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Against the Estonian Hangmen!

To the Workers of all Countries!

In a torture-chamber, described as a court of justice, the bourgeois-guardist Estonian government of speculators and robbers is wreaking its vengeance on a hundred and fifty and staunch representatives of the revolutionary workers of Estonia. The bourgeoisie accuses them of treason, of preparing a revolutionary upheaval, of attempting to set up a workers' and peasants' government in Estonia. It has handed them over to a military court in order to expedite its revenge. The judges and prosecutors in Estonia constitute a small band of the camp of international fascism.

This is not the first time that the Estonian bourgeoisie has struck a blow at the class organisations of the Estonian workers. There was the arrest of those who participated in the trade union congress in the year 1919; the shooting of 26 workers in Isborsk without any trial whatever; the shooting of the communist worker, Kingisepp, in the spring of 1922; the shooting of another communist, Kreuks, in March 1923 in the street by a member of the secret police; the persistent and systematic destruction of all class organisations of the workers, which was twice repeated in the course of the last year — in July and August —; and finally, this trial of 150 revolutionary workers, who are threatened with shooting or imprisonment with hard labour.

The bourgeois power in Estonia has become bankrupt. Various groups of the bourgeoisie — big peasants, speculators, social democrats — have succeeded one another in the administration of the country — and all with the same result. Different groups of parasites, the speculators and embezzlers of state funds, have enriched themselves; but in the country, among the working masses and the peasantry, among the city petty bourgeois and intellectuals, there has only been an increase of misery. Factories have been closed, unemployment has increased, the state finances have approached nearer and nearer to complete bankruptcy. The promises of social reforms and of distribution of land among the peasantry, with which the Estonian bourgeoisie began its rule, have not been carried out.

They cannot be carried out because of the complete incapacity of the bourgeois power to promote any development of economic life. Little Estonia, under the rule of the bourgeoisie, is condemned to be an insignificant appendage of one or the other groups of world imperialists.

The only way out for the workers and peasants of little Estonia consists in the creation of a workers' and peasants' government, based upon the class organisations and in close alliance with the international working class. The alternative is: either workers' and peasants' power, or delivery over of the country to the international capitalists.

Rescue Sacco and Vanzetti!

To the Workers of all Countries!

To all Trade Union Organisations!

Comrades!

For over three years Sacco and Vanzetti have been in the prisons of the American bourgeoisie.

The class justice of the American "Democracy" was at a loss when it was a question of excesses and increments, assassination, in order, by means of lying accusations, to do revolutionary workers into prison.

There was hardly any affair in which the whole baseness and meanness of American justice showed itself with such brutality as in the well-known trial of the two Italian workers Sacco and Vanzetti.

Sacco and Vanzetti are class-conscious workers who fought with all their energy for the revolutionising of the American workers. Sacco and Vanzetti possess a leading influence among the revolutionary working class.

What is the "crime" of these two comrades?

Sacco and Vanzetti were in possession of exceedingly promising information over the shameful acts of the secret department of the American police service. This band of spiteful police agents had, during his examination, tortured the Mexican worker Salcedo to death.

When the police learned that Sacco and Vanzetti were in possession to produce proof of this shameful crime, they commenced a persistent persecution of these two revolutionaries.

By means of agents, prostitutes and bullies, they framed a trial for robbery and murder of two cashiers and, with the help of perjurious witnesses, dragged Sacco and Vanzetti into the trial. Thereupon all bribable elements were set into motion, the judges, the jury, the witnesses, the press, the "public", result of which the judges conducted the proceedings with lawful and forbidden methods.

Sacco and Vanzetti were declared guilty of the robbery and murder which they had never committed, and were condemned to death.

This was in May 1921.

But the American bourgeoisie shouted their triumph soon. The demonstrations of protest of the workers of the United States, supported by the revolutionary and class-conscious workers of all countries, evoked such a general storm of indignation that the American government held it wiser to suspend the carrying out of the sentence.

Three years have passed since then. Sacco and Vanzetti, immediately after the pronouncement of the sentence, appealed to the higher court. The court dragged out this appeal for years. It was hoped to render submissive the two revolutionaries in the prisons of the State Massachusetts, which are worse than the Bloody.

Workers, Comrades!

The reaction in America is becoming continually more insolent. Black America, the America of the Ku-Klux-Klan, the America of the blood-suckers of Wall Street, the America of the executioners of Chicago, the America of the torturers of Sacco and Vanzetti, this America is the stronghold of international fascism. The "Era of Democracy" is to be followed by the "Era of Fascism".

The appeal of comrades Sacco and Vanzetti was rejected by the Court. The death sentence is to be carried out. Sacco and Vanzetti are to be brought to the electric chair.

Revolutionary workers! Summon all comrades to the streets against the bloodhounds of Wall Street! Against the hangmen of Washington! Down with American class justice! The murder of Sacco and Vanzetti must be prevented. We must wrest these, our revolutionary brothers, from the clutches of the American bourgeoisie!

Organise mass demonstrations! Plaster this appeal on every street corner! Demand the liberation of Sacco and Vanzetti! Down with black America! Down with Wall Street! Down with the white terror of the bourgeoisie! Long live the revolutionary fight of the workers of all countries!

Moscow, 15th November 1924.

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

The bankrupt bourgeoisie is already following this course of delivering over Esthonia to subjection by English capital. But in this attempt at betrayal of the interests of the mass of the population of Esthonia, the Esthonian bourgeoisie encounters the energetic resistance of the united class-conscious Esthonian proletariat. And the bloc of all bourgeois and petty bourgeois groups, eagerly supported by the Esthonian social democracy, has now decided to open the way to this treachery by means of crushing the organisations of the Esthonian working class.

In January of this year there was carried out simultaneously throughout the whole country, mass house-searchings and wholesale arrests of communists. The Esthonian secret police broke into perfectly legal workers' meetings and seized the victims they had marked down beforehand. All the active functionaries of the Esthonian trade union movement were victims of this attack, as well as the pioneers of the Esthonian working women. In other places again, it was the staff of the workers' educational organisations or finally, the members of the Esthonian State Assembly, who are legally immune from arrest. There are ten members of this assembly who are organised in two revolutionary workers' fractions: in the fraction of the communists and in the fraction of the labour party.

The Esthonian bourgeoisie particularly hates these members of parliament, as, following the example of the revolutionary workers' fraction of the Tsarist Duma, they ruthlessly exposed the robbers of the state's funds, the acts of violence, and the betrayal of the Esthonian "democracy" which is being prepared. The immunity of the members of parliament was treated as a scrap of paper. All the workers' organisations of the country have been dissolved. The proletariat is to be rendered silent.

Bravely and resolutely the prisoners of the Esthonian bourgeoisie are continuing their struggle within the walls of the Esthonian torture-chambers. The farce of the formal legal proceedings is converted by them into a political trial of the bourgeoisie. They do not recognise this class court. Jan Tomp, a leader of the revolutionary Esthonian workers, threw in the face of the hangmen the courageous declaration, that the proletariat will soon place the judges in the dock. For this "contempt of court" he was handed over to a court martial and condemned to death. The sentence has been confirmed¹⁾.

All honour to the revolutionary Esthonian workers! By their steadfastness, by their heroic courage, they have already rendered an invaluable service to the whole working class. May they, in their courageous defence of their revolutionary standpoint and their class organisations, receive the support of the whole international working class, and in the first place of the workers of Esthonia.

Workers of all countries!

Your intervention has already often stayed the hand of the executioner which has been raised against workers' leaders. We must not allow the Esthonian rulers to take revenge on the flower of the Esthonian working class! May the voice of your protest resound everywhere against the class court and the hangmen's revenge!

Esthonian hangmen, remember: you will have to pay with your heads for the lives of the leaders of the Esthonian proletariat!

Down with the Esthonian executioners!

Long live the revolutionary proletariat of Esthonia!

Moscow, 15th November 1924.

The Executive Committee of the Communist International.
The Executive Committee of the Communist Youth International.

¹⁾ This bloody sentence has since been carried out.

POLITICS

The Result of the Austrian Railway Strike.

by Franz Koritschner

Vienna, Nov. 13th 1924.

The increasing cost of living, the brutal measures for cutting down the staff of the Austrian Federal Railways, the systematic lengthening of the working hours of the locomotive-drivers, firemen and guards — all resulting from the "reconstruction" of Austria by the League of Nations — had, in spite of the opposition of the trade union leaders of the Free Trade Union (Legal Protection and Trade Union Association) led to serious discontent among the railwaymen. On Oct. 30th the Vienna railwaymen held a council. In spite of careful sifting of this body by the Trade Union leadership (Communist representatives were not admitted at all), there was a strong opposition, which seemed to take up the fight even against the will of the leaders of the union and the representatives of the personnel.

It was resolved to submit a demand in the form of an ultimatum to the Administration on the basis of the 9% index; in itself represented a compromise between the opposition and the leadership of the union which wished to avoid the fight. The ultimatum, which expired on Friday Nov. 7th at midnight, was regarded by the bureaucrats of the Trade Union not as a demand, but as a basis for negotiation.

Whilst the Trade Union demanded for the months of October to December 1924 a rate of wages 48.6 times the "march basis" the Administration of the Federal Railways declared it prepared to offer 40 and then 44 times the March basis, this only under the pressure of the ultimatum. Although the Trade Union had, on the occasion of the last fight, actually repudiated the principle of the index, it was obliged, in view of the wave of increase in the cost of living which is to be anticipated, especially in view of the new tariff policy, to present demands for the year 1925. And as a matter of fact they contented themselves with suggesting that the demand should be an increase of wages by 16.2 times the March basis.

When it is taken into consideration that some of the employees have a monthly income of less than 1 1/2 million Austrian shillings (about £ 4-12-0), this would have represented an increase of about 9%. Whilst the German National Traffic Union and the Union of Christian Railwaymen, under the influence of the masses, refused to accept the offer of the Administration of the Federal Railways as a basis for negotiation, the Free Trade Union tried to do so, in order thereby to avoid, if possible, the fight which threatened to shake the foundations of the system of reconstruction. The State Budget, as to which the Austrian Government was in agreement with the League of Nations' Commissioner, was in fact altogether opposed to a considerable remuneration of the employees of the Federal Railways, as the placing of the railways on a paying basis was begun with the cutting down of the highly salaried officials, the bureaucracy, but with the dismissal of the most impoverished employees. The strike had broken out, the yellow, fascist Traffic Union, with its higher demands, carried a part of the employees over to its side; finally, all 3 Unions agreed as to the above-mentioned demands. The German National ministers were thus driven into a corner by their fascist friends, and only the energetic intervention of Seipel to break up the Coalition and call for a general election induced them to stand by the policy of reconstruction.

While the Free Trade Union did, it is true, make their demands on the basis of the effect of the 9% increase shown by the index of food prices, without again making the principle of the index a point of challenge, the fascist Traffic Union was clever enough to make the consideration of the index figure in the new rates of pay one of its chief demands, but at the same time to throw the responsibility on to the more radical Free Union by subordinating its special claims to the general ones. The co-operation of the three Unions of Railwaymen during the mass fight had a further consequence: "The railway strike is no political affair". By making this watchword

¹⁾ This refers to the rate of wages paid in March 1922, when the Austrian Crown had fallen to its present level, and the rate has been adopted as a unit in wage calculations. Ed.

of the yellow Unions its own, the "Legal Protection and Trade Union Association", and with it the whole social democratic leadership, consciously relinquished the possibility of making this fight, which shakes the foundations of the accepted system, a campaign against the Geneva Enslavement Agreement.

It was the Trade Union leaders and the social democratic members of Parliament who once more calmly laid the burden of the consequences of the Geneva reconstruction, which had come into existence with their co-operation, on the shoulders of the working people, without fighting against the prolongation of working hours (in some groups up to 10 1/2 hours) or the reduction of employees. The tactics of the social democratic trade union leaders were subordinated to the needs of the social democratic "opposition party", which indeed did not at any price intend to shoulder the responsibility of carrying out the reconstruction policy, but was on the other hand quite prepared to render this policy possible. Their tactics during the strike were in conformity with this. On the outbreak of the strike the goods trains and passenger trains were, in a disciplined way, driven to their respective destinations, and not only was the traffic of food trains maintained, but above all foreign postal service was secured and partly supplemented by an increased motor service.

The Trade Union was faced by the alternative of either extending the fight to the whole railway service and attempting to win the co-operation at least of the post and telegraph workers, for which the latter were not by any means disinclined, or to drop the fight, since the Seipel Government had been forced temporarily to withdraw its proclamation against the right of State employees to strike, or a least not to bring its original intention into the foreground.

Whilst the "Arbeiter-Zeitung" still, for demagogic reasons, maintained the possibility of extending the battle-front, the negotiations were nearly ended. The result of the fight is a single distribution of 40 times the March payment, retrospectively to Oct. 1st of this year. Thus, as 48.6 March payments were demanded and only 47 granted, 1.6 less was obtained than the demands which had been regarded as the minimum demand. The increase of the monthly pay in 1925 by 6.2% was, as already mentioned, almost 3% less than the demands of the Trade Union, which in themselves were much too low. The fact that the condition was continued that employees cannot be dismissed is on the other hand a certain positive result; the same applies to the maintenance of the 90% for the calculation of pensions. The danger of further reduction of staff is not obviated.

The fight of the railwaymen, which might have been a movement against the enslavement of the Austrian working class, and was regarded as such by the workers, has ended in a compromise which finally relinquishes the effects of the index and "stabilises" the wages of the employees in a period of increasing cost of living. The intention of the Reconstruction Government to destroy the right of coalition still continues. The power of resistance of the Trade Union however was weakened for the future by the breaking off of the fight. Otto Bauer's watchword "all classes must make sacrifices" was once more brought into effect in that the Free Trade Union, without any guarantee for the future, sacrificed the immediate interests of the workers for the sake of reconstruction, which the Reformists, it is true, desire, but are not themselves prepared to carry out.

The Return of Absolutism in Yugoslavia.

By Gj. Cvijic (Zagreb).

On the 6th of November there was again set up in Yugoslavia the absolutist-fascist government of Pasic-Pribicevic, which is now endeavouring, by means of ruthless terror against the suppressed nationalists and particularly against the working class and the peasantry, to confirm the regime of undisputed hegemony of the Serbian bourgeoisie, of its monarchy and its militarism, which is cracking at every joint. As this government has against it the great majority in parliament, it will shortly dissolve this parliament¹⁾, and as a minority government will immediately begin with provocations, open collisions, arrests and mass persecutions. By this means it hopes to defeat the movement of the workers and peasants and of the suppressed nations.

¹⁾ The Yugoslavian Parliament was dissolved on November 10, since the above was written. Ed.

nalities, and in February next year to carry through a bloody election in order to avoid a civil war which it could evoke by such a regime, and which would jeopardise the existence of the present Yugoslavian state.

How could the ruling Serbian bourgeoisie and monarchy decide on the restoration of such a regime, which can create such dangers for their rule, especially when the previous absolutist dictatorship of Pasic-Pribicevic, in June and July 1924, had opened up the prospect of the formation of a united front of the suppressed peoples in the struggle for a powerful workers' and peasants' bloc?

As is known, this dictatorship was at that time replaced by the government of the Davidovic bloc, whose mission it was, by means of the formation of a united front of the Serbian, Croatian and Slovenian bourgeoisie, to remove that danger by intoxicating the broad working masses with promises and thereby to make use of their movements for national independence and social emancipation. This government became involved in a crisis at the beginning of October. This crisis arose out of the question of the entry of the Croatian Republican Peasants' Party into the government bloc. The leadership of this Party, which cherished pacifist illusions with regard to the possibility of achieving its aims by peaceable parliamentary means and shrank back from a civil war and the open struggle of the masses of the workers and peasants, showed itself ready to enter into a monarchist and hegemonistic government and to capitulate before the hegemony of the Serbian rulers. It was however only ready to capitulate upon such a basis as would guarantee it from being abandoned by the majority of the peasant masses on account of this capitulation. Under the illusion that it is possible to establish a real bourgeois democracy under the Yugoslavian monarchy, it set up the demand for the introduction of the English monarchist and constitutional system in Yugoslavia.

It was precisely this demand of the Croatian Peasants' Party and the efforts of the government bloc to confirm its position by the participation of the leaders of the Peasants' Party in the government, which gave the Pan-Serbian bloc of Pasic-Pribicevic the pretext to take up the offensive, along with the Serbian secret officers League (The White Hand) and with the court camarilla, against the whole pseudo-democratic policy. The resignation of the war minister, the personal confidential advisor of the king in the government, evoked the crisis in the government bloc, and the government of the parliamentary majority was forced to resign as a result of direct pressure exercised by the king.

The Pan-Serbian national bloc of Pasic-Pribicevic, together with the king and the clique of generals, thereby made it clear that, regardless of the relations of power in parliament, "an understanding" of the Serbs, Croats and Slovaks can only come about upon the basis of such a capitulation, not only of the Croatian and Slovenian, but also of the Peasants' Party, to the hegemonistic regime, which would mean their complete capitulation as well as the complete abandonment of the programme of the Peasants' Party.

The negotiations for the formation of a government which would harmonize with the intentions of the ruling powers lasted throughout the whole October. The initiative in these negotiations proceeded, not from the parties in parliament, but remained firmly in the hands of the court camarilla.

The court camarilla endeavoured to create a bloc of those parties who "are true to the state", in the form of a concentration government of the so-called narrow bloc, that is to say, the Serbian Davidovic democrats, the Bosnian feudal Mohammedans and the Slovenian Clericals, together with the Serbian Radicals. Such a government was to endeavour by its economic policy to gain, if not the support, at least the neutrality of the Croatian bourgeoisie, and thereby separate the bourgeois elements from the Peasants' Party and bring them over to its side.

The bloc Parties however rejected this combination, as they would have been compromised as being partly responsible for the unavoidable sharpening of antagonisms, and also would have been placed in a subordinate position with regard to the radical party, and because the creation of such a combination would mean the destruction of the present bloc with the Peasants' Party, that is, the present parliamentary majority. As against this the bloc Parties urged the necessity of the entry of the Peasants' Party into the government. This however was impossible, because on the one hand the monarchy would not abandon the position it had taken up on this question, and on the other hand the leaders of the Peasants' Party, owing to the mood of the peasant masses, who as a result of the attitude of the ruling class in this crisis were being pushed to the left, could

not capitulate. Right from the beginning of the crisis, the ruling classes were endeavouring to avoid the dissolution of parliament and the announcement of new elections because the carry-out of the elections by the bloc government would bring a majority to those parties who are opposed to the ruling class, whilst on the other hand, the carrying out of the elections by the Pasic-Pribicevic government would mean the prospect of preparation of civil war. As however all the efforts to form a concentration cabinet were futile, there was no other course left to the court camarilla than to decide for this last combination.

Under the pressure of the ruthless dictatorship of the Pasic-Pribicevic regime, the parties of the narrow opposition will carry on further their undecided struggle. It is probable that the leaders of the Bosnian Mohammedans and of the Slovenian Clericals will be compromised in the eyes of the peasant masses on account of their ambiguous attitude. The Peasants' Party, just as the Serbian Peasants' Union, is busy with the question of carrying on the fight against the Pasic-Pribicevic regime in a bloc with these bourgeois opposition parties, or to co-operate in the creation of a Workers' Peasants' Bloc of all nationalities in Yugoslavia and in the set-up of a revolutionary united front embracing all Yugoslavia and the whole Balkans.

The Independent Workers' Party of Yugoslavia is preparing for the severest persecution. It will prepare itself for the serious struggles, and with the slogan: creation of the united front of the workers and peasants and formation of a workers' and peasants' Republic of all nations of Yugoslavia, will enter into the fight against the absolutist fascist regime.

The Storting Elections in Norway.

By Tormiel.

As is well known, it is not yet two years since the Norwegian section of the Communist International split into two parts: the Det Norske Arbeider Parti and Norges Kommunistiske Parti. The latter is the section of the Communist International, Labour Party, the greater part of whose members are attached to it collectively through the trade unions of the party, and thus has only very few individual members, retained the central organ "Arbeiderbladet" which still bears the sub-title "Social Democrats".

The Communist Party had to work up a new journal in capital, their new central organ "Norges Kommunistblad" for a year such as last year, with its large amount of unemployment this was no easy matter. The Party, it is true, was well supported in the capital by the Youth League, but this has of little experience in election technique. The NAP., on the other hand, had in this respect a well-established apparatus with routine.

The NAP. had, however, other advantages also. As other things, before the split, while the Party was still united, a widespread movement had been introduced for influencing winning employees and State officials, which, after the split, was successfully carried on by the NAP. These strata of the population had considerable influence at the ballot-box, especially where there was great discontent amongst them because of the increase of prices in all directions, the reduction of their salaries and the dismissal of some of their number.

The election campaign carried on by our Party was of a very large scale. Our meetings were excellently attended, in places much better than those of the NAP. The Communist Party thus reached great masses of the people.

Unfortunately however, communist factory nuclei were only at its commencement, although in some places very few nuclei are already at work. In other places again, our membership is still so small that those who sympathise with us regard it as hopeless to vote for us and therefore gave their support to the NAP. whose influence is still strong and whose nature is not sufficiently well known.

The Peasants' Unions (big landowners) came off best. Agricultural products have fetched good prices. The sale price of butter, for instance, is K. 10.— per kg., whereas the wages of an organised workman are about K. 70.—. The price of potatoes had reached K. 20.— for 1 1/2 bushels, whereas the price of agricultural products up considerably, this is especially noticeable with regard to meat, as the import of Danish

Argentine meat is forbidden. The programme of the Peasants' Union: "Corn Monopoly", gained it an exceedingly large number of adherents in the Norwegian Agrarian State.

The Peasants' Union also profited well by the Conservative attitude against the prohibition of alcohol, and tried to win the attitude of the Communists towards the question of religion as a wile with which to catch the peasantry. The attitude of the Liberals was vacillating, which again was to the advantage of the Peasants' Union. The Left Party lost ground completely in the capital and is also losing in the country. The democratic workers are constantly in retreat. That the Conservatives, in spite of their insane employers' policy and in spite of the oppressive increase of prices, did not experience any appreciable loss of strength must be attributed chiefly to their excellent election apparatus and their powerful Press, through which they were able sufficiently to frighten the bourgeoisie which had been misled by the experience of the recent great economic crisis. The Conservatives have a great influence on the youth of the country and they have, to a certain extent, succeeded in undermining the solidarity of the workers. Up to the present, it is certain that the Social Democrats have gained one mandate through the support of the petty bourgeois element.

- The result up to the present are as follows:
1. Conservatives: 54 mandates (3 lost), 316,000 votes; 1921: 372 votes;
 2. Peasants' Union: 22 mandates (5 lost), 130,800 votes; 1921: 180,000 votes;
 3. Radical National Party (Small Peasants' Party): 2 mandates;
 4. Liberals: 34 mandates (3 lost), 197,000 votes; 1921: 190,000 votes;
 5. Social Democrats: 8 mandates (previously 7), 86,600 votes; 1921: 83,629 votes;
 6. Labour Party: 24 mandates (before the party split it had 178,200 votes; 1921: 192,660 votes);
 7. Communist Party: 6 mandates (elected for first time), 100 votes.

ECONOMICS

Economics and Economic Policy in the Third Quarter of 1924.

By Eugen Varga.

II.

General Section (continued). Developments in the United States.

As already mentioned in the introduction to this report, the economic crisis in the United States came to a temporary stillstand by the month of July. We shall give detailed data of the economic situation in the special section, and shall here confine ourselves to a survey of general characteristics. The index series issued by the Federal Reserve Board, which we have already adduced in former reports, give the following figures, 1919 average being taken as 100:

	Production in the key industries	Degree of occupation	Wholesale price (Fed. Res. B.)
Average 1923	120	101	164
March (maximum)	125	103	170
January 1924	120	98	163
March 1924	116	99	160
April 1924	114	97	158
May 1924	103	93	156
June 1924	94	90	154
July 1924	94	86.5	156
August 1924	—	—	158

When reading this table, we observe the striking phenomenon — already remarked upon in our last report — that the decline of production has been considerably greater than the decline of the level of prices. Whilst production has sunk by fully 25% in the key industries between January and July (in some cases, for instance, in the iron and steel industry, production sank to less than half), price levels have only sunk 5 points, or not more than 3%. Here it must of course be remembered that the decline in prices for agricultural productions had already set in by August and the general price levels advanced in consequence. Still

it is to be observed that certain phenomena, hitherto regarded as inevitable accompaniments of every crisis: scarcity of money, credit crisis, fall in prices, and extensive collapse of enterprises, have not made their appearance in the United States. Thus many political economists, even among our comrades, are of the opinion that the great reduction of production in the United States this year does not form a crisis in the Marxian sense, but is merely a business stagnation.

This would appear to be merely a difference of terminology. But it is actually more than this. Were we to assume that the great retrogression in the level of employment in the spring and summer of 1924 does not represent a crisis, then we must either assume that the actual crisis phase is bound to occur within a calculable time, in accordance with the cyclical course of capitalist production, or we must assume that in America, the organisation of capitalist economics is so powerful that it is able to avoid altogether crises in the strict sense of the word.

As opposed to this, we believe that the fundamental fact at the root of every crisis is the shrinkage of production. We think it possible that when the capitalists organise themselves even more strongly than before, when they join together in cartels and trusts comprising the whole market, that they will then be able to avoid for themselves the consequences of the crisis: reductions of prices and bankruptcy. This tendency, was observable even before the war. The markets were not cleared of the unsaleable goods, accumulated by the anarchy of capitalist methods of production, by means of a sharp fall in price reducing the money value of the goods to the level required by social conditions, but by means of limiting production over a long period, without any noteworthy reductions in price. In this manner the burdens of the crises were shifted from the capitalists on to the workers. The sharp fall in prices in the crisis of 1920-21 forms an exception, being the liquidation of the price levels artificially attained during the war.

That it has proved possible in the United States, in face of the present crisis, to avoid reductions in prices, and to prevent the mass collapse of capitalist undertakings, is due to the great wealth of the country, and to its present superfluity of gold and, in consequence, of money. We shall deal with this again later.

That the crisis has already given place to a recovery, that is, that it has been of relatively brief duration*) — if it really is over, which is by no means certain — is to be attributed to special circumstances. The special circumstance leading to the recovery of American economics is, as stated at the beginning of this report, the excellent crops, combined with the sharp advance of grain prices in the world's markets. The latest official data on the corn crops, issued by the American Ministry of Agriculture on 1. October, give the following figures:

Total yield in million bushels.

	1924		1923		1922	
	I. X.	I. IX.	I. X.	I. X.	Final estimate	
Winter wheat	589	589	568	572		
Early wheat	266	247	217	213		
Maize	2,452	2,518	3,021	3,054		
Oats	1,508	1,486	1,302	1,800		
Barley	201	194	199	198		
Rye	66	66	65	63		
Flax	29	29	20	17		

Although the maize crops will probably be very poor, the excellent crops yielded by the other sorts of grain denote a mighty increase of income by American agriculture, the prices for corn being high in the world markets. And it is not merely a case of a redistribution of income among the various social categories of the country itself, it is an enrichment of America at the expense of the rest of the world, especially at the expense of Europe. During the last few years about 25% of the wheat crop has been exported; this year the quantity will probably be still greater. If we add to this the excellent cotton crop, of which one half is exported (cotton being high in price at present), we see that the purchasing power of the farmer has greatly increased, and industrial production has naturally received a corresponding stimulus.

*) It must be observed that the decline in the level of employment, as stated by the American official returns, began as early as August 1923, and continued almost without interruption until August 1924.

Political considerations have also probably played a part in the economic recovery. In view of the impending election, the capitalists united in the Republican Party are anxious to improve the situation. They can exercise an influence by giving orders earlier than intended (railway material, factory plant, public buildings), by reducing rates of interest, etc., and it would seem as if they have had recourse to these methods¹.

At the present juncture it can by no means be asserted with certainty that the American crisis is at an end. But the question of the further development of currency affairs in the United States, as influenced by the tremendous accumulation of gold, is a problem which intensely occupies the minds of the economists of the United States, and must be accorded a certain amount of attention here.

The Problem of Gold Inflation in the United States.

The accumulation of gold continues to form one of the greatest economic cares of the United States. During the first seven months of the current year the net surplus import of gold amounted to 241 million dollars. During the first week in September there was no gold import, for the first time for years. We are, however, of the opinion that this is merely a transitory phenomenon, caused by the great foreign loan. The gold reserve lying with the Federal Reserve Banks amounts to 3,100,000 dollars at the present time.

As a 13% gold cover suffices, in American banking law, for the bank notes issued, every fresh supply of gold signifies the possibility of issuing sevenfold its value in banknotes. Thus there exists the permanent possibility of an unsound extension of credit. In order to prevent this, the Federal Reserve Banks have had recourse to putting gold and gold certificates in circulation, that is, they no longer use the fresh supplies of gold as a basis for fresh issues of notes, but simply take them as deposit; gold certificates are then issued only to the value of the gold deposited.

But even this does not save the situation. The investments in the money institutions affiliated to the Federal Reserve System have increased by a milliard dollars during the last four months². Since the beginning of the year the banknote circulation has decreased by 478 million dollars; the total circulation — despite the great increase of gold and gold certificates — has decreased by 286 millions. One quarter of the total money in circulation already consists of gold, or of gold certificates covered by 100% of gold³. There is such a superfluity of money that the bank rate was reduced to 3% in August.

The following is theoretically interesting in this connection. The metallic theory of money, that is the view that the value of money is determined in the same manner as that of any other goods, and is thus equal in value to the gold actually contained in the monetary unit or represented by it in the case of paper money, is based upon the assumption that any quantity of gold can function as money within capitalist economics, as a universal equivalent, as international money. But the United

¹) The assertion has recently been advanced, by the adherents of the class harmony theory, that it is possible, by means of a suitable discount and credit policy on the part of the central notebanks, and by the adjustment of public orders and building enterprises to such times when trade is bad, to avoid entirely the crises of capitalism. (See for instance the "Informations Sociales" issued by the International Labour Office on 9. September 1924, page 16, as also Bellowby: "Le contrôle du crédit comme remède au chômage", published by the International Association for combatting Unemployment, etc., H. N. Brailsford: "New Leader", 29. August.) Here we find the opinion expressed that a rational money policy is capable of ironing out the fluctuations of the industrial cycle. This theory is based on the thesis of Quantity which has now become almost an official theory, and its exponents believe that the experience won during the last two American crises supports their view. We are of the opinion that cause and effect are here being confused. Neither the increase nor the reduction in the bank rate has been the cause of changes in economic conditions; the reverse has been the case, and a changed economic situation has been followed by changes in credit policy and bank rate. It is, an altogether bizarre idea to think of regulating the whole course of production by means of regulating the money circulation, by means of exercising influence on the circulating media.

²) Federal Reserve Bulletin September number, page 681.

³) Ibid. page 683.

States are now confronted with the problem that a further influx of gold is likely to lead to a state of affairs in which it will be impossible to make use of any further quantity of gold either as means of payment or exchange. The amount of gold in the country may increase to such an extent that circulation may be completely covered by gold money, or by gold certificates with face value gold cover.

The question is therefore: What will happen if still more gold comes in? There are two possibilities: Either the new arriving gold is forced into circulation, in which case it becomes subject to the laws obtaining for purely paper money circulation, that is, the total quantity of gold in circulation will not present a greater value than the smaller quantity which would suffice for carrying on the business of circulation. This would mean a paradoxical state of affairs in which full value gold dollars would be undervalued in the United States, that is, the ratio of exchange in relation to other goods would not follow the law of value. When gold dollars are exchanged for goods a greater amount of labour, that is, of value, would have to be given than is contained in the goods obtained by the exchange. The result would be expressed in a corresponding increase in price for all goods, precisely as in the case of paper money with compulsory rate of exchange. Full value gold money would circulate under its value.

Or — and this is the second possibility — the free coinage of gold dollars would be stopped. In this case the gold would show an agio compared to bullion gold. The same weight of bullion gold would be worth less than the same weight of coined dollars. (A similar case was to be observed in India after the free coinage of rupees ceased.) The mechanism of capitalism would tend to equilibration in both cases. In the first case the price level, expressed in gold, would be higher in the United States than in other places. It would be found to be of advantage to import goods from abroad, paid for in gold. The result would be an adverse trade balance, and an outflow of the superfluous gold to foreign countries until the international price level was equalised. In the second case the superfluous bar gold would find indirect means of leaving the country, but the dollar would lose connection with gold, value would no longer be dependent on gold, but would be internationally supervalued, and its valuation would fluctuate like that of any uncovered paper money, but above the nominal original value. In both cases considerable derangements in economic life would be inevitable.

The accumulation of gold in the United States has not reached such dimensions that the question of gold inflation becomes acute, although there are some people who are of opinion that there is already a gold inflation in the United States. In any case, the accumulation of gold is a source of great anxiety to American political economists, and is a motive underlying American desires for expansion.

From the standpoint of political economy the question is as follows: The enormously increasing production of the United States (they produce more than half of the world's production of important goods) cannot, having regard to the historically developed present requirements of the American population, be sold in the country itself, as the distribution of income does not permit of this. A great part has to be exported, but there is no actual demand for imports in return. Hence, the well known fact of the extremely favourable trade balance of the United States during the last decade. In the course of the decade the total surplus of exports over imports amounted approximately 20 milliard dollars.

What have the United States received as counter-value for these 20 milliard dollars? Here four phases may be distinguished which, though somewhat overlapping, may still be enumerated in chronological order. The counter-value received by the United States has been:

1. American securities which had hitherto been in the possession of non-Americans, that is, claims on the surplus value produced in America, were redeemed by the delivery of goods.
2. Goods were supplied to the allies against state credit. The result is: the inter-allied debts, on which up to now only the English have paid interest and sinking fund.
3. After America would no longer supply any further goods against state credit, the influx of gold set in. The increased export of goods was equilibrated by the import of gold. America has now reached a point at which it cannot absorb any more gold without endangering its own economic life. The question thus to find means of equilibrating the surplus of goods exported

4. There is no possible means left except to invest the surplus capital abroad, that is, to purchase rights entitling the buyers to a claim on the surplus value produced in foreign countries. The circle closes: Whilst at one time a part of the surplus value produced in America flowed abroad, now a part of the surplus value produced outside of the United States is to flow to America. Expressed in other words, the United States have developed from a colonial country into an imperialist power, able to invest capital abroad and exploit foreign countries.

The United States as Capital Market.

The superfluity of gold, and the fact that the United States have an absolute superfluity of goods, in the sense that under present conditions the import demands in goods are less than the export of goods, form the foundation of the gigantic investment of United States capital abroad. Capital is in part directly invested as profit-bringing capital in enterprises abroad. We know for instance that more than half of the capital invested in Canadian undertakings is American, and that the penetration of South America is being carried forward with ever-increasing energy. During the last two or three years American capital has also been invested directly in Europe, in the form of purchases of stocks and shares; the same applies to the Far East.

Another form of investment is the granting of loans to foreign countries, towns, railway undertakings, etc. During the period covered by this report there have, for instance, been granted a Japanese loan of 90 million dollars, a Belgian loan of 30 million dollars, a Canadian loan of 90 million dollars, loans to various French cities, etc. These loans were put for subscription in the American market, and have been oversubscribed many times.

The greatest of such operations is being carried through at the present time: the subscription of the German reparation loan. We must deal with this more in detail. It must be expressly stated that this is a truly usurious loan. The conditions imposed on the German state are as follows:

The sum put up for subscription is nominally 110 million dollars, to be repaid with a premium of 5%; that is, for the nominal 110 million dollars 115½ million dollars. But as a matter of fact the German State receives considerably less:

Deduction of 5% banking commission on the nominal sum = 5.5 million dollars. The subscription rate is 92%, making 101.2 million for the nominal 110 million dollars. Thus the German State receives in reality only 95.7 million dollars, for which it has to pay 7% on 110 millions annually, that is, 7,700,000. Thus the interest actually paid amounts to something over 8% — that is, over the 5% premium with which the loan is redeemed — therefore altogether considerably over 8%. For a loan so encumbered by guarantees as this one is, this is a usurious rate of interest, especially when it is taken into consideration that at the present time the bank rate in the United States is 3%. That the 4½% Canadian loan was subscribed several times over.

The Dawes loan is to be followed within a short time by a French loan of 150 million dollars, by a Belgian loan, and by a large number of private German loans. As we already mentioned in our last report, the struggle of the American bankers in London against the French sanctions did not refer to the reparation loan itself, but to the security of the private American investments of capital in Germany¹.

The Japanese and Canadian loans, which are approximately the same amount, were taken up by the American market with the greatest ease, without any great amount of preparation. At the London negotiations it was not a question of this one sum, but of protecting Germany, America's new colony, from independent intervention on the part of France; it was a question of securing the American exploitation of Germany.

The investment of the reserves of superfluous gold, or the export of goods in the form of capital investment abroad, will of course not solve the American problem, but merely postpones it. For the interest paid on the capital invested abroad is to be sent to America. But as the United States does not require foreign goods in any corresponding degree, the payment of interest can

¹) According to the statements of the American Bankers' Association, the value of the notes issued through the Association in the first half year of 1924 was 3 milliard dollars. As compared with this, the sum of 110 million granted to Germany is a mere trifle.

again only take the form of gold. The question as to what form is to be taken by Germany's payments in kind, as reparation payment, appears again in a reversed form in America, the problem here being: What payments in kind can the United States accept in order to balance their favourable trade balance, and as payment of interest and profits on the American capital invested abroad? Hitherto it has been a matter of course than if the worst came to the worst, payment could at least be made in gold. But what will happen if the state of affairs above indicated should come to pass, and the United States cannot accept any more gold?

We see that the present period of capitalist crisis presents entirely fresh problems, and at the same time aggravates and multiplies the contradictions of the capitalist system.

The Agrarian Crisis.

The most important problem at the present moment appears to us to be the question whether the advance in grain prices which set in a quarter of a year ago, and the consequent abolition of the disparity between the prices of agricultural and industrial products, signifies the final liquidation of the agrarian crisis, or whether it is merely a phenomenon called forth by the bad crops of the present year.

In view of the importance of this question, we must look further back.

In the course of the nineteenth century there were agrarian crises in various countries, such as that in England after the Napoleonic wars, and in almost the whole of Central and Western Europe from 1875 onwards. These agrarian crises were caused, like the present one, by the fact that, in consequence of a fall in prices extending over several years, the prices of agricultural products ceased to cover the cost of production, and agricultural undertakings were unable to maintain themselves. Up to the present harvest this was, for instance, the case in the United States. In the spring of 1923 the American Department of Agriculture caused an investigation to be made into the situation of the farmers. This investigation extended to 68,000 farmers possessing their own land. Of these

- 4% had lost their property through bankruptcy,
 - 4.5% had abandoned their property without an official declaration of bankruptcy,
 - 15% were actually bankrupt, and were only able to avoid open bankruptcy owing to the consideration of their creditors.
- For tenant farmers the corresponding figures were as follows:
- 7.2% were bankrupt,
 - 7.8% abandoned their holdings without official declaration of bankruptcy,
 - 21.3% were only able to maintain their tenancy through the consideration of their creditors*).

The present agrarian crisis shows many features common to earlier crises. During the last few years Canada has replaced the United States as extensive exporter of cheaply produced corn. Here the area under wheat and rye cultivation, averaging 4 million hectares from 1909 until 1913, rose to 10 million by the year 1921. At the same time, as we already mentioned above, the area under grain cultivation in the United States has rapidly extended. But on the other hand Russia has almost entirely ceased to export grain. What is of still greater importance, however, is the fact that while the consumption of those countries which absorb the surplus of the export countries showed a tendency to increase before the war — which was a most important factor for the liquidation of the agrarian crisis — this is now no longer the case. It is for this reason that we do not believe that the present advance in prices means the end of the agrarian crisis, but is merely a passing phenomenon. But if we are to prove this to be somewhat probable, we must take the trouble of entering into detailed statistics of the course taken by the world's grain production and of its consumption. We may assume that the greater part of the grain produced in the world is consumed on the spot, and that there are but few countries exporting any great part of their production. Such export areas are newly opened up regions, thinly populated. Thus, for instance, the United States have been exporting about 25% of their wheat production, Canada and the Argentine still more. On the other

* Report on wheat situation, by Henry C. Wallace, Secretary of the Dept. of Agric., quoted by Enfield: "The Agricultural Crisis 1920/23". London 1924. p. 120.

hand, the grain produced in Europe is almost entirely consumed in the region where it is grown.

In order clearly to comprehend the mechanism of the world's grain markets, we must note the following facts: Before the war the following were the regions producing a surplus of corn destined for bread:

United States, Canada, Argentine, British India, Australia, Russia, and the so-called Danube countries: Roumania, Bulgaria, Serbia, and Hungary.

On the other hand, the regions of Western and Central Europe served as a chief market for the grain surplus of the exporting countries.

Since the war, there has been but little change. Russia has dropped out of the ranks of grain suppliers. The import countries have remained the same; only very recently a fraction of American and Canadian corn has been exported to China and Japan. But this export is still so new that no statistical data are obtainable with regard to it. We append tables showing the areas cultivated, the movement of prices, the imports and exports of bread corn: wheat, rye, and the flour from this calculated as grain, as well as the consumption of the same, classified in purchasing and surplus districts, from before the war up to the present day.

The countries importing bread corn are the following: Great Britain, France, Spain, Portugal, Belgium, Holland, Switzerland, Germany, Denmark, Sweden, Norway, Czechoslovakia, Italy, Greece.

Export countries in Europe: Bulgaria, Yugoslavia, Hungary, Roumania.

In order to simplify the survey of the development, we have classified the countries in two special blocks. The great export block: United States, Canada, British-India, Argentine, Australia. This has been made necessary by post-war conditions, under which Russia and the Danube countries have ceased to export. On the other hand we have classified as West European import block the most important consuming districts of Western Europe: Germany, Belgium, France, Great Britain, Italy. The tables are as follows:

I. Wheat price per double ewt. in gold francs (commencement of each month or end of previous one)

Table with columns for countries (Canada, U.S.A., India, Argentina, London, Germany, etc.) and rows for months (Aug. 1921, Aug. 1922, Aug. 1923, July 1924, Aug. 1924, Sept. 1924, Oct. 1924).

This table shows the development of wheat prices, in gold francs, since the war, and the index figures, calculated in gold, of the Federal Reserve Board. It will be seen that the prices in gold francs rose much less up to June 1924 than the wholesale trade prices of all goods.

The table also shows the level of corn prices in the autumn of 1921, when the fall in prices began, and the development of prices since then, the August monthly average being given in each case, as the effect of the fresh crops begins to be felt in this month.

1) As per bulletin issued by the Roman agricultural institute. Returns for 1921, in round figures, reduced to gold francs.

II. Area under wheat and rye cultivation (in million hectares)

Table with columns for years (1909-1924) and rows for categories (Import countries of Europe, Export countries of Europe, etc.).

Table II shows the development of the area under cultivation for wheat and rye, classified in importing and surplus countries from before the war until 1924 (the data for 1924 are, in part only provisional).

This survey enables us to ascertain the following facts: 1. The corn-growing area in Europe decreased until the year 1920. It had diminished, not reckoning Russia, by more than sixth as compared with before the war.

On the other hand, we observe that the corn growing area of the great export block increased between the pre-war period and 1919 by a full third. Since then there has been a slight decrease of the area under cultivation, but only about 8%.

To us it appears of decisive importance that the area under cultivation for bread corn in Europe (excluding Russia), together with the great export block, amounts at the present time, 1924, to 92,6 million hectares as compared with 86,3 million hectares before the war.

In the following tables we give the results of the wheat and rye crops for the same period. We cannot give the figures for the end of 1924 as the data for the southern hemisphere, Argentine and Australia, are naturally not yet to hand. Many of the data for 1924 are only provisional estimates.

The following tables we give the results of the wheat and rye crops for the same period. We cannot give the figures for the end of 1924 as the data for the southern hemisphere, Argentine and Australia, are naturally not yet to hand. Many of the data for 1924 are only provisional estimates.

III. Wheat and rye crops (in million double owts.)

Table with columns for years (1909-1924) and rows for categories (Import countries of Europe, Export countries of Europe, etc.).

1) Estimate; data for Hungary and Yugoslavia are lacking. 2) Provisional statements; we have replaced the missing data by the average of 1918/22. 3) It is not possible to draw comparisons between the statements of the different years, owing to regional changes.

Table showing import block of Western Europe with columns for years (1909-1924) and rows for countries (Germany, Belgium, France, Great Britain, Italy).

Table showing export block of Western Europe with columns for years (1909-1924) and rows for countries (United States, Canada, Brit.-India, Argentine, Australia).

From this table we see that the production of bread corn has greatly decreased in Europe, without Russia, and the decrease is greater than the decrease in the cultivated area. The production of the great European import block in particular has greatly diminished.

Table showing average crops for years 1909-1913 and 1919-1923 in million double owts.

As regards the crops of 1924, it has been ascertained that the total production of grain in the Northern hemisphere amounts to 637 million double hundredweights as compared with 719 million last year.

In table IV we give the exports and imports of wheat and wheat-flour, rye and rye flour, reduced to rye. We see that the import requirements of Europe, that is, the quantity which Europe is able to absorb and pay for, has increased but slightly as compared with pre-war time.

Finally, in table V, we give the consumption of Europe, classified as above, as also the consumption of the great export

1) For Spain, year 1922. 2) Less than 1921. 3) Somewhat more than 1921. 4) Calendar year 1909 till 1913. 5) Calendar year 1919. 6) Calendar year 1920.

block without Russia. The table is arranged in economic years. It has been calculated by adding the crops and the import, or by deducting the export, in economic years extending from July until the end of June in the following year. This is, of course, a very rough method, as the quantities left over from one economic year to another (surplus stores), as also the consumption of seed corn, and the grain used as fodder, could not be taken into consideration.

IV. Import and export of wheat, wheat flour, rye, and rye flour (in million double cwts.)

Table with columns for years (1909/10, 1914, 1919/20, 1919/20*, 1920/21*, 1921/22*, 1922/23*, 1923/24*) and rows for categories (Imports to all the import countries of Europe, Import of the great export block of Western Europe, etc.).

Table showing export of surplus countries of Europe (without Russia) for years 1909/10 to 1923/24.

Table showing export of the great export block for years 1909/10 to 1923/24.

Table showing total a+b for years 1909/10 to 1923/24.

7) Calendar years 1914 till 1918. 8) Economic year from 1. August till 31. July. 9) In consequence of shipping difficulties during the great war, such large stores of grain had accumulated in Argentine and Australia that the consumption of these countries for 1919/20, and for 1920/21, appears to be negative, that is, the export was greater than the total production of the economic year in question.

V. The Consumption of Bread Corn.

Table with columns for years (1909/10, 1919/20, 1919/20*, 1920/21*, 1921/22*, 1922/23*, 1923/24*) and rows for categories (Import countries of Europe, Import block of Western Europe, Export countries of Europe, etc.).

1) Approximate values, reserves from previous years not being taken into consideration. The changes in the area sown are also to be observed. 2) Large reserves from the war years.

*) Reserves from 1920. 4) More than in 1921. 5) More than in 1922.

The following will be seen from this table:

1. Consumption in the import countries at the present time is almost 10% less than during the five years preceding the war, although the population has only sank by approximately 2 1/2%. Especially noticeable is the reduced consumption of the great import block (Germany, Belgium, France, Great Britain, Italy), these being the areas in which the crisis in capitalist economics is most acutely felt. Despite a slight increase of population, consumption has diminished by about 13%. The consumption of the great export block shows an increase approximately corresponding to the increase of population.

The final conclusions to be drawn from these tables appear to be the following:

1. In consequence of the reduced purchasing powers of the industrial countries of Europe, there is a surplus production of grain in the world's markets, despite the diminished area under cultivation in the United States.

2. The enormous advance in prices during the last four months does not appear to be justified by the poor crops of this year.

3. In consequence of the present high prices for grain, the area placed under cultivation for autumn grain will be increased everywhere this year. From the United States reports have already been received of an extension of the corn growing area of 7 1/2% as compared with last year.

4. It is a certainty that in the course of the next few years, Russia will reappear in the world's markets as large grain seller.

5. From all this we come to the fairly certain conclusion that the present high level of grain prices will not be maintained. (It may be that good crops in Argentina and Australia will reduce the prices again even in this economic year.) It may be assumed with every probability that when Russia reappears in the world's markets within the next few years, we shall again experience an extensive surplus production and a corresponding fall in the price of grain. The agrarian crisis has not been overcome, it has only been temporarily interrupted.

In view of the chronic state of crisis in Central and Western Europe, there is no prospect of the purchasing capacity and consumption of the population increasing to any great extent within a calculable period. This subject is dealt with in detail for every large country, in the excellent book published by Edwin G. Nourse: "American Agriculture and the European Market"; this work was compiled in the American Carnegie Institute.

Thus we may calculate upon a great international economic struggle for the grain market, between Russia and the American export countries: United States, Canada, and Argentine).

In this struggle Russia will maintain the upper hand, in consequence of a system of agricultural production which is still backward on the whole. Russia's grain export is composed by adding together the small surpluses won by 20 million peasants working on their own farms. The economic development of this mighty mass of farmers, for whom production for their own consumption is the main object, is but little influenced by a slightly higher or lower price for the small amount of corn exported. But for the American capitalists dealing specially in grain, every fall in the price of grain is of decisive importance, and leads to bankruptcy and economic ruin. We are therefore of the opinion that in the fight for the world's grain market, the more primitive Russia will beat the capitalist countries; this was already the case last year as regards rye.

Socially considered, in the countries of Europe the position is such that low grain prices, not covering the costs of production, are disastrous to medium and rich farmers, and to the landowners. But for the small holders and peasantry, producing grain for their own consumption, low grain prices are a matter of indifference, or even favourable, since they are often obliged to supplement their own supplies by buying. Thus low grain prices tend to revolutionise the medium peasantry, and not the poorest peasantry, as is frequently assumed.

*) "The European consumer looks with high hopes, the American farmer with the greatest dread, to Russia, whose restoration is advancing noticeably at the present time". Nourse p. 201.

THE LABOUR MOVEMENT

The Situation of the Working Class in Poland.

By L. Domski (Warsaw).

The "crisis of recovery" in Poland continues without interruption, and is assuming such dimensions that one begins to doubt whether a recovery of this kind is really preferable to disease.

Industrial crises, unemployment, increased cost of living — these are the distinguishing features of the "recovery".

The situation is very similar to that in Germany, but the position of industry is perhaps still more dangerous. Poland is suffering from an extreme lack of credit, which is much more acute than in Germany. The uncertain political situation of the country, especially the insurrectionary movement in the east, prevents the necessary "international confidence". Industry is thus forced to restrict production more and more. The output of coal and the production of iron in Upper Silesia has decreased to a fraction of the former amount; in "Old Poland" (Dombrowo and Cracow District) production is almost at a standstill.

According to the statistics of the Central Association of Industry, Agriculture and Trade, the number of unemployed in the industries affiliated to the Association have increased between January 1st. and September 1st. from 67,000 to 160,000. This applies of course to those branches which are best provided with capital. In medium and small industries the situation is still worse. The Ministry of Labour, it is true, consoles us with the announcement that the number of unemployed began to decrease in September. On the seventh of September it amounted in the whole Republic to 163,000, on Sep. 27th to 153,800. In so far as these figures are really reliable, the temporary decrease of unemployment in September is explained by the revival of some branches of industry in connection with the Autumn season. Thus the demand for some kinds of textile products revived for the time being, the sale of agricultural machines also increased, thanks to the rise in the price of cereals etc. This does not make much difference to the generally depressing outlook, and even this transient revival will not last long.

Naturally the employers are taking advantage of this turn of affairs in order to force down wages and to prolong the working hours. They are not in the least ashamed of this, they write long articles about it and boast of the "cheapening of production" which is thus achieved. In a Press communique of the Central Association of Industry etc. there are cynical reports of the brilliant results already attained by the reduction of work-people. In the petroleum industry, for instance, the workers and employees have been cut down by 20%. In the chemical industry 30% of the employees have already been dismissed. In the coal industry the reduction amounts to 10 to 15%, in the foundries to 20%. In the textile industry the number of machines which one workman must serve is being increased. In many weaving-mills one workman must now serve four instead of two looms. In the spinning mills 1000 spindles are now worked by 7 instead of 11 workmen. The captains of industry rejoice at the enormous saving. It is a matter of indifference to them that the hands, so to speak, wear out faster, for they are to be had in abundance.

Nor is this the only method of economy. As the manufacturers declare in their communique they have still another expedient, that of "reducing the wages-bill by reducing the difference between the wages of the separate categories of workers".

This levelling down process is going on in all branches of industry, and sometimes produces violent conflicts. Thus in the coal industry the procedure chosen is that of cutting down the wages of the workers by 5% monthly. These reductions took place in August and September. They also introduced a quite harmless "re-arrangement of working hours", by introducing longer pauses (1/2 hour for breakfast, 1 1/2 hours for dinner), so as to accustom the workers to staying longer at their work. On the whole the "mediating" Ministry of Labour took the part of the employers. The conflict on this point is impending.

The industrial employers explain the necessity for "cheapening industry", partly by their being too highly taxed, partly by their being insufficiently protected by tariffs. But they often succeed in doing away with such causes. Thus the coal magnates managed to abolish coal duties in order to cheapen production. They also succeeded in reducing the freightage. Nevertheless,

strange to say, the price of coal hardly came down at all. And now the producers are actually demanding an increase in the price of coal!

The coal magnates are, as a matter of fact, not the first who have discovered this interesting expedient in a trade crisis. The sugar producers carried the prize when at one stroke they demanded an increase in the price of sugar from 55—94 Zloty (gold francs) for 100 kg. The Government granted an increase of "only" 10 Zloty, which, for the sugar producers with their accumulated stores, meant a profit of 14 million Zloty. The poor beggars however are not satisfied with this, and continue to demand their pound of flesh. At the same time however, sugar costs 30 Zloty in Czechoslovakia and 41 in Austria.

The petroleum firms also introduced a "slight" increase price. One hundred kilograms of petroleum now cost 12 instead of 8 Zloty. Even the petroleum refinery, which belongs to the Government, has adopted this price.

If to all these machinations we add the failure of this year's crops (the cereal harvest is 40% less than last year) which has caused such an enormous rise in the cost of foodstuffs, it is easy to picture the situation of the workers. The very coal miners, whose wages were reduced by 10% in August and September, saw the price of food in the coal districts rise by 15.5% during the same period.

The situation of the masses of the working people is visibly getting worse. Emigration offers very little opportunity to the unemployed; in view of the limitation of the immigration quota in America and of unemployment in most European countries, France alone comes into consideration for emigrants. There, however, the conditions of labour have become decidedly less favourable on account of the wholesale immigration of Polish workmen, and many French workmen have raised a protest against further Polish immigration. The conditions of labour are so bad that many immigrants are beginning to flee from France. Thus even this safety valve is being closed.

The situation in Poland is steadily becoming more acute. In spite of the great depression among the mass of labourers in consequence of unemployment, a new wave of strikes will be inevitable. In less important branches of industry (leather-workers, bakers, builders), great wages disputes are already taking place. The great army of workers in heavy industry will in all probability shortly have to proceed to an attack.

The Labour Movement in New Zealand.

By E. J. B. Allen (Auckland).

Apart from a few isolated enthusiasts there are no revolutionaries in New Zealand. This country suffers from an overwhelming attack of "Swelled head". It is "God's Own Country"! At least, so the people have been solemnly assured by a succession of imported Governors and Governor-Generals, as they are now styled, New Zealand is intensely "loyal". For instance, in order to insure that the National Anthem be sung at most public meetings, instead of the usual custom of singing it at the close, the first verse is sung at the beginning of the meeting. School children are marched out of school on every Monday morning to "Salute the Union Jack", the flag of the "brave and the free". All teachers and other public officials have to take a special "oath of Allegiance" and so does every person who lands on these shores. The amusing part about it all is that the English financiers who run this country on their loans, skin the farmers for all they are worth by the manipulation of the London Markets. A rise in the Bank rate in London sends a number of traders through the bankruptcy courts.

New Zealand has for some time been labouring under a financial crisis, and which is likely to continue for the next two years. The first people to suffer have been the returned soldiers who had been settled on land at inflated prices by the Tory Government, who had purchased huge blocks from their landed friends. When the fall in the London price of Butter and meat occurred, as a result of the cessation of purchases by the English Government, and increased competition from Ireland, Denmark, and the Argentine, as well as the export of butter from Siberia, the price paid to the actual producer was not sufficient to meet the interest on the mortgages on the land. Thousands of farmers have become bankrupt. They have simply walked off the farms and left the mortgagees, whether Government, banks or loan associations, to take the farms as it is impossible to make them pay at the inflated prices paid during the war boom and government

purchasing. This year the trading section has been hit. All those business firms working on overdrafts have been pulled up, credit restricted and hundreds forced out of business. Not only have the small men gone, but many large firms also have gone into liquidation, either voluntary or forced. The Labour market is over-stocked. The Government is pouring emigrants into the country from Great Britain to make sure of a large and loyal population when the war in the Pacific breaks out.

Australia and New Zealand are only useful as dumping grounds for England's unemployed. They are not worth the expense of holding. They are undeveloped, and as far as New Zealand is concerned will never be anything more than an agricultural and pastoral country. There is gold here, and coal, but no iron has yet been discovered in commercially workable quantities. There may be oil, but up till now each company formed to develop the oil fields have simply run out of business, in spite of the heavy Government subsidies paid them. The British Government has an oil depot in Auckland for the ships of the Imperial Navy and probably will establish them elsewhere in the Dominion.

The English finance capitalists lend money at good rates of interest to the New Zealand Government. The greater portion of this money goes to pay interest and also the salaries of the thousands of government officials — most of whom are unnecessary. The place is over-run with officials of one kind and another. The result is seen in the fact that there is only one person in five who is engaged in real productive work. This is an extraordinary proportion in a country that has only a million and quarter inhabitants all told. In the city of Auckland the number of agents, shopkeepers, lawyers etc. is enormous. It is possible that the ultimate revolutionary impulse will come from this "professional" proletariat, who are too numerous for all to gain an adequate living.

There is a fairly strong Labour Party here. It is similar to the Labour Party of Australia and England. MacDonald is the hero of the Labour Party's, official organ The New Zealand Worker. The Labour Party itself is composed of a number of Trade Unions, nearly all of them believers in arbitration. The delegates to the conferences are generally the paid professional secretaries, most of whom have a vested interest in holding on to their job, and never fighting the bosses for fear of the union being broken up and their safe jobs vanishing.

There are one or two small local socialist propagandist bodies adhering to the Labour Party. They are relics of the old Socialist Party of New Zealand which at one time was a militant body. There are some pacifist organisations affiliated and some feminist bodies. It has a fairly proletarian rank and file but the people who are being selected as parliamentary candidates are lawyers, professional men, small business men, professional trade union officials and very few of the purely working class, in proportion. There is a fairly good chance of the Labour Party winning the farmers' vote on account of their propaganda for State Banking. The farmers can understand how they are in the grip of mortgagees and banks, and they are also beginning to understand how the London market is manipulated against them. Thus with a direct appeal to the workers, to the civil servants, who are numerous, regarding obtaining full civil rights and restoration of war bonus, and to the small business man and farmer as to state banking, there is a likelihood of the Labour Party obtaining a majority at the general elections in a year's time, or at least in the succeeding general election in four years time. Not until the Labour Party has been in power and failed to make good can there be a Communist mass party. Until then the most that can be done is the formation of propaganda groups.

There is a difference of opinion as to the best tactics to be pursued at the present time. Some are of the opinion that the best work can be done by working inside the Labour Party, but also supporting independent propaganda outside. Others argue that the Labour Party, from its very nature, cannot be different from those of Australia and England, that we shall have to fight them sooner or later, and that we therefore might as well carry on an oppositional propaganda right away. Until the Labour Party has assumed office, no one can really tell what it will do. It has so many heterogeneous elements within itself, some of them really revolutionary, that whilst we may think we know, yet we cannot actually say until we see how the members of parliament react to the influence of the rank and file. It is possible that they may do different to the others, though it is not likely. They are for the "Empire Labour Party", they consider that there is a democratic mission for The Empire to fulfil.

There was a revolutionary spirit abroad in the General Strike of 1913, when the miners, waterside-workers, drivers, and many

other workers came out in a solidarity strike. This was defeated by the Government, with the same premier, Massey, who holds office at the present time. Special police were organised, British warships in the Pacific came to the principal ports, the guns were trained on the wharves, machine-guns mounted on public buildings, and the permanent military force kept under arms and used. The Labour Party derived its birth from that struggle. Just as the Taff Vale decision gave birth to the Labour Representation Committee in England twenty five years ago, so the defeat of this strike was really the beginning of the Labour Party. It is not revolutionary, most of its spokesmen are pacifists, and would be as much opposed to a civil war for emancipation as they are to any Imperialist war. Some of their resolutions at the Party Conference distinctly state that fact. However, they have established a Labour Research Bureau, and have made the workers familiar with a number of facts relative to the banks etc. Theoretically, they are democrats; they place an overwhelming importance on the establishment of proportional representation. The most inspiring feature of late has been the formation in Auckland of a New Zealand Plebs League along the lines of the English one. It is hoped that sufficient educational work can be accomplished so that a good nucleus of communists will be ready when the Labour Party fails. At any rate a good educational work along Marxist lines will be carried on and it is sure to influence the rank and file of the unions.

FOR THE UNITY OF THE TRADE UNION MOVEMENT

The Opening of the 6th Trade Union Congress of the Soviet Union.

An International Demonstration for the Unity of the Trade Union Movement.

The 6th Congress of the Trade Unions of the Soviet Union was formally opened on the 11th November last at the Trade Union House in Moscow. There were present, 853 delegates representing six and a half million trade-union organised workers.

In his opening speech, comrade Tomsky in the first place welcomed the delegates from the English Trade Unions who were present. This called forth great applause and the singing of the "International". Comrade Tomsky pointed out that while great differences existed between the Trade Unions of the Soviet Union and the Amsterdam International Federation of Trade Unions, the interests of the working class demanded the unity of the Trade Union movement, and that the workers in the more important countries were pressing for this, a proof of which was the presence of the delegation from the English Trade Unions at the Congress.

Comrade Geschke greeted the Congress in the name of the Red International of Labour Unions and emphasised that only the unity of the Trade Union movement and only the way indicated by the Russian proletariat could preserve the German proletariat from enslavement by the Dawes Plan.

Comrade Kalinin greeted the Congress in the name of the Government of the Soviet Union and called attention to the numerical strengthening of the working class of the Soviet Union and the improvement in its material situation.

Comrade Zinoviev, who had an enthusiastic reception, spoke in the name of the Central Committee of the Russian Communist Party. He declared that the Soviet State had gone through this year without an economic crisis and that industry had reached the level of 50 per cent of the pre-war production. Dealing with the question of the world situation, he pointed out that we are now living in an era of bourgeois reaction. Baldwin in England and Coolidge in America signified the commencement of the blackest reaction, against the attacks of which the working class must defend itself. The new wave of reaction rendered it the duty of every honest worker to stand for the unity of the Trade Union movement. Our battle-cry must be: Workers, shoulder to shoulder against world reaction!

Comrade Dudillier, the secretary of the French C. G. T. U. (which is affiliated to the R. I. L. U.) stated that the unity of the Trade Union movement must be based on the revolutionary class struggle against capital. In the united Trade Union International, the revolutionary workers shall preserve their own principles

and their own tactics. The united front is the united front of the class struggle.

After various delegations from the factories had appeared and conveyed greetings to the Congress, A. A. Purcell, who was enthusiastically received, addressed the Congress in the name of the English Trade Unions. He stated that since he was last here in 1920, wonderful changes and alterations had taken place in the Soviet Union as regards the position of the working class. In expressing his appreciation of the magnificent achievement of the proletariat of the Soviet Union, the speaker declared: May it be given to us to experience changes of this sort also in England. The recent elections in England prove that the eyes of the workers in England are turned towards the Soviet Union. After its defeat in the elections the English proletariat is more firmly welded together than ever before. The speaker stated that he fully agreed with Zinoviev that it was high time to establish the unity of the Trade Union movement on an international scale. Unity must be created at the unity conference without any unnecessary formulations and without any pre-conditions whatever. The Trade Unions of the Soviet Union must not remain outside of the Trade Union International.

Bramley, a member of the English Trade Union delegation, after giving a description of the English labour movement, both on its trade union and political side, declared: We are striving for the same aim as the Trade Unions of the Soviet Union, namely, the control over the means of production.

Ben Tillett, another member of the English delegation, paid tribute to the memory of Lenin as the great fighter and leader of the working class, to whom the English workers rendered homage.

After a speech by Comrade Tomsky in reply the opening session was concluded.

Special Telegrams to the "Inprecorr".
Moscow 18th November 1924.

In the course of his report to the Congress of the Trade Unions of the Soviet Union on International Trade Union Policy, comrade Lozovsky stated: "As the English Trade Unions are the basis of the Amsterdam International and as, on the other hand, the Trade Unions of the Soviet Union form the basis of the Red International of Labour Unions, their approach to one another means the starting point for organisatory unity. An agreement has been arrived at on principle, between the Trade Unions of the Soviet Union and the delegation of the English Trade Unions, as a result of which an Anglo-Russian Committee for Trade Unity is being formed. (Enthusiastic applause). This Committee signifies a step forward to a united Trade Union International, to the convening of the Unity Congress; the question of unity is thereby set up in a practical form."

Exchange of Letters between the I. F. T. U. and the All-Russian Trade Union Council.

The All-Russian Trade Union Council, in a letter of 26th July, proposed the convening of a conference in order to achieve unity between Amsterdam and Moscow. The Executive of the I. F. T. U. replied to this as follows:

Amsterdam, 11th September 1924.

Dear Comrades,

Your letter of the 26th of July was considered at the sitting of our Executive on the 11th of September, and we are instructed to communicate the following reply.

We are inspired by the wish to restore the organisatory unity of the trade union movement, for the splitting of which we are not responsible, and we have repeatedly expressed this wish. We fully agree with you that "the ever-sharpening struggle between labour and capital can only be victorious if the forces of the economic organisations of the proletariat are welded together, and the unity of the International trade union movement established.

It must not be overlooked, however, that between the tactics recognised by you and those which we regard as fundamental for trade union activity, there exists a difference of principle which extends far beyond the question of a more or less radical attitude. It will be no easy task to reconcile these diverging conceptions, but we will attempt to do so with all our powers.

At any rate it should be necessary, before considering the verbal negotiations proposed by you, to let us have written statements to enable us to see what line of agreement and what common tactics are possible. We therefore request you to submit to us definite written proposals in order that we may be able to judge whether a common basis can be found.

You are already aware that our International Trade Union Congress in Vienna gave us definite instructions regarding the negotiations for unity, still, this question can for the time being be put aside. It is not necessary for us to emphasise that we, as the Executive, are not in a position to enter into any binding decisions in this important matter which exceed the instructions received in Vienna, without submitting the matter to our General Council and, if need be, to a new International Congress.

In anticipation of your reply.

The Executive of the I. F. T. U.
(signed) A. A. Purcell, Chairman.
(signed) J. Oudegeest, Secretary.

To the above there was sent the following reply which was received on the 30th of October in Amsterdam:

Moscow, 23rd October 1924.

Dear Comrades,

We received your letter of the 11th September on the 20th of the same month.

It is not without satisfaction that we have taken note of the fact you also desire the restoration of organisatory unity in the trade union movement.

It seems out of place to us in this letter to go into details and to investigate which of the two parties is responsible for the split within the international trade-union movement. We merely wish to state that as a matter of fact, up to now there never has existed a united, all-embracing and firmly welded international trade union movement.

Only our present and — as we assume — joint efforts will, we hope, lead to the removal of the split.

We willingly comply with your desire for a written statement that could serve as a basis for the coming negotiations.

We are endeavouring on our part to set up, both nationally and internationally, the unity of the trade union movement, that is, we are seeking to bring about as far as possible the greatest linking up of all trade unions, including the organisations of the Red International of Labour Unions, as well as those of the International Federation of Trade Unions and those organisations which are outside of either International.

We make it a condition that these unaffiliated organisations recognise the principle of the struggle.

It is not necessary to explain why we are striving after this unity, — this alliance of trade unions with a real anti-capitalist tendency. You know as well as we do that the unity of the International trade union movement is the most important pre-condition for a successful struggle against the offensive of capital, as well as against the fascist reaction and the whole capitalist social order.

The most suitable means for the creation of unity and for rendering possible the formation of one united trade union International is, in our opinion, the convening of a

Joint, General Congress, of a World Workers Congress.

During negotiations there will be no difficulty in agreeing upon the time and place for the holding of this congress. We note your opinion "that between the tactics recognised by us and those which you regard as fundamental for trade union activity there exists a difference of principle which extends far beyond the question of a more or less radical attitude". These differences between us are, in fact, nothing new — they have already existed for a number of years and were probably taken into consideration by the Vienna Congress. We are, of course, prepared at the given time and place to deal, in all their details, with the differences of opinion which separate us from you. In any event we have pleasure in confirming the fact that, quite apart from the actual differences existing between us, you cherish the desire to do everything in order to find a common basis.

As we on our part have the same wish, we wish to state that the most important basis for the efforts of the trade unions and workers' organisations is, in our opinion, the recognition of the contradiction between the interests of labour and capital. This recognition renders necessary a bitter class war between

the wage slaves and the capitalist classes, until the final annihilation of the capitalist system and the emancipation of the proletariat from capitalist suppression and exploitation, as well as from the beggary, barbarism and slavery, resulting from this system. Our proposals therefore are as follows: complete abandonment of all co-operation with the bourgeoisie, and common national and international struggle of the workers and their organisations against world capital. By means of these aims the most thorough-going preparedness of all the working class organisations which are really capable of fighting for the emancipation of the working class can be attained.

We await your answer, particularly with regard to where, in your opinion, the first negotiations between your and our representatives could take place.

Although we are prepared to continue the correspondence regarding the question of unity, in so far as this proves necessary, it nevertheless seems to us that it would be more to the purpose and in the interest of the cause if the way for all future steps in the direction of the aim which we are pursuing, were first smoothed by a verbal exchange of opinion, even if the negotiations are not of a binding character.

With comradely greetings

President of the Central All-Russian Trade Union Council:
(signed) Tomsky.
Secretary of the Central All-Russian Trade Union Council:
(signed) Dogadov.

THE WHITE TERROR

The Trial of 149 Revolutionary Workers in Esthonia.

On the 10th of November there was commenced before the Reval military Tribunal the trial of 149 workers, among them members of the Communist Fraction of the National Assembly, of the Central Committee of the Esthonian Labour Party, of the Executive Committee of the Reval and other Esthonian Trade Unions, as well as members of the United Front Group.

The accused demanded that they should be allowed to have defenders from the Soviet Union.

The military court decided to admit the defenders provided they complied with the regulations as regards criminal procedure.

Upon the initiative of the International Legal Defence Bureau in Moscow, members of the barristers' organisation of the Soviet Union expressed their readiness to undertake the defence of the accused, and the military court in Reval was informed by telegraph three times of this fact.

Although the accused sent urgent telegrams requesting that the defenders should proceed to Reval, and although the military court had agreed to admit the defenders, the Esthonian Foreign Ministry refused to grant the defenders the necessary visas to enter the country, as a result of which the accused were left without defenders.

The trial, which has already lasted several days, has been accompanied by dramatic scenes. The court buildings are surrounded by police and military. Numerous arrests have taken place throughout the whole of Esthonia in order to prevent mass demonstrations of protest. Two workers, who attempted to break through the wall of the prison from outside in order to free the prisoners, were condemned to death and the sentence has already been carried out.

When the judges appeared in the court the prisoners stood up and sang the "International". Many spectators also joined in the singing; whereupon many arrests took place in the court room.

When it came to the question of formally identifying the prisoners, many of them refused to reply to the question, giving the following reason: "It does not matter what my name is, I am your class enemy"! Others of the accused declared: "We do not recognise the bourgeois court, we are responsible to a proletarian court!"

The accused Kangru, a former member of the National Assembly, was handed over to the military court on a charge of contempt of court, because he declared: "The judges will soon be in prison themselves!"

The reading of the indictment, which quoted almost all the decisions of the congresses of the Comintern and of the R. I. L. U., in order to prove that membership of the Communist Party constitutes a crime against the safety of the state, lasted for three days. The chief item in the indictment which was brought against the accused was: Attempt to overthrow the existing order of society and to establish Soviet rule.

To the question whether they admitted their guilt, many of the accused proudly replied in the following manner: "We do not vouchsafe any answer to the class court of the bourgeoisie, we are only responsible to a proletarian tribunal." Others replied: "We feel ourselves to be guilty because we have done too little for the emancipation of the working class", or, "we are to blame because we have contributed too little towards the overthrow of the bourgeoisie."

The trial will probably last for three weeks. Over 90 witnesses are to be heard. The evidence against the accused comprises 14 bundles of documents, which of course contain many forgeries. Among the accused there are women, old men, and youths, the best fighters of the Estonian proletariat.

A number of death sentences are pending. Only a courageous protest on the part of the international working class can save the lives of the proletarian fighters.

Special Telegrams to the "Inprecorr".

Moscow 15th November 1924.

The Reval military court has handed over Jan Tomp, a former member of the National Assembly, to a Court Martial on account of contempt of court. Court Martial has condemned Tomp to be shot. Sentence confirmed two hours afterwards by Minister of War. Shooting expected to be carried out tonight. Tremendous excitement among Moscow working class.

Moscow, 18th November 1924.

In the Reval trial there has commenced the hearing of witnesses. The majority of the witnesses are agents of the secret police who, when asked by the defence from whence they obtained their evidence, declared: It was derived from reports of spies.

The workers of Leningrad have held a gigantic demonstration against the execution of Jan Tomp.

The VI. Congress of the Trade Unions of the Soviet Union, including the delegates of the English trade unions, unanimously adopted a sharp resolution of protest against the death sentence which has been pronounced and carried out upon Comrade Jan Tomp, and against the monstrous trial of 149 revolutionary workers of Estonia.

In many towns of the Soviet Union demonstrations have taken place against the monstrousness of the Reval trial.

The "League of Ex-Political Prisoners", which also includes former mensheviks and social revolutionaries, unanimously adopted a protest resolution against the death sentence pronounced by the Reval Court.

Moscow, 19th November 1924.

The hearing of witnesses in the Reval trial is being continued. The witnesses are unable to bring any other evidence than that the accused have taken part in the trade union movement of Estonia.

It is characteristic that among the witnesses there is the notorious agent provocateur Linkorst. He is the one who delivered Comrade Kingisepp — who was executed by the Estonian hangmen against all law — into the hands of the police.

More than Fifteen Hundred Years of Imprisonment.

By U. Terracini.

In Florence the trial of those accused on account of the happenings in Empoli has come to an end. The most monstrous episode of anti-proletarian reaction which has probably ever occurred in Europe is thus, for the time being, concluded.

What actually took place in Empoli? In the years 1921 and 1922 the whole of Italy was torn with civil war. Hours of anguish, fear and terror were experienced. The Fascist offensive had developed powerfully and its armed forces were specially concentrated in Tuscany. The tactics of the punitive expeditions,

which received hearty support from the Democratic Government of the day, were in full swing. In Florence, the leader of the Communist movement, Spartaco Lavagnini had been surprised at his writing desk and assassinated; and in the whole region the trade union premises, workers' clubs, and the dwellings of the workers were reddened with fire and blood.

The town Empoli felt itself to be threatened with that which had already occurred in dozens and dozens of other towns. The need for defence was imperative, and the proletariat defended itself. But it fell victim to a misunderstanding. On the first of April 1921, it was announced that three lorries full of armed Fascists were approaching the town: the population armed itself, the roads of approach were barricaded, the police were kept under control, the expedition was awaited and received with gun-fire.

When, at the end of half an hour, the fighting ended with the surviving travellers being taken prisoner, the crowd realised that the lorries had contained not Fascists, but sailors from the Navy who were on their way to Florence to replate the striking railwaymen on the engines. Nine of them had been killed in the encounter.

On the following day strong forces of police and divisions of armed Fascists entered Empoli, and 400 workmen were arrested. A brutal investigation, in which outrages on the persons under arrest were the usual methods of persuasion and treatment, dragged itself along for more than 3 years, and ended with more than 132 of the accused being committed for trial. The others were released after they had spent years in imprisonment on remand; some had died while vainly waiting for their release.

The trial took place in Florence, in the so-called "Palazzo delle Assisi", which had been turned into an immense barracks; the entrance hall was constantly crowded with Fascists who threatened the accused and their advocates. The trial lasted for no less than 103 sittings. The advocate-general demanded the highest punishment for all the accused. The jury declared 40 not guilty; 92 of them were sentenced to periods of from 2-30 years penal servitude, with a total amount of 14491 years (not including the sentence of 5 of the accused to penal servitude for life). Emphasis should be laid on: one sentence of 30 years, one of 29, one of 27, one of 25, seven of 24, four of 23, eight of 20, four of 17, three of 16, nine of 15, twenty three between 10 and 14 years etc.

The Florentine jury have acted quite mercilessly towards the workmen of Empoli; they deliberately rejected the extenuating circumstance which is always granted with regard to so-called "mob-crimes".

The verdict of Florence shows incontestably that although the bourgeoisie can be generous to its enemies (as it has proved by releasing the prisoners made in the war of nations), it is ferocious and implacable against those who oppose it in the war of classes, in civil war. The encounter at Empoli was an actual battle, fought between two strong divisions of opponents in a series of fights which extended throughout the whole country. Whilst, however, on the evening after the battle of Empoli, the workers of the town took the sailors' food and prepared them a place to sleep in, the victors in the civil war now, 40 months after these events, still hold their prey firmly in their grip. Without mercy they bury their Red prisoners in the living tomb.

Only the victorious power of the proletariat will re-open the cells in which they have been condemned to remain for decades.

THE YOUTH MOVEMENT

The Historical Significance of the Communist Youth International.

By G. Zinoviev.

In the same way as the Communist International, the Communist Youth International was born within the womb of the first imperialist war. During these years of blood and iron the growing generation of the working youth was compelled to come together in an organisation. The imperialist war, which sowed death and terror, created at the same time the grave-diggers of imperialism. The young generation of growing workers instinctively felt that, if not in this war, then in the next "last" war, the imperialists would drive millions of young workers

to the shambles — unless the working class overthrew the imperialists beforehand. Thus there was born the Communist Youth International, which stands in relation to the Communist International not as a son to a father, but rather as a younger brother to an elder brother.

The historical task of the Communist Youth International consists in educating the rising generation of workers in the spirit of communism, in the spirit of ruthless determination to reply to a new imperialist war with a revolution. Among the international proletariat of Europe there are certain sections who will not be won for communism until the complete victory of the proletarian revolution. These consist in particular of the oldest workers — and especially of the best paid among them — for whom it is difficult to break with the traditional ideology and psychology. The working youth, on the other hand, who since about the year 1915 have taken part more or less consciously in political life, represent the freshest troop of the world proletariat and the best reserve of forces for the C. Y. I. and the C. I.

The tradition of the Second International consists in looking down upon the youth movement. The whole upper strata of the II. International has never seriously believed in the proletarian revolution. The ideal of the leaders of the II. International was and remains in essence, that of bourgeois democracy. The II. International could not therefore regard the Youth movement as the young guard of the real revolutionary army of the proletariat.

The III. International on the other hand, could not help seeing right from the beginning in the movement of the Communist Youth International the sign of a new epoch, the symptom of an approaching proletarian revolution. This is the reason for the fact that the bolsheviks, with comrade Lenin at the head of the movement, laid the greatest importance upon the C. Y. I., from the first steps of this organisation.

In the Communist International we can distinguish between three chief sections: first, the group of the bolshevik "veterans", who already two decades ago broke with the mensheviks and since the outbreak of the war, since 1914, have fought for the idea of the III. International; secondly, that group of "veterans", who broke away from social democracy a relatively short time ago — the greater part at the end of the imperialist war (although they had already for a long time carried on an ideological struggle against reformism) — and thirdly, the young generation of revolutionaries, our youth, who began their activity five to eight years ago, about the time of the outbreak of the Russian Revolution.

The second group is of very great value for the international communist movement. It would be an enormous mistake to spurn this group or to look askance at them. It is incorrect for anyone to maintain that the E. C. C. I. is following the policy of depriving this leading group of their influence.

We must, however, clearly perceive and combat their faults. This group for the greater part has brought with it great political experience. Many comrades belonging to this group have long since become sincere, self-sacrificing communists. But they also have their weak sides. This weak side is often to be seen precisely in the question of the attitude to the youth.

During the discussion which has recently taken place in the Russian C. P., and which the whole international followed with interest, the nonbolshevik attempt was made to oppose the youth to the old bolsheviks. But these attempts, of course, could not have any success. The revolutionary youth, with the correct instinct, immediately perceived what was false and bad in this attempt, as the connection between the old bolsheviks and the C. Y. I. is not a mechanical but an organisational connection. Only the bolsheviks consistently take into consideration what a great historical mission the C. Y. I. has to perform. Therefore it is impossible for anybody to sever the connection between us and the C. Y. I.

We are proud of the fact that in the numerous tactical struggles which the Comintern has experienced during the five years of its existence, the C. Y. I. has stood unhesitatingly by our side. And now in the struggle for the bolshevising of the parties of the Comintern, the Communist Youth International takes the first place.

We send bolshevik greetings to the young generation of the bolsheviks, the outpost, the Communist Youth International!

To the Working Youth of All Countries!

Comrades,

On the 21st of November the Communist Youth International celebrates the fifth anniversary of its struggle.

The Communist Youth International was born out of the Imperialist world war and the first wave of the proletarian revolution. The imperialist war drove millions of slaves of capital into the fighting armies; in the first place it flung the working and peasant youth into the slaughter, brought hunger and misery into the homes of the workers, and forced many countries into the chains of martial law. As an answer to the mass murder, to the growing misery, to the unexampled enslavement, there arose in the hearts of the toiling masses a burning anger against those responsible for the war, an unexampled hate against the oppressors.

Already, on the first day of war, the workers were betrayed by the social democratic leaders and handed over without a struggle to the unrestrained violence of the imperialist robbers.

But the victorious advancing Russian revolution restored the courage and kindled anew the will to struggle in the million masses of the enslaved whom the treacherous leaders had delivered over to death. The great leader, Lenin, showed the way to victory. In ten years of war and revolution there arose a new generation of working youth, that was tried in the days of the greatest class struggles, in war and revolution. That generation forms the Communist Youth International. The working and peasant youth who are united under the flag of the C. Y. I. entered into the struggle of the working class under the pressure of the persecution of their enemies. Capital sought to destroy the first fruits of the revolution. We have sacrificed the lives of thousands of our best fighters for the great cause of the emancipation of the working class! How many of our best fighters fell in the ranks of our Red Army, in defending the Soviet Republic against the bands of world imperialism. How many of them were hanged, slain and tortured by the hangmen of the white guard! How many fell under the flag of Liebknecht upon the German barricades! How many of them have been sent to their graves by the bloodhound Noske! How many in all places in the West, as well as in the East, were thrown into prison, beaten and tortured by the hirelings of capital! Before the eyes of all of us there stands the vivid picture of comrade Engel, the young comrade of only 18 years, whom the Polish Junkers shot. Undying fame for our brothers who have fallen for ever! Revenge on the executioners! Close the ranks for further struggle!

The ruling classes may mow up our fighters in the stone tombs of their prisons, they may snatch thousands of further victims from our ranks. But not with the sharpest persecutions, not with the most ruthless means of the white terror, will they be able to drive out of us the fighting spirit. The Communist Youth International is growing and striving forwards in spite of everything.

In these five years we have gone forward without turning aside. Our organisations have grown, the ideas of Lenin have taken root in our ranks. The international connection has become incomparably closer. We have become in every way a world organisation, which has its nuclei in all parts of the earth. In our ranks we unite men of all colours, of all races, of all peoples and countries for one common aim: to overthrow capitalism and to establish the communist society.

In these years the international proletariat has suffered a number of heavy blows. The hour of the collapse of world capitalism is coming later than we expected in 1919, later than our teacher Lenin believed. But out of the experience of its defeats the working class learns how to be victorious. Nothing is any longer capable of saving capitalism, the fall of the bourgeoisie and the victory of the proletariat are equally inevitable.

The bourgeoisie swore to bring peace and order to the earth. It promised peace and prosperity to the peoples after the war. Instead of this it has completely plundered Germany, instigated bloody wars against Russia, further enslaved the peoples of the Far East, promoted the work of fascism, created an army of millions of unemployed, and throughout the whole world opened the attack upon the eight hour day and other achievements of the working class.

To-day, the representatives and the hirelings of the bourgeoisie again proclaim to us the arrival of the era of Democracy and of Pacifism. But where is it? Under the cloak of nationalism there is being commenced the insane preparations for a new war. The battalions of imperialism are working behind the back

of the pacifists and menshevists, who wish to divert the attention of the peoples with lying phrases regarding world peace. The insolent intervention of the imperialists, the bestial violation of all English colonies by the officials of the "Labour government", the endeavours of Ramsay MacDonald to enslave Egypt, the unceasing war in Morocco — all these and numerous other facts reveal with ever-growing clearness the pacifist deception. The imperialist antagonism between the predatory great powers cannot be overcome. They have become still more acute and threaten to lead to a still more bloody world war.

Comrades! On the fifth anniversary of its existence the Communist Youth International, true to the heritage of Lenin and Liebknecht, again raises its voice against the new imperialist war.

Under the cloak of democracy and by means of the left governments, a new campaign is being prepared against the working class. What is the meaning of the Dawes Plan? It means the attack upon the eight hour day and upon the beggarly existence of the German workers. But the attack upon and the subjection of the German proletariat will only be the first skirmish in the international attack of the exploiters. Capital is aiming, after the German workers, to reduce the proletariat of all other countries to the same slave level. In the first place its blow falls upon the working youth. Young proletarians, arm for the defence! Arm for the struggle for your rights!

Only the overthrow of capital can prevent a new imperialist war. Only by means of the struggle for power can the working class free itself from the grip of the exploiters. Only the proletarian revolution can save the peasantry from war, from war levies, from suppression by the junkers, from robbery by the speculators. Only the international victory of the proletariat liberates the weak and enslaved peoples. That is what Lenin has taught us. This is confirmed by daily experience. Everything else is lies and deception.

Young proletarians! Young peasants! Youth of the enslaved peoples! Come into our ranks, under the flag of the Communist Youth International, for the fight for the cause of Lenin, for the cause of emancipation, for the cause of communism.

On the day of its Fifth anniversary the Communist Youth International appeals to you with the slogans:

- Arm for new struggles, army of young workers and peasants!
- Down with imperialist war!
- Down with the slave-plan of the international bankers!
- Long live the first State of the workers of the world, the Union of Socialist Soviet Republics!
- Long live the alliance of the workers and peasants!
- Long live the struggle of the revolutionary proletariat and of the enslaved peoples.
- Long live the Communist International!
- Long live the world revolution!
- Long live Leninism!

RED RELIEF

Open Letter to the II. International.

With this letter we apply to the Second International and to its affiliated socialist Parties with a concrete proposal, which aims at alleviating the lot of the ten thousands of workers who are confined in the dungeons of the bourgeoisie on account of their fight against capitalist domination.

What has led us to take this step?

The press and the leading organs of the II. International and its parties have recently been conducting with considerable persistence a propaganda of so-called "democratic pacifism" which, so they say, will put an end to civil war and render impossible the outbreak of imperialist wars.

Our organisation, which stands upon a revolutionary basis, never deceived itself regarding the true significance of this campaign, the purpose of which is to mask the policy of robbery and violence of imperialism against the working class and the peoples of the colonies and the countries defeated in the war. The events of the last months have sufficiently exposed this so-called pacifism. It suffices to call to mind the enslavement of Ger-

many by the Dawes Plan, the offensive of imperialism in China, Asia-Minor and Africa, the preparation for armed intervention on the part of the League of Nations against the Soviet Union, and finally, the unceasing mass repressions and acts of violence against communist workers and revolutionaries in the colonies, and the refusal of the bourgeoisie and of the II. International to carry out an amnesty.

"Pacifism" and its defender, the II. International, remain silent when it is a question of plundering the peoples or suppressing the workers; pacifism, however, immediately supports counter-revolution when the latter attempts a revolt against the Soviet Union, as was the case in the miserable bandit attack in Georgia. The demand for the liberation of revolutionary workers from prison, which is being raised in ever-louder and more powerful tones in all countries, finds no support whatever from the II. International and the socialist parties affiliated to it; just as in the same way the bourgeoisie brusquely refuses all demands for amnesty. All parties of the II. International have made the object of their "pacifist" care those groups which have been arrested in the Soviet Union on account of participation in preparations for counter-revolutionary attacks, mensheviks, social-revolutionaries and anarchists. In spite of all the evidence which confirms that the prisoners in their places of detention in the Soviet Union are living under the best possible conditions, the II. International does not cease its campaign against the Soviet Union, and opposes this to the demands of the proletariat for the liberation of the prisoners in the bourgeois prisons.

Is this one-sided attitude a mere chance or does the II. International make a principle of supporting the counter-revolutionaries in the Soviet Union?

The Parties of the II. International occupy positions in the governments of several states of bourgeois Europe and support a number of others. They could thus do much for the liberation of the prisoners from the bourgeois prisons. It is this circumstance which prompts us to submit our proposals. We propose the following:

1. The International Red Relief and the II. International shall, after previous agreement, take over the task of alleviating the fate of the victims of civil war and will:

a) The International Red Relief will do everything to cause the Soviet Union to agree to an

Exchange

of those persons confined in the prisons of this country, who have not shrunk from any means in their attempts to wrest from the working and peasant population of this country their revolutionary gains, with those prisoners of the bourgeois states who are accused of fighting against the capitalist regime in these states.

b) at the same time the II. International and its affiliated socialist Parties will use their influence upon the governments of the bourgeois states in order to cause the latter to open the doors of the political prisons and to set free the revolutionary fighters in return for the discharge of the counter-revolutionaries from the prisons of the Soviet Union for whom the II. International has always been so much concerned.

2. Should the II. International declare itself in agreement with this main proposal, then the International Red Relief proposes to the II. International that the two organisations assist each other by means of mutual information regarding the position of the victims of civil war in the whole world for the purpose of preparing the exchange of prisoners. On the basis of the collected material it will be possible to form an impartial picture of the prisoners in question.

The rejection of this proposal or the lack of an open and official, unequivocal answer would justify our worst expectations and show the value of all the phrases and demagogic attacks of the II. International.

The workers will await the answer of the II. International.

The Executive Committee of the International Red Relief: Lepeschinski, Lukajanoff, Kuschner, Temkin (Union of Soviet Republics), Treint (France), Dombal, Bogutzki (Poland), Geschke, Markgraf (Germany), Marabini (Italy), Lulanoff (Bulgaria), Badulesco (Roumania), R. Jastas (Baltic), Gyptner (Communist Youth International), Redetzki (Red International of Labour Unions).

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Is the Unity of the International Trade Union Movement Possible?

By A. Lozovsky.

That unity is a very beautiful thing and therefore desirable is not disputed for a moment by the bitterest disrupters. We are faced with the question of unity "in general", or of unity in principle" or of unity in a very remote future, but with the question whether at the present time, in view of the actual international situation, of the existence of divided, parallel organisations etc. it is possible to attain unity and how it is to be brought about.

We must remark at the outset that the split does not exist in every country. In many countries the followers of the R. I. L. U. are within the organisations affiliated to Amsterdam. In these countries the followers of the R. I. L. U. and the followers of the Amsterdam International are organisationally united. On the other hand there are a number of countries where parallel organisations exist, and finally, a fairly large number of countries, where trade union movements of which are wholly affiliated to the International of Labour Unions.

What obstacles stand in the way of unity? These obstacles may be divided into two groups: 1. organisatory, 2. political obstacles. The existence of parallel organisations inevitably leads to organisatory conservatism and to the effort to retain at all costs the existing forms of organisation. The reformist trade union movement clings with great tenacity to the old traditions and only adapts itself very painfully to the new forms of the struggle. In the reformist trade union movement the narrow

craft interests come before the interests of the workers of the country as a whole and the interests of the fatherland come before the interests of the international proletariat. It would, however, be a mistake to assume that organisatory conservatism is only confined to the reformists. There are revolutionary workers who suffer from organisatory conservatism and believe that it is best to follow the old road, not to make any sharp turns, not to unite the workers of different tendencies, as this could destroy the organisatory structure.

The organisatory obstacles are, of course, of secondary importance in comparison with the political obstacles. Many comrades ask: "Can we unite with the reformists when they are even against the class struggle?" These comrades desire to lay down conditions regarding unity (break with the bourgeois coalition, fight against the Dawes Plan etc.). To demand from the reformists that they abandon the coalition with the bourgeoisie is to demand the impossible. To make unity dependent upon this implies a breach of unity, for the abandonment of the coalition with the bourgeoisie means the end of reformism.

On the other hand, the most bitter opponents of unity on the side of the reformists submit their conditions to the left wing of the trade union movement. This specially applies to the "Vorwärts", the organ of the German social-fascists. The "Vorwärts" spits poison and gall against unity. It is of course in favour of unity, but desires that the communists shall not organise