 23rd. 1924.

UNION OF SOVIET REPUBLICS.

The Work of the Russian Red Cross.

By Franz Koritschoner (Vienne).

The report of Comrade Dr. Sergius Bagotzki on the care of children in Soviet Russia (published in Berne in 1924 by the Society of the Russian Red Cross) describes the great work of this institution since the overcoming of the famine of 1921. When it is taken into consideration that, before the world war, practically no means were taken for this work by the state, and that countless children became orphans through the famine, one can appreciate properly the spread and intensity of this social work. If it was possible during the catastrophe to save countless children from the worst, to find homes for the abandoned children, and to protect them from neglect, it was thanks above all to the activity of the Central Executive Committee of the Russian Red Cross, which developed its relief work particularly in the Volga region, as also to the work of the "Section for Mothers and Infants", of the "Section for the Protection of Children and Youth" of the People's Health Commissariat.

One of the first successes of the Protection of Mothers Section was the introduction of the law of four months vacation for women lying-in (two months before and two months after the birth). The erection of homes which nursed the mothers one month before and two months afterwards, with the child, was also of very great significance in popular pedagogy. 107 homes were set up, 548 cribs followed. The erection of a scientific institute for the protection of infants and children, was also a help in getting under weigh the distribution of scientific, hygienic and pedagogic literature. 600 travelling exhibitions as well as the distribution of 200,000 booklets prove the spread of the work.

The Section for the Protection of Children and Youth organized the medical advice stations, as well as homes for weaklings. The results up to now are 40 wood schools, 88 school sanatoria, and 16 colony sanatoria. Special sanatoria were set up for tuberculosis and bone tuberculosis.

Under the reign of Tsarism, there were in the whole of Russia, 583 homes for children, with 29,660 children, at present there are in Russia, without Siberia, without the Ukrainian and Transcaucasian Soviet Republics, 4,753 homes with 280,233 children. During the famine there arose 8,977 homes with a complement of 540,730 children. The feeding columns were changed; after the overcoming of the catastrophe, into medical sanitary institutions. The Russian Red Cross was also able to take far-reaching measures for the protection of the abandoned children, through the creation of the Lenin Fund. The membership of the Russian Red Cross consists of proletarian institutions, the Trade Unions, Co-operative Societies, and the Work Unions of the Employees.

Bagotzki's second book: "The Reorganization of the International Red Cross" (published by the Society of the Russian Red Cross in Berne in 1924) shows the attempt to democratize the present Red Cross Institutions. After a detailed historical presentation of the development of the International Red Cross, the writer shows the necessity of the drawing together of the workers and the representatives of the Trade Unions for the solution of national and international tasks. The principle of social aid must take the place of philanthropy. Yearly congresses of the International Red Cross should combine the activities of the national sections in the struggle against all social diseases. A commission of experts should support the activity of the central institution, to organize in times of peace the fight against social illnesses. The proposal of the Russian Red Cross means the turning of the Geneva International from a means of war relief into an organ of expert technical initiative for the insuring of the health of the widest masses. What a sharp contrast this social educative work forms to the activity of the former Red Cross, that was recognized by Geneva until the 15th October 1921!

In the booklet from the same publishers: "Some Documents concerning the Activity of the Former Russian Red Cross", the anti-revolutionary work of the Tsarist Red Cross is given documentary evidence, as well as the preparation of White Guard attacks under the protection of the Geneva Red Cross. The old Red Cross Missions were fitted out as recruiting stations for the White armies with the help of the German authorities, prisoners of war from the internment camps were pressed into the

formations, whose activities are described in another book from the same publishers, "The White Terror". The German, as the Swiss democratic governments helped this "Red Cross". In Finland, Poland, and Bulgaria the Tsarists were actively supported; hospital flags covered the political activities of the reactionaries. The contact of the Vorovski-murderers with the old organization (Polonnin, the organizer of the murder, was its secretary) led to an energetic interference of the Russian representative J. Bagotzki with the Geneva International. Nevertheless, the monarchist Emigrant Committee, with the help of the bourgeois governments, tries to further misuse the flag of the Geneva Cross. The workers must take care that the reorganization of the Societies of the Red Cross makes the establishment of murder centres under their protective shield impossible.

THE WHITE TERROR

Communist Persecutions in Egypt and Palestine.

By J. B. (Jerusalem).

Soon after the entrance of the government into power, Zaghlul Pasha began to persecute the communist movement in Egypt. Occasion for it was given by a strike wave in Alexandria, which otherwise was of a purely economic character. The striking factory workers demanded the recognition of the Trade Unions, the fixing of working hours, rise in wages etc. That did not prevent the factory owners, of course, from representing the strikes as "the fruits of Bolshevist propaganda", and calling in the aid of the government against the communist intrigues. The government hurried up with their aid, and had all the leaders of the Communist Party, who were known to them, arrested, and ordered the closing of the Party clubs, and the confiscation of the property of the Party. A number of the workers were soon put on their trial, and the verdicts ran to several months arrest. The leaders were kept in prison, and all protests and appeals for the hastening on of the trial, or at least for provisional release on bail, were unavailing. The Egyptian government found it more convenient to let the Communists languish in prison without trial, and purposely delayed the inquiry longer and longer.

At the same time the police began a regular hunt for "individuals suspected of Communism". The newspapers were able every day to report new arrests which had practically no foundation, and were only the results of malicious denunciations. In the police campaign against our Egyptian comrades, those police spy elements took a pre-eminent part, which formerly, under the Tsarist regime, performed the same work in Russia, and now, being fled to Egypt as members of the White Guard Wrangel army, wished to take their revenge on the revolutionary movement. The Egyptian police, on the model of the Okhrana (Tsarist Secret Police), set themselves, without further ado, above such details as the inviolability of letters, domestic authority, and other democratic rights guaranteed in Zaghlul Pasha's constitution, as soon as it was a question of tracking down communist conspirators.

There was a particularly sharp hunt after foreigners. The government could simply, without a trial, make use of their authority to turn troublesome foreigners out of the country. Besides the Communist Party, the "Confédération des Syndicats", which stands on the principle of the R. I. L. U., was declared illegal, and so gave the police possibilities of new arrests and persecutions.

Within the last few weeks, the Communist persecutions have come to a temporary stop, probably because the police are directing particular attention to the so-called "nationalist conspiracy", to which, nominally, the attack on Zaghlul Pasha is attributed. The foreign Communists were deported, after the visas of the governments concerned had been obtained for their passports — those who are Egyptian subjects, set free for their time being, the trials being arranged for November at first and then, on the protest of the Public Prosecutor, for September.

A special law concerning the control of the immigrants from Russia, Bulgaria, Turkey and Armenia, together with stricter police control of those set free, is to prevent a new development of the Communist movement in Egypt.

The official press of Zaghlul Pasha, but in particular the organs of the English and French governments, which praised the draconic suppression by Zaghlul Pasha of the labour movement, as a clever and useful measure, and encouraged further persecutions, sum up with satisfaction the "liquidation of the Communist movement", and base the moral justification of the Communist hunt as follows: "It may be in other lands that the time is ripe for Communism; here in Egypt, where industry is only in a stage of development, every trace of class war is detrimental to the progress of production. If production does not develop, the working class will never be powerful. Thus the Communists and class-war supporters altogether, are not only the enemies of the country, of society and of progress, but above all, of their own class, of the working class..." When we keep it in mind that Egyptian comrades have no press at their disposal, with which to come out against these demagogic arguments, and that these "theoretical" bases are woven out of a mass of calumnies and "flesh-creepers" on Communism and Communists, — we can imagine to some extent the social atmosphere in which the C.P. of Egypt must carry on its fight.

In Palestine the persecutions of our comrades began after the entrance of MacDonald's government. Here the instigation on the part of the Jewish-chauvinist (Zionist and Poale-Zionist) parties has contributed a great deal to the handing over of the communists to the hands of the police. About six weeks ago in Haifa, the club of the "Workers' Faction" which had existed legally for more than a year, was closed by the police. (Only a few weeks earlier the Workers' Faction (Section of the R. I. L. U.) had been excluded from the General Labour Organization). On the occasion of a protest meeting against the closing of the club, seven workers were arrested. A few days later the proceedings against these workers took place. Although the Arab judge did not even know what "Bolshevism" meant, they were sentenced by him "as belonging to a Bolshevist organization", to one month's imprisonment and deportation. The verdict had in fact been sent down to the judge cut and dried, and therefore it is quite comprehensible why he did not allow the defendants a word of defence, and did not even verify their names. In prison also those arrested were dealt with according to "special orders", that is, as political prisoners, worse than criminals. They were ruthlessly beaten till they were bloody, and had to perform the very heaviest work under unhygienic conditions, while any complaint led to an aggravation of their condition.

Although appeals were lodged against the unheard-of verdict, the police refused to set free the workers even after the completion of their time. Telegrammes and letters, which informed the Labour Minister Thomas, Colonial Secretary, of the shameful deeds of his officials, remained unanswered, just as in the first days the appeal to the intellectuals of Palestine. Only the news of the mishandling to which the arrested men were subjected, set public opinion in the country moving a little. The doctors, professors and engineers were of the opinion that one could perhaps protest against Poland and Roumania, and at the very worst against German reaction, but not against the pioneer of civilization, the most progressive of governments, the government of MacDonald. The terrible treatment of the prisoners reported by witnesses unfortunately reminded one very much of the descriptions of conditions in Poland or Finland. An appeal which only set out the facts, was promptly confiscated.

The persecutions are being continued intensively. A few days ago the club of the Workers' Faction in Jerusalem was closed. Printed matter, particularly in Arabic, even harmless appeals for Trade Union organization, was seized. Almost daily, single members of the Workers' Faction are arrested, and house searches undertaken. The orders of the police amount to the stifling of the Communist movement in Palestine. In such a state of affairs the Communist Party of Palestine must call for the active help of the Communist Party of Great Britain, since only the working people of England can put a stop to the persecutions of the workers in the colonies which are carried on under the auspices of the Labour Government.

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Theses and Resolutions

adopted by the V. World Congress of the Communist International.

Resolution on the British Labour Government.

The Labour Government of Great Britain is a bourgeois imperialist government and not a government of the working class. It is a devoted servant of His Majesty the King, of the Empire of the capitalists, independent of socialism, independent of the Labour movement, and dependent upon the dominant class only. As agent of the bourgeoisie it continues the policy of imperialistic suppression and exploitation of the masses of India, Egypt, Africa and so forth, and gives support to the policy of defending capitalism, strengthening of British imperialism and carrying out the economic and financial colonization of the countries defeated in the world-war. It is not even a Labour government in its composition, but a coalition government, made up of the leaders of the Second International who betrayed the workers in the war, and of liberal politicians and tory lords. In positions of the government where the influence of the imperialists is most acutely felt, the old gang of imperialists are in office and in power.

The creation of the labour government is not a peculiar British phenomenon. It is a product of the period of capitalist disintegration, wherein the old forms of capitalist government become incapable of solving the national and international, social, political and economic problems generated by capitalism. In this period the capitalist class resorts to a variety of means of defence, ranging from labourism (socialist ministerialism) with its social pacifism, to fascism and all its forms, according to the sharpness of the class-antagonisms and the relation between social classes. The labour government and the fascist government are the extremes of the methods used by the bourgeoisie to continue their dictatorship.

By their inability to solve the problems of post-war capitalism, the bourgeois parties in Britain sharpen class-antagonism. With dissent growing in the ranks of their own parties and alarmed at new evidences of increasing class-consciousness in the ranks of the workers, they agreed to the creation of the labour government by the time servers of the Second International.

This is not the workers' government for which the British workers have toiled and sacrificed. Its six months record of activity stamps it as a government of working class betrayal. Under the cover of minor concessions—the apparent reduction in the cost of living, the abolition of the gap in unemployment pay, and volumes of pacifist promises—it has conducted a bourgeois imperialist policy as vigorously, and certainly with more success than its predecessors of the right wing of the bourgeoisie.

Towards the workers in Britain it adopted a policy of liberal toleration as long as they remained quiet and did not menace the capitalist class. Immediately they began actively to protest, the labour government set police spies to work in working class organisations, introduced blackleg Labour in strikes, mobilised the police to dragoon the protesting workers, and prepared military measures against them, as in the railway strike. The miners did not even receive a minimum wage. The labour government permitted the Liberals and Tories to defeat the nationalisation of mines and the miners' minimum wage bills without the slightest effort to mobilise the workers against them. No attempt has been made to break the grip of the aristocratic officer cast on the military forces or otherwise to weaken this powerful weapon of British capitalism in its actions against the workers.

Under the cover of pacifist promises it has gone to the limit of its capacity to build cruisers and air fleets and it has adopted strenuous measures to perfect the war equipment for the butchery and enslavement of the workers. Under the cover of pacifism, this Labour government is preparing on behalf of the bourgeoisie a new slaughter exceeding in horror the mass murder of the so-called great war.

The struggle in the ranks of the working class against the labour government has become therefore a struggle for the protection of mankind from mass destruction.

As the custodian of British Imperialism, the labour government denies the elementary political rights of organisation to the Indian workers, condones their persecution and starvation and supports with its authority the bombing, shooting, and terrorism conducted against the masses of India, Egypt, and Mesopotamia. Ireland remains in the grip of British imperialism, and hundreds of the working men of Ireland remain in prison with the consent of the labour government.

The labour government has become the administrator of the Versailles Treaty, and allied itself openly with American and French imperialism and the German bourgeoisie to apply the Experts' Plan for the more efficient enslavement and deeper degradation of the workers of Germany. Even in its relations with the United Socialist Soviet Republics, it has proved the falsity of its claim to be custodians of the interests of the working class by its shameful support of the bond holders and bankers against the workers and peasants of Russia.

While the labour government is thus defending capitalism at every step, it is trying to spread the illusion that it is pursuing a policy of strengthening the workers movement and