

- INTERNATIONAL -

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CONTENTS

Purge the Labour Movement of Corruption and Treachery!

Politics

Arthur Rosenberg: A New Phase in the Tcheka Trial.
R. Albert. Friedrich Ebert.
Edmondo Peluso: The Victory of Mussolini over the Opposition Parties.

The Balkans

G. Dimitrov: The Political Murders in Bulgaria.

Economics

Eugen Varga: Economics and Economic Policy in the Fourth Quarter of 1924, IV.
Earl R. Browder: Industrial Developments in the United States.

The Labour Movement

Appeal of the R. I. L. U. for the workers of Shanghai.

In the International

The Decision of the National Council of the C. P. of Czechoslovakia.

Union of Soviet Republics

The International Situation and the Military Tasks of the Soviet Union.

J. Brandenburgsky: Family and Marriage Rights in the Soviet Union.

Our Martyrs

Haralambi Stojanov.

The White Terror

Further Activity of the Zankov Murder Gang.

Purge the Labour Movement of Corruption and Treachery!

To the Workers of all Countries!

The legal inquiry into the scandalous Barmat case in Germany has become an indictment of the leaders of the Second International. We see no longer in the dock the usurer Barmat who made use of the blessings of capitalist democracy of Germany to enrich himself at the expense of the starving masses, but the leaders of the German Social Democracy who had not only made the most of their political influence to enable this capitalist profiteer to do his work, but have also accepted cash for their services. It is the entire leading organ of the Second International that is in the dock, from Troelstra down to MacDonald, for all of them are mixed up with the international speculations of Barmat.

Never before has there been in the international labour movement such shameless corruption and bribery, as we see in this lawsuit of the Second International.

Capitalist jobbery, the most abominable exploitation in the closest relationship with social democratic policy, Social Democratic leaders as superintendents and advisors of capitalist profiteering firms. An entire large Social Democratic Party together with its President of the Reich, its Ministers, members of parliament, police chiefs, etc., in the service of a profiteer.

But the lawsuit against Barmat is not only a judgment on Ebert and Bauer, Heilmann and Richter, Troelstra and Huysmans. This lawsuit shows you, working men and women, where the policy of the Social Democratic leaders, the policy of coalition and class truce with the bourgeoisie leads to. The same social democratic leaders who were the bloodhounds of the

German Revolution, who mowed down thousands and thousands of German workers and drowned the German Revolution in a sea of blood are now publicly defending the capitalist interests of a large profiteering concern. The same Ebert who boasted in Magdeburg of having strangled the first heroic fight of the German workers during the war, the German munition workers' strike, stands now exposed as an agent of a capitalist profiteer! This is what democracy, under whose banner you have been misled many years, leads to.

Social Democratic Workers of Germany!

Into what have your leaders, your Ebert and Bauer, Heilmann and Wels converted August Bebel's glorious Party? In their hands proletarian honour became an object of barter, and socialism a source for personal enrichment and a jumping off ground for capitalist profiteers.

The Communist International has never ceased to tell you:

The Social Democratic leaders are the paid agents of capitalism. You were in doubt, you would not believe it. How is it now? Were we justified in our accusation against them or not? Of course we were, the Social Democratic leaders are paid agents of capitalism. They are the deadly enemies of the working class, there is not a vestige of socialist spirit in them. It has gone under in the morass of capitalist corruption which is the substance of their democracy and parliamentarism.

Working men and women! The Social Democratic leaders are hopelessly entangled in the snares of the bourgeoisie. There is no longer any way out for them. The process of decay within

bourgeois society, which is coming so vividly to light in the present German corruption affairs, has testified to their own corruption and downfall.

But for you there is a way out:

Come out into the fight against the coalition policy and for the revolutionary proletarian united front. Make common cause in the factories and in the trade unions with your Communist and non-party fellow-workers!

Purge the Labour Movement of Corruption and Treachery!

Bear in mind that these are the same leaders who are the worst enemies of trade union unity, who are always ready to betray and sabotage working class unity, just as they are always ready to serve unreservedly the interests of the capitalists.

Destroy the enemies of working class unity!

Open your eyes to the deceit of capitalist democracy!

Rally within the ranks of the Communist International!

The Executive Committee of the Communist International.

POLITICS

A New Phase in the Tcheka Trial.

By Arthur Rosenberg (Berlin).

When Herr Niedner, the unprecedented chairman of the High State Court, had Herr Samter, Counsel for the defence, removed from the Court by two police officers, it was already clear that the German government had lost this case. The removal of the Communist defender by the police was a palpable breach of the law which is absolutely without parallel in the history of bourgeois justice in Germany. The chairman is just as little empowered to order the police to remove a defending counsel from the court as, let us say, the Public Prosecutor. These terrorist methods of Niedner only show his chagrin that the Tcheka trial has not turned out exactly as it was desired.

The Tcheka trial has already developed into an enormous affair as regards its length. The trial of the 16 accused in Leipzig has been going on since the 10th of February. Towards the end of the month there had to be an adjournment for some days in view of the Leipzig Fair, for the visitors to the Fair occupied all the hotel and lodging accommodations; thus, the desire for profit on the part of the bourgeoisie caused the apparatus of justice to come to a standstill! After the Fair the hearing of the trial will be resumed and will probably last for many weeks. At present there is no sign of it coming to an end. But this trial is no longer such a sensation as the bourgeoisie desires. In instituting the Tcheka trial the government desired not so much to impose sentences of hard labour on the communist — Niedner could be absolutely relied upon to achieve this — but to produce such a pogrom atmosphere against the C. P. of Germany that it would be possible, after the conclusion of the Tcheka trial, to employ every means of violence against German communism.

The impression which the trial is making upon the public however is quite different. Of the 16 accused 13 are communists, or at least workers who sympathise with the Party, and three police spies. These three spies, Felix Neumann, König and Diener, supply the evidence in support of the charges and are the witnesses for the Prosecution. This trio of spies in the dock at Leipzig are acting in such an odious and clumsy manner that the wire-pullers of the trial are beginning to tremble for the result. The remainder of the accused, on the other hand, describe in detail in what an unheard-of manner the officials attempted to extort confessions from them during the many months of imprisonment while awaiting trial. Especially active in this connection were the notorious Examining judge Vogt in Berlin, the department IA of the Berlin police and the Stuttgart criminal police of the Württemberg government.

Typical in this respect was the threat expressed by Herr Vogt against one of the accused, Skoblevsky, a Russian, of whom the authorities are determined to make a general of the Red Army. "I will take care that you are not only condemned to death but that you are executed." This is the way the accused were treated when they refused to make the desired confession. Those however who were prepared to bring evidence against the Party, were assured by these model officials of the German

Republic that they would receive good treatment and be afforded a suitable opportunity to escape.

It is evident that these exposures regarding the preliminary examination had a most damaging effect for the Chairman and the Public Prosecution. It was for this reason that Herr Niedner endeavoured by every possible means to prevent the accused from making such statements. As a result there arose a most heated conflict with the defence, which led to the acts of violence on the part of Niedner against comrade Samter. As a protest against this action on the part of Niedner, all the defending Counsel — communists, social democrats and bourgeois — threw up their briefs, with the exception of two official defenders whom the state had appointed to defend the spies. The defence sent a deputation to the Minister of Justice in Berlin, while the Lawyers' Organisation of Berlin sent a protest to the Minister of Justice against the methods of Niedner. The government perceived that Niedner, by his terrorist methods at the trial, was only bringing odium on the government. Niedner was compelled to make a pitiable retreat. On the following day he proceeded with the trial in the absence of the qualified defenders. But the accused, with the exception of the three spies, steadfastly refused to make any statement at this sitting of the court. Thus Niedner's plan to intimidate the defence, was foiled. On the next day all the defenders, including comrade Samter, returned, and Niedner did not venture to insist upon the expulsion of Samter. The chairman of the High State Court had rendered himself absolutely ridiculous.

Up to the present not the least evidence has been brought forward to prove that the C. P. of Germany had anything whatever to do with the famous terrorist group of the neurotic spy, Neumann. As regards Neumann, no one outside of the Court believes a word he says. The scandal has become so great that even a number of more or less independent bourgeois organs and some officials, bourgeois writers and jurists have openly come forward and opposed this monstrous Tcheka trial.

The most interesting episode regarding the trial did not occur in the Court room in Leipzig but in the study of the well-known social democratic lawyer Dr. Kurt Rosenfeld in Berlin. He is the defender of the above-mentioned Russian Skoblevsky, whom Neumann declares to be the mysterious Red Commander in Chief Hellmuth, the Supreme Commander of all the Tchekists in Germany. Up to now there has not been produced the slightest scrap of evidence in support of the assertions of this spy and of the Public Prosecution. In order to make good this deficiency the Berlin political police organised a burglary in the lodgings of Dr. Kurt Rosenfeld. The thieves were carefully instructed. They went through all the papers and only took away such documents as appeared to relate to Russian affairs. Valuable objects which would have aroused the interest of every genuine crook, were left undisturbed. It is perfectly clear and remains undisputed that this burglary represents a shameless police manoeuvre in order to make good the lack of spies' evidence. This incident illustrates the whole situation of the German Republic. When a government is compelled to have recourse to such methods, when the political police in the capital city of Germany organise burglaries in the house of a leading social democrat, the party comrade of the Prussian Minister of the Interior, one can gain some idea of the moral depravity of this State and of its ruling class. And this corrupt gang, these receivers of subsidies from Barmat, the protectors of spies and criminals, want to undertake a moral campaign against the C. P. of Germany. This is such a pitiable manoeuvre that it cannot succeed even in present-day Germany.

The lying stories regarding the Tcheka have not made the least impression upon the working class. If certain bureaucrats of the social democratic Party deluded themselves that by means of the Leipzig trial they would be able to injure the reputation of the communists among the proletariat, they have been completely disappointed. The contrary effect has been achieved. The C. P. of Germany has been able, in connection with the Tcheka trial, to hold a great number of crowded mass meetings throughout the whole of Germany. Everywhere the workers have unanimously adopted resolutions expressing detestation regarding the employment of spies and demanding an amnesty for all political prisoners. The Tcheka trial, along with the Barmat scandal, constitutes a splendid send-off for the presidential election campaign.

Friedrich Ebert.

By R. Albert.

The democracy of the whole world is bemoaning the loss of Friedrich Ebert. This one-time saddler, this social-democrat who for 30 years stood at the "breach", at the breach through which all the bourgeois corruption penetrated into the working class, this President of the German Republic, who was the immediate follower and successor of Wilhelm II., died precisely at the moment when the policy of his Party has come to a miserable end in a series of most unsavoury scandals.

No successor will be found for Ebert. The epoch which he embodies is closed for German Socialism. All the advantages which a workers' party can derive from the denial of its principles, from the betrayal of those interests which it is pledged to defend, from the coalition of its leaders with the class enemy — all these advantages have been exhausted by German social democracy. And in view of the constantly rising wave of revolution, all the advantages resulting from the betrayal of the party of the proletariat have gone to the German high financiers and big industrialists. The game is at an end. German capitalism feels itself strong enough to do without the co-operation of the socialists. Ebert outlived his policy by a few months.

He was indeed the man of an epoch. As a proletarian who came to be the head of a bourgeois State — and what a State and in what a moment of history! — he completely symbolised this characteristic epoch of capitalist degeneration. While it often happens that during a wave of revolution the best men of the leading classes devote themselves body and soul to the proletariat — Marx and Lenin! — the degenerate bourgeoisie, which has fallen so low, is compelled to make use of the socialist swindle and to bribe the leaders of the working class with gold. The chief performance of Ebert was to sell himself along with his whole Party. It consisted in becoming President of the Republic without formally repudiating socialism, which had already been completely denied by the actions of the whole Social Democratic Party. In other cases renegades had the honesty to abandon their Party like Briand, or the cynicism to disavow their past convictions, like Mussolini. Ebert died, "true to himself", true to his Party.

Ebert was first elected to the Reichstag in 1912, just at the time when a spark had been applied to the Balkans. The Party Conference of Jena appointed him to the executive of German Social Democracy. He came precisely at the right time in order to vote for the war credits. During the war he enjoyed the confidence of the Hohenzollern government. He "wept", as was related in the Magdeburg trial, when he heard the news of the military defeat in 1918, which was the precursor of the downfall of the Hohenzollerns. He sabotaged the January strike of 1918. During the Magdeburg trial he and his friends boasted that he had postponed the German revolution by several months (how many soldiers' lives did these months of reprieve which were granted to Wilhelm II. cost?) and that he never desired to hasten the end of the world slaughter. It was he to whom the last chancellor of the German Empire, Prince Max of Baden, handed over his powers. The first National Assembly appointed him President of the Republic in 1919.

From the height of his high office Ebert effectively carried out the bloody suppression of the labour movement, the economic offensive of capital against labour, the acceptance of the reparations liabilities and the sabotage of their payment by the German capitalists, the Ruhr resistance and the restoration of the reaction. When, during the crisis of 1923, some Left social democrats who were indignant at the preparations of the black Reichswehr demanded the resignation of the Reichswehr Minister Gessler, it was constantly said in well-informed circles in Berlin: "Gessler will remain, Ebert is behind him". Ebert was behind the black Reichswehr. When in starving Germany, where every day hunger riots were suppressed by rifle fire, the military dictatorship was established, Ebert was behind General Seeckt. When finally, after the Dawes Plan was introduced, after the financial sanitation, after the imprisonment of 7000 revolutionary workers the reactionary bourgeoisie believed the hour to have arrived in order formally to seize power, the "socialist" Ebert was behind Stresemann, Marx, Luther, as he had been behind Cuno. When the scandals came to light and revealed what a vile cesspool Social Democracy really is, it transpired that Barbat, the corrupter, was a confidant of Ebert. Thus Ebert stood behind the adventurers and profiteers.

Ebert is dead. Gone also is the prosperity of imperial Germany. The bourgeoisie of capitalist Germany which is organised by American finance, no longer derives profits from colonial exploitation which it can share with the social democrats. Even the optimistic class collaboration of which Ebert dreamed is dead. The social democrats may still attempt to work along with a bourgeoisie which no longer requires their services. But they do not know what benefit this collaboration will yield them. Noske is no longer necessary; should need arise Seeckt himself will do what is necessary. It is true Social Democracy outlives Ebert, but it also outlives itself.

Of the Dead Speak no Truth — When it is Unpleasant!

"He (Ebert) succeeded Bebel in the leadership of the party, and although he belonged to the Right wing played his part... in the revolutionary strikes at the end of the war. As President he passed through the stormy days of Spartacist rebellion and Kapp putsch, and handled a long succession of baffling ministerial crises with tact and competence." "The New Leader" (London), March 6, 1925.

"From the beginning of the war until the end I stood without reservation on the side of defence of native country, and acted accordingly. During the whole war I was opposed to strikes among the workers in war industries." Ebert at the Magdeburg trial.

The Victory of Mussolini over the Opposition Parties.

By Edmondo Peluso (Rome).

The duel between Mussolini and the opposition parties has ended in the defeat of the latter. Whilst it has been generally recognised for some time that the opposition has been irretrievably defeated, the Aventine Conspirators have continued to cherish illusions. The dictatorial regime of Mussolini against the anti-fascist press has been strictly maintained and has deprived the opposition of the only weapon which it possessed. As a result Turati, the leader of the Italian reformists, was compelled a few days ago at the meeting of the "Democratic Control" in Milan to admit the failure of the opposition parties. In addition to this he declared that up to the end of December the anti-fascist bourgeoisie had based its manoeuvres upon illusions: the illusion that the King would depose Mussolini, the illusion that the Senate would vote against the government, the illusion that the dissident fascists would take up the fight. As none of these illusions have been realised, but on the contrary, fascism, taking advantage of the weakness of its opponents, has strengthened its position, the opposition has been handed over bound hand and foot to fascism. It was only the Italian communists who foresaw and predicted this failure. The tactic and the aim of the opposition could not have led to any other result, as the sole weapon of the conspirators consisted of polemics in their press and their only aim was to replace Mussolini's government by some other anti-proletarian government. If the social democratic opposition to fascism had seriously intended to defeat its opponent it would not have rejected the proposal, repeatedly made by the Communist Party, to set up the proletarian front against that of the bourgeois opposition parties in order to overcome Mussolini. As a matter of fact the Aventines did not wish to destroy the advanced position won by fascism in its attack upon the proletariat, as this would be a disadvantage to the bourgeoisie. On the contrary, it was interested in weakening the working masses by attaching to its chariot two of those parties which still have proletarian masses behind them — the reformist Unitarian Party and the Maximalist Party.

The defeat of the opposition will bring about a regrouping of forces and a new political situation. There is not the least doubt that fascism is undergoing a process of complete transformation; at the present moment it is in the midst of a process of purging. In spite of the "moral repudiation" of the bestial murder of Matteotti, it is today more than ever the weapon of the great landowners and all conservative reactionary forces are grouping around it. Whilst the other bourgeois parties are now forming a liberal-democratic block, with the programme of the return to constitutional liberties, the working masses of Italy are still divided, some following the reformists, some following

the maximalists, while others are following the communists. After the recent failure of the reformist parties who follow the policy of the Aventin, they are turning towards communism.

The acceptance of the new election law by parliament has only served to accelerate this process. In view of the possibility of the elections in the near future the "moral case" (Matteotti), which was one of the trump cards of the opposition, has been laid aside and the appetite for an election has been aroused. The intrigues connected with the formation of blocks is in full swing, although the date of the elections has not even yet been announced. The desire to obtain seats in parliament has even seized the maximalists who at a conference held some days ago in Milan decided to form a block with the bourgeois Parties. We shall therefore witness a Vella-Nenni-Salandra-Giollitti-block!

It would be impossible for the opposition to render a greater service to Mussolini; the fight of the liberal-democratic block has been completely diverted into parliamentary channels. This solution is by no means satisfactory to the working and peasant masses who still have to suffer under the blows of fascism. There exists a deep desire for unity among the masses, for the Italian proletariat, after the severe experiences of the last few years, is finally perceiving that it can only achieve victory through unity. The catholic peasant masses belonging to the People's Party (Popolari) are the first at the meetings in which the communists speak to greet with applause every reference to the unity of the workers. It is this pressure from below which is causing certain leaders of the People's Party, as for example Miglioli, to draw near to communism, while on the other hand other leaders of the People's Party are tending more and more to the right and have gone so far as to expel Miglioli.

As regards the Maximalist Party, its present leaders could not commit a more shameful act of suicide. After having for the past two years been very revolutionary in words but opposed to revolution in practice, this little clique, which had captured the leadership of the last remnants of the "old and glorious Party", has sold itself to the bourgeoisie in return for a few seats in the chamber. The Republican Party, which has some followers among the artisans of the big towns and among the intellectuals and the village petty bourgeois who still retain some remnants of the Mazzini tradition, is in a similar position.

At the present moment the political forces in Italy may be divided as follows: On the one side, on the extreme Right, all the reactionary parties (from the Agrarians to the big capitalist groups), and behind them Fascism, to which they are endeavouring to give a new exterior; in the Centre the Aventines, that is, all other bourgeois parties who are forming a liberal-social-democratic block and who are striving to step into the shoes of Fascism, without interrupting the work of keeping down the proletariat which the latter is carrying out; while on the Left there stand the Communists, around whom there are rallying in ever greater numbers the great masses who were at one time betrayed by the passive tactics of the opposition parties.

THE BALKANS

The Political Murders in Bulgaria.

By G. Dimitrov (Moscow).

One can truly say that in no other country in the world are political murders so frequent and numerous as has been the case in Bulgaria since the White-guardist government of Zankov came to power.

Even the fascist regime of Mussolini in Italy, the cruelties of Horthy in Hungary and the military dictatorship of Primo de Rivera in Spain are, in this respect, far surpassed by the terrorist regime of Zankov.

It suffices to relate the terrible fact that during the last few months 36 political murders and 151 other murders were committed in Bulgaria, in order to realise that Bulgaria has established a record as far as political murders are concerned.

Even the Zankov government perceives that its regime of uninterrupted bloodshed and of unending political murders is

calculated to discredit it abroad. It is therefore endeavouring by means of well-paid agents abroad to flood the European press with articles and reports aiming at belittling the importance of these facts and representing them as the unavoidable result of the conspiratory activity, organised abroad, of Communists and "Moscow agents".

In addition to this the Zankov government has a defender in the Bulgarian section of the II. International. The Social Democratic Party has never, either in parliament, in its meetings or in its press, considered it necessary to protest against the mass murders of the Zankov government.

Even to-day, when the Zankov government is seeking a way out of the cul-de-sac at which it has arrived as a result of its own terrorist regime, by an even greater intensification of the existing terror and by preparing a fresh provocation against the working masses, when this terrorist regime is demanding fresh numerous victims on an even greater scale, the Social Democratic Party remains true to its treacherous and provocative rôle.

The Central organ of Bulgarian Social Democracy "Narod" issues the following explanation and justification of the cruel deeds of the Zankov government which is unexampled in its cynicism:

"Before the war a human life was valuable, and the whole country was shocked when the press reported regarding any murder. Now, after the war, it seems as if we all, rifle in hand, are hunting down our fellow man. Our present society has been rendered savage, we have all become mentally sick, the spiritual values have been choked in blood. Our epoch is bloody, indescribably bloody".

But revolting as this base attitude of the Bulgarian friends of Vandervelde and MacDonald, of Wels and Barmat, of Fritz Adler and Otto Bauer is, one must admit that it is thoroughly consistent. The social democrats, during the time they were in the Zankov government, as well as afterwards when they were in "opposition", have participated in the bloody terrorist regime of the Bulgarian bourgeoisie against the working people of Bulgaria.

There exists not the least doubt that neither the lies of the white-guardist Zankov government, nor the "theoretical" explanations and justifications of the terrorist regime on the part of the white-guardist social democracy, will be able to hide the real objects of the political murders and of the bloody anarchy in Bulgaria, or as the actual responsibility for these horrors and atrocities from the eyes of the working people in Bulgaria and from the workers and peasants abroad. The indisputable facts are as follows:

1. The Bulgarian bourgeoisie overthrew the government of Stambulisky, which possessed an overwhelming majority in parliament, by the military putch of 9th June 1923 and organised the brutal murder of Stambulisky, Daskalov, Duparinov and many other peasant leaders with the immediate participation of all bourgeois Parties, including the social democrats, in the new government.

2. In order to consolidate its power, the Zankov government has prevented the legal existence of two political mass parties — the Communist Party and the Peasants' League — destroyed their press, closed their clubs, confiscated their funds and arrested more than 2000 members of the Communist Party and of the Peasants' League on no legal grounds whatever. It thereby provoked the September revolt of 1923.

3. The Zankov government (again with the participation of all the bourgeois Parties including the social democrats) took advantage of the defeat of the working and peasant masses who rose in defence of their right and liberties, in order to massacre in the prisons without any trial, thousands of workers and peasants who took no part in the revolt. Among them were the following who will always be held in memory by the Bulgarian working people: Boris Sotirov, Dimitar Kandov, P. Savoff, St. Kiradshiev, A. Popov, Petrunov, N. Ginev, A. Schichkov, Maltchev, A. Chalatchev, D. Stoilov, Jenu Markovsky, Iv. Iliev and many, many others.

4. Later on, agents of the government murdered the former mayor of Samokov, M. Daschin, who after the September events was the only communist leader of the workers in Samokov left alive. Petkov, a member of parliament and member of the

Peasants' League was also murdered. During the court trial it transpired that the murder was committed on the order of the Zankov government. His successor in parliament, comrade **Hadji Dimov**, was foully murdered in the open street. Three months ago the well-known communist worker from Plevna **Karavassiliev**, disappeared without leaving any trace behind him after he had been arrested by the organs of "public safety". Two weeks ago the well-known communist from Sofia, **Waltcho Ivanov** was murdered after his arrest by the police. **Dim. Zachariiev**, a member of the Chaskovo municipal council, was murdered in the same manner. And lastly, the communist member of parliament, **Theodor Straschimirov**, was murdered in the open streets of Sofia. Previous to this, **Stojentchev** a Government Minister had openly threatened him in parliament (in connection with his exposures of the terrorist regime of Zankov) that he would be murdered. According to the latest reports of the Bulgarian government agency itself, the women communist **Gitcheva**, who was recently arrested, has committed "suicide" in prison. Thus we see — unceasing murder, murder and again murder of the working masses and of the workers' and peasants' leaders.

5. In order to annihilate the Macedonian revolutionary organisation and to smooth the way to an understanding with Pasic, the Zankov government made use of the Protogerov band, supported it in September 1924 with Bulgarians soldiers and murdered hostile Macedonian revolutionaries. Under the protection of the government and with the co-operation of the Bulgarian Embassies in Vienna, Belgrade, Rome etc., this Protegerov gang is carrying out death sentences on Macedonian and Bulgarian revolutionaries living abroad. It was in this way that the well-known Macedonian revolutionary **P. Tchaulev** was foully murdered in Milan.

6. The Zankov government has kept in prison since the 12th September (already 18 months), in addition to many other workers and peasants, the communist member of parliament **Chr. Kabatchiev** and the former communist members of parliament **A. Ivanov** and **N. Penev** without any trial, as it is generally known that the accusations against them are absolutely without foundation.

7. On the strength of the law for the defence of the state the prisons are being filled with communists and members of the Peasants' League. Those lawyers who dare to appear before the courts to defend the accused communists and peasants are subjected to terrible mishandling on the part of the officials and the fascist bands. Thus, after the trial of the communist member of parliament **Dr. Maximov**, an attempt was made to assassinate his defender, **Patev** a bourgeois radical. A bomb was thrown into his house. The defenders of the accused workers and peasants of **Lom**, **Dr. Dugmedshiev**, **Al. Athanasov** and **A. Mevorach** and others were brutally beaten.

8. As a result of its regime of terror the Zankov government has roused the whole of the working people against it, and is now organising, with the aid of the credits specially granted by parliament, the so-called "guerilla" for the persecution and annihilation of the "destructive elements" in the country. This "guerilla" possesses the right to arrest and to shoot without any investigation any one whom it considers to be a "dangerous enemy" of the state.

The above-mentioned facts suffice to show that the responsibility for the political murders and the increasing bloody anarchy rests solely and entirely with the terrorist regime of Zankov.

The C. P. of Bulgaria is fighting with all its forces for the possibility of a legal existence and for the legal struggle of the workers and peasants. It rejects the method of individual terrorism, not from sentimentality but on account of its political futility, and relies for victory upon the collective united revolutionary struggles of the masses.

The method of political murder is the resource of the weak and desperate. It is precisely this method which the Zankov government is applying, as it is completely isolated from the people, as it has nine tenths of the people decidedly against it and, in spite of this, wishes to retain at all cost the terrorist power of the Bulgarian capitalists and profiteers against the will of the people.

This alone is a damning indictment of the Zankov regime and proves beyond doubt that its overthrow is inevitable.

ECONOMICS

Economics and Economic Policy in the Fourth Quarter of 1924.

By Eugen Varga.

IV.

Germany (continued).

The Alliance between Heavy Industry and the Agrarians.

The open seizure of power by the combined heavy industrialists and agrarians, expressed in the formation of a government of the Right, will soon have its effect upon economic policy, in the form of an agrarian and industrial policy of high protective duties.

The way has already been prepared for this policy by numerous understandings arrived at by the agrarian and heavy industrial organisations during the period covered by this report. The resultant economic policy signifies: high profits for the heavy industrialists and agrarians at the expense of the finished manufactures industry not included in the trusts, and above all at the expense of the working class.

This economic policy, promoting the interests of only a few — the few, however, whose wishes determine the policy to be adopted — has met with a certain amount of opposition from various quarters: from scientists, from a section of the finished manufactures industrialists, and from the working class. It is most interesting to note the attitude adopted by the agrarian political economists, and by the professors in general, as evidenced by a resolution passed at the conference held by the Association for Social Reform, in which the agrarian duties were condemned. Professor **Sehring**, one of the leading champions of agrarian duties during the last agrarian crisis in the nineties, is now carrying on a hopeless struggle against the re-introduction of these same agrarian duties. It is not necessary to emphasise that the attitude thus adopted by the agrarian experts will not in the least prevent the German agrarians from reintroducing the tariff on foodstuffs.

The resistance offered by the manufacturers of finished articles against the raising of the duties on iron, and against the predominance of heavy industry all round, is exceedingly weak. An attempt was made to found a national federation of German metal goods manufacturers, and at a conference held by this organisation it was pointed out that the industry working up iron and other metals employs 2,150,000 workers, that is, 29.7% of the total industrial workers of Germany, whilst the iron and metal producing industry only employs 335,000 workers, or 4.5%, so that the interests of heavy industry should not play such a decisive rôle. This organisation demands moderate protective duties and favourable trade agreements.

The resistance of the working class is hampered by the two faced attitude of the trade unions and the Social Democratic Party, which, as usual, collaborate with the most powerful stratum of the bourgeoisie.

A factor of great significance is the recent combination of German heavy industry in a cartel under the name of the "crude steel association". This cartel is alleged to determine not only the prices, but the amount produced. This organisation is headed by the **Otto Wolf** group: **Phönix**, **Rheinstahl**, **van der Zypen**, with a total

production of	2,743,000 tons
followed by Stinnes with	1,681,000 "
Krupp and Thyssen with each	1,580,000 "
Klößner concern with	931,000 "
Haniel concern with	911,000 "
Linke Hofmann and Gen. El. Co. with	769,000 "
Hoesch with	745,000 " etc.

The production was fixed at 10 and 20% under the participation figures here stated, a procedure immediately followed by an increased demand and a not inconsiderable rise in the price of iron. And if the new tariff duties contain higher iron duties, competition from Lorraine being at the same time abolished by the purchase of a certain amount fixed upon by the trade agreements, then the iron profiteers will once more be given a free hand in Germany.

An idea of the anticipated profits may be gained from the fact that the articles of association of the "crude steel association" provide for a sum of Mk. 25 compensation for every ton of a consignment not utilised; at the present prices this amounts to about 20% of the selling price.

The seizure of power by the heavy industrialists and agrarians will speedily lead to an offensive demanding increased output of work and longer working hours, despite the plausible gesture on the part of the new government of the Reich which we have already mentioned.

Thus we observe the growing acuteness of class antagonisms all along the line: under these circumstances great struggles between capital and labour are inevitable in the year 1925.

The States of Eastern Europe and British Imperialism.

The final result in Eastern Europe of the great war has been the formation of a dozen small countries, one and all engaged at the present time in the endeavour to develop their own individual industries, and to become self-sufficing, by means of high protective duties.

English politics appear to be devoting continually increasing attention to these small countries of late, and are apparently attempting to supplant France's influence here. The English idea seems to be the economic union of these countries, especially of those formerly forming the Austro-Hungarian monarchy. In the general section we already made mention of the fact that the English capitalists have succeeded in monopolising the whole of the Danube shipping, one of the most important factors in the economic life of these states. The endeavour to bring about some form of economic, or perhaps political, reunion of these states by means of economic pressure may be perceived in the leading English newspapers.

The "Economist" of 29th November 1924 deals with this idea in great detail. It emphasises the fact that East of Germany a population of 80 millions of human beings are living, equal in numbers to two thirds of the population of the United States, but only possessing a fifth of the American purchasing power. This area possesses great economic possibilities which have hitherto not been developed: the water power of the Carpathians, the fertile soil of Hungary and Roumania, the mighty forests of Yugoslavia and Bukovina, the petroleum of Roumania and Poland, etc. The writer of the article rejects the refusal of credits as inexpedient, and demands the convocation of an international conference.

Here we have an obvious attempt to combine the countries of the one-time Austro-Hungarian monarchy, perhaps with the addition of the Balkans and Poland, into one united sphere of exploitation for the benefit of England or of the United States, and to prepare the way for a Dawes plan for these countries.

With regard to the economic prosperity of these various states, this is mainly dependent on the result of the crops. The yield has varied greatly in the different districts, but has been very unfavourable on the whole, especially in the countries which had hitherto exported large quantities of corn: Roumania and Hungary. The failure of the crops naturally has a very detrimental effect upon the economic conditions in the neighbouring countries.

Czechoslovakia.

In Czechoslovakia economic conditions have improved in general during the period covered by this report, although the effects of the Dawes plan have been felt in the form of increased German competition in some branches of industry. The grain crop is considerably poorer than that of last year, the shortage amounting to about 10%. On the other hand, the potato crop has been excellent, and the sugar beet crop even more so. An export surplus of 10,9 million double hundred-weights is anticipated, as compared with 6,6 last year.

With regard to industry, conditions differ greatly in its various branches. In the iron industry German competition is felt acutely. In the Ostrau district the iron industry is receiving fewer and fewer orders. The blast furnaces are still kept going but the work is for stock. It is expected that several blast furnaces will have to be closed down in the immediate future.

German competition is again felt in the china industry, and many complaints are to be heard regarding unfair competition from Germany. On the other hand, conditions have improved in the textile industry.

According to the official returns ("Prager Presse", 11. December 1924) the number of completely unemployed workers in receipt of unemployed maintenance at the end of November did not exceed 8950, and those on short time 11,890. The actual amount of unemployment is of course greater than this, but nevertheless it does not appear to be very considerable.

Speaking generally, the economic situation in Czechoslovakia is fairly favourable. The stability of the currency has been maintained; foreign trade has developed satisfactorily during the past year.

In reply to the pressure exercised by the English bourgeoisie towards a political economic amalgamation of the states created after the war, the "Prager Presse", the mouthpiece of the Czechoslovakian government, published a leading article on 5. December 1924, dealing with the possible combinations of a tariff union or economic federation among the states of Central Europe. Here we read:

"These questions were never touched upon in the negotiations with Austria, and it may be asserted with equal certainty that they will not be mentioned in the consultations with Hungary. Czechoslovakia, Austria, and Hungary, are independent states. Each is carrying on its own independent trade policy. There is no foundation in any of these countries for a tariff union or federation, except that offered by official government circles; there exists no real foundation based on industrial circles, on agriculture, or upon the general public."

The article goes on to say that the whole idea is based on the machinations of secret or open exponents of reaction, elements unable to content themselves with the new conditions in Central Europe.

Poland.

Poland is still economically in the midst of that crisis preceding financial reform, the symptoms of which are so well known to us from other countries: credit crisis, shortage of capital, high prices, unemployment. Prices have risen steadily since the stabilisation of the currency. At the end of the month the wholesale trade index figures were as follows:

November 1923	68,6
July 1924	102,0
September	112,0
October	116,0
November	117,0

The unfavourable economic conditions are further aggravated by the poor crops. An enactment was recently issued prohibiting the export of grain, the home crops evidently being insufficient to cover home consumption.

With regard to the various branches of industry, the crisis is still acute in the Upper Silesian heavy industry. At the beginning of October a certain improvement was to be observed. Although the coal reserves which had accumulated still amounted to several hundred thousands of tons, these showed a tendency to diminish. But since then conditions appear to have worsened again.

In the iron industry a tendency may be observed to transfer German property wholly or partially into Polish hands. Consequently the Polish government shows more inclination to accede to the wishes of the Upper Silesian iron industrialists with regard to freight reductions and raising of the import duty on the one hand, and with regard to facilities for obtaining raw materials for manufactures intended for export on the other hand.

The Polish match industry is passing through a severe crisis. This trade developed with extraordinary rapidity in Poland after the war. Whilst in 1913 there were only five match factories, producing 34,000 cases, in the whole area comprising present-day Poland, by the year 1923 this number had increased to 19 factories producing 171,000 cases. The import of matches ceased. At the same time a tremendous stock of matches began to accumulate in Poland, increasing to such an extent by the year 1924 that seven factories have had to close down, leaving twelve factories producing about 100,000 cases.

There has been an improvement in the textile industry; less short time is worked in the factories.

The effort to place finances on a sound basis has led to a considerable tightening of the screw of taxation. As a result the deficit, though not entirely abolished, has been reduced

to an unexpectedly small amount. The increased revenues have been chiefly drawn from the various monopolies, from the indirect taxes, duties, and turn-over tax.

Next year's budget has already been balanced, at least on paper. It provides for 50% increased revenues from taxation. This estimate is however not generally regarded as actual. With respect to expenditure, the amounts required for military purposes and for the support of the apparatus of state force, are extremely large. No less than 10% of the budget for the coming financial year is devoted to the home department, and is destined for suppressing insurrections and combatting the labour movement.

The Polish government has been successful in its endeavours to cover the deficit in state finances by means of foreign loans. We have already reported on the concession of a great forest district to an English concessionaire, on the lease of the tobacco monopoly to the Italian Commercial Bank, and on the plan for granting the match manufacturing monopoly to the Swedish match trust for 20 years. On the other hand, the new Minister of Finance has consolidated Poland's war debts to the United States and England. The conditions granted to Poland by America are entirely in accordance with the conditions fixed by the Anglo-American agreement: 3% for a term of ten years, further 3½% to be paid, including amortisation, within 62 years. The conditions for the consolidation of the debt to England are somewhat more severe.

This fact has made an excellent impression on financial circles in America and England, for Poland is the first state among England's debtors to make any agreement with reference to the payment of interest and capital. This action on Poland's part has enabled her to raise a new 50 million dollar loan in America. It is probable that the Polish railways, which are to become privately owned — as in Germany — will form the basis of this American credit.

A point of political importance here is that France is no longer in a position to finance its Eastern ally, so that decisive economic influence has passed out of France's hands into those of England and America.

There is a great deal of unemployment in Poland: the official returns place the number at 170,000, but in fact it is much greater. The constant rise in prices has an exceedingly detrimental effect upon the standard of living of the working class.

Austria.

Lloyd George once wrote in an article:

"The League of Nations is making successful attempts at artificial respiration in Austria."

The economic development of Austria proves the correctness of this ironic remark. Although it would be wrong to speak of a breakdown of the financial restoration, we are justified in speaking of a "sanitation" crisis, which is expressed by the worsened economic conditions in Austria. At the present time the official returns state the number of unemployed in Vienna to be 65,000; as a matter of fact the number is probably more than 100,000. If this percentage is extended to the whole of Austria, the total number will be found to exceed 200,000, so that about one fifth of the working class is out of work.

The sanitation crisis finds further expression in the collapse of various large concerns. Castiglioni has gone completely bankrupt, whilst the Bosel concern has been obliged to transfer a part of its enterprises to the Barmat concern, and will probably suffer from the Barmat breakdown. (It is interesting to note that the Austrian Social Democratic Party was recently obliged to dispose of the Hammer Bread Works, of which at one time they were exceedingly proud, to the Bosel concern, the competition of the capitalist bread factories proving too powerful).

"At the present time there is a crisis in Austria in the speculating, the banking, and the credit world, such as has not been seen in Europe since 1873." ("Österreichischer Volkswirt", p. 324.)

In autumn the official bank rate was 15%, and at the present time it is 13%, but industrialists gladly pay 30 to 40% for long term credits, and cannot obtain them even on these terms. Not only is there a universal industrial, financial, and Exchange crisis, but state finances are in an equally parlous condition. The deficit in state finances far exceeds the minimum assumed by the League of Nations commissioner.

It will thus be seen that the endeavour to place Austria's finances on a sound basis is passing through a severe crisis, though it cannot be said to have actually broken down, and that the action taken by the League of Nations has not by any means been effectual in placing Austria's economic life on a firm foundation again.

Hungary.

In this country economics are mainly characterised by a remarkable contradiction: Hungary is in reality an industrial country, but is carrying on an agrarian economic policy. Thus it came about that wheat prices in Hungary, at one time one of the leading wheat exporting countries, have risen until they are considerably higher than those of the world's markets. Such a state of affairs is naturally unendurable for any length of time in a country where wages are so low, so that the government, at the turn of the year, found itself obliged to abolish the corn duties.

At the present time the country is suffering from the stabilisation crisis. The newly introduced gold crown currency has remained stable since the Spring. This currency was given a fixed relation to the pound sterling, and shares at the present time the upward movement of the pound. As is invariably the case during the stabilisation of a currency, there is acute shortage of capital, the rates of interest are high, etc. Besides this, the country is suffering from an unhealthy industrialisation, and from the bad crops.

The crops of the most important sorts of grain have been as follows:

	Millions of double cwts.		
	1924	1923	1920/22
Wheat	13,7	18,4	13,2
Rye	5,8	7,9	5,8
Barley	3,2	5,9	4,7
Oats	2,5	4,0	3,2
	25,2	36,2	26,9

This great falling off has been partly compensated by extremely good maize and potato crops.

There is a great deal of unemployment in the country. In October the trade unions stated the number of unemployed to be 30,120, approximately 15% of their membership.

The Balkans.

Despite the advancing industrialisation of these countries, their economic prosperity is still determined by the crops and by the prices of agrarian products. Final reports on the crops have not yet been issued for all the Balkan countries. It can however be already stated that Yugoslavia has had good crops, whilst in Bulgaria and Roumania, with the exception of maize, the crops have been poor. Bulgaria, having exported the reserves of last year's crops in the Autumn, is now obliged to import wheat or flour.

The position of the working class is very bad in all three countries, real wages being extremely low. The "Wirtschaftsdienst", a periodical in close touch with German official circles, gives the following figures. (Number published 16. January 1925.)

"Whilst the average wages of the workers today are only 15 to 20 times higher than in 1910, and the wages of civil servants scarcely 10 times higher, the index figure indicating the rise in the price of food (100 being taken for 1910) was 3719 by August 1924. The price of bread in particular has risen to such an extent that by the end of November 1924 sixty times the pre-war price was demanded."

The actual standard of living of the working class must thus have sunk by more than one half since the war! The same applies to all the countries of the Balkans.

Italy.

Italy's economic situation has been characterised in the period covered by this report chiefly by the constant rise in prices and by the depreciation of the lira. The rising prices of food are due to the general increase in prices in the world's markets. The effects of such a general rise are immediately felt in Italy, where the population is dependent on the import of

foreign grain, and is this year more dependent on imports than is usually the case, the Italian crops having failed. As Italy is further obliged to import her total requirements in coal, cotton, petroleum, and almost all metals, her trade balance has always been unfavourable, a financial condition only equilibrated by the tremendous tourist traffic and the money received through immigrants. Under these conditions a change in foreign trade relations may easily lead to a depreciation of the currency. The depreciation has been further promoted by the political uncertainty, and by the social difficulties threatening during the liquidation of Fascism.

	Rate of the Dollar in Rome	Wholesale trade price index Chamber of Commerce, Milan
August 1924	22,65	546
September 1924	22,81	547
October 1924	22,99	563
November 1924	23,10	578
December 1924	23,50	593
January 1925	24,49	—

The rate at which prices have risen has far exceeded the rate of depreciation of the lira, which holds its own in comparison with the European currencies better than in comparison with the dollar. Up to now there has been no increase in the number of notes in circulation.

The Minister of Finance, **de Stefani**, declares that the deficit for the financial year 1924/25, ending in November, will only amount to 196 millions, and will decrease still further by the end of the year. He anticipates that the financial year 1925/26 will end with a surplus. The foreign press adopts a somewhat sceptical attitude towards this declaration (for instance, the "Times" of 30. December 1924), and draws special attention to the fact that all Italian budgets invariably ignore the existence of the interallied debts!

Italy's economic situation has doubtless improved during the last few years. There has been a considerable increase in the consumption of all goods subject to taxation, thereby providing statistical data: for instance, in regard to meat, beer, sugar, gas, electric current, and the production of iron and other metals. But all these data refer to the year 1923, and but few are obtainable for 1924, so that we are without information regarding the period of this report.

The statistics issued on building activity in Milan are of great interest. ("Corriere della Sera", 9. January 1925.)

The new dwellings built were as follows:

1912	3897
1913	2889
1917/18	73
1923	3001
1924	8209

We do not know whether this can be generalised for the whole of Italy, but in any case it shows considerable investment activity!

The period covered by this report is characterised by rising prices and depreciation of currency. Another distinguishing feature, of still greater importance, is: **the revival of the labour movement!**

This is not merely an agitator's phrase. The representative organ of the English bourgeoisie, the "Economist", of 13. December 1924 states that perhaps the most important economic event in Italy in November was the revival of the class movement of the workers. The number of strikes and the number of working days lost in consequence thereof would prove higher than in 1923. It states further, that before all there has been a change of atmosphere and the workers are not inclined to submit to the all-powerful influence of the fascist trade unions.

The position of the Italian working class is very bad. The official returns show the cost of living to have risen five-fold by October 1924 in comparison with pre-war time; and since October the prices have certainly risen further. But wages have either not risen at all or only very slightly. It is true that the official returns declare unemployment to have decreased, the alleged number of unemployed being 119,000 in the Autumn. But many of the unemployed have joined the Fascist militia ("Wirtschaftsdienst", 16. January 1924), and many others have emigrated. Emigration has increased despite the limitations im-

posed by America; the number of emigrants, after deducting returned emigrants, amounted to 163,322 during the first seven months of 1924.

France.

The economic situation continued to be favourable during the period of this report. Although the existing productive apparatus is not fully utilised, there is practically no unemployment, despite the continued influx of foreign labour. The scanty data of production published show that the production of coal and steel had already reached the 1913 level in 1924. We append a few figures:

Annual production (including Alsace Lorraine in both cases):

	Coal	Iron ore Millions of tons	Iron Millions of tons	Steel	Cotton Consumption per spindle kgs.	Sugar 100 tons
1913	40,13	—	756	582	3221	785
1924	45,56	29,00	646	580	2600	800

The consumption of coal has increased from 63 million tons in 1913 to 71 million tons in 1924. On the other hand, coke production is still far behind that of 1913. This also applies to the consumption of cotton per spindle.

The best month appears to have been October, in which the coal production reached the figure of 4,1 million tons, iron ore production 2,8 million: both record figures.

Relapse at the Turn of the Year: Feárs of a Crisis.

Towards the end of the year certain symptoms of economic relapse became observable in France, and business circles fear a crisis in the coming Spring. The capitalists were especially disquieted by the rise of the bank rate to 7% in December.

Another factor tending to promote a crisis, especially for the textile industry, and for the heavy industry of Alsace Lorraine and the Saar area, is the cessation of duty free export to Germany. What is also of importance is the fact that the restoration work in the devastated districts has actually come to a standstill on account of the absolute lack of state means for their continuance.

It is not yet possible to foresee whether all this will lead to a real crisis. We have however no reason to revise the opinion which we expressed nine months ago, that the attempt to execute the Dawes plan is bound first to lead to a phase of general crisis in the capitalist countries of Western Europe. The simultaneous falling off of economic prosperity in France, Germany, and England shows that this is actually happening.

Rate of Exchange, Prices, Foreign Trade, Note Circulation.

The rate of exchange of French currency has remained steady on the whole during the period of this report, the French government having succeeded in transforming the short-term Morgan credit of 100 million dollars received in the Spring into a long-term credit. The proceeds were remitted to the French Bank by means of an extremely complicated financial operation, and employed for the purpose of regulating the rate of exchange of the dollar. The possibility of stabilising the franc was further enhanced by the fact that France's foreign trade balance has been favourable this year for the first time for a long period.

The following table contains parallel statements of the rate of exchange of the franc, the changing prices, and the foreign trade figures:

	For 1 franc Cents in New York	Wholesale trade index	Import	Export Milliard francs	Surplus
30. Sept.		496	3,16	3,18	0,02
31. Oct.	5,24	507	3,40	3,53	0,13
30. Nov.	5,10	514	3,41	3,43	0,02
31. Dec.	5,43	518			

Foreign trade for the whole of 1924 will show a favourable balance amounting to about 1,5 milliard paper francs.

The stability of the currency is constantly jeopardized by the deficit in state finances, and by the tendency to increase the amount of notes in circulation. During the whole of the period covered by this report, the value of the notes in circulation has

nearly approached the extreme limit of 41 milliards. The government has been obliged to resort to somewhat desperate measures in order to prevent a renewed collapse of the franc — to the raising of the bank rate to 7%, the actual stoppage of all expenditure for restoration work and the raising of an usurious loan abroad, etc.

State Finances: Usurious Loans.

As we have often emphasised, it is almost impossible to gain a clear idea of French state finances, the system being so complicated and the data published so contradictory. The situation appears however to have improved to a certain extent, taxation and other sources of state revenue having brought in more than was expected in 1924. The revenues of the last few months have been as follows, in millions of francs:

September 1924	2,016
October 1924	3,047
November 1924	2,473
December 1924	2,853
Year 1924	27,582

Excess yield as compared with 1923: 5633 million francs.

Sources of revenue in 1924.

	Millions of francs	Surplus over estimate
Indirect taxes, duties, and monopolies	19,703	2,376
Direct taxation	5,807	
Extraordinary revenues and revenue from state undertakings	1,747	

These figures show to what extent the burden of taxation is thrust almost entirely upon the proletariat in democratic France! But it is now becoming very evident that the capacity or the readiness of the French saver to support the state financially by means of fresh loans is completely exhausted. The facts regarding the last loan show this clearly.

The conditions of the loan were such that 150 francs are to be reimbursed, in ten years at latest, for every 100 francs of the nominal amount subscribed, so that the actual average interest received is no less than 8.2 per cent:

This is in itself almost as high as the rate of interest paid on the Dawes plan. But as a matter of fact the French government pays

more than 20 per cent

for the fresh money thus received.

The extent to which French savers have already been sucked dry may be seen from the fact that the subscription to this new loan has been accompanied by a considerable lessening in the total amount of savings invested, whilst at the same time the fixed interest bearing securities are quoted at extremely low rates, lower than ever before.

The quotations at the Paris Exchange on 17. January were as follows:

3% Rentes	48,40
4% from 1913	50,00
5% from 1920 amort.	67,80
6% from 1920	69,85

Fresh investors are thus able to secure a rate of interest of 9%!

The Debts and Assets of the French State.

At the end of 1923 the Minister of Finance attempted to arrive at an idea of France's financial position by the somewhat fantastic method of capitalising the taxes raised by the state by 5%, that is, he calculated twenty times that amount as the actual assets owned by the state. He applied the same process to expenditure. The debit and credit account resultant on this calculation was as follows:

1. Liabilities:

	Mill. paper frcs.
Internal debts	277,9
External debt, political	(mémotre)
External debt, commercial	19,5
Pensions	64,5
Capital value of permanent and continuing liabilities	298,5
	660,4

Here it is of importance to note:

- that the internal debts have increased by 7.7 milliards during the past year;
- that the inter-allied debts are not included. As already mentioned in the general section, this gave rise to great excitement in America, and the Minister was obliged to give an explanation.

2. Assets:

	Mill. paper frcs.
State capital	93,4
Capitalised taxes	599,5
Claim on Germany	103,9
	796,8

The "net assets" remaining amount to 136 milliard paper marks. This whole calculation is a piece of absurdity, and its sole significance lies in the fact that it gives us an opportunity of seeing what means the French government will resort to in order to obtain loans. The balance is doubly wrong, for it does not include the foreign debts, and it assumes the highly improbable receipt of 103 milliards from Germany.

Industrial Developments in the United States.

By Earl R. Browder (Chicago).

One year and a half ago it seemed that the United States was headed directly toward a huge economic depression. Production was sharply on the decline. Agriculture was in the midst of a deep depression which was forcing hundreds of thousands of farmers into bankruptcy. Foreign trade was slowing down and prospects for increase were not bright. Building operations, the backbone of the previous boom, had more than overcome the war-time shortage and seemed certain to be drastically curtailed. Unemployment was rampant and steadily growing.

With the beginning of the year 1924 there came a halt to the downward trend. For the first three months production and employment recovered somewhat, before making another plunge which reached its last low point in August, 1924. But even as the downward curve of industry was again making itself evident (March, 1924), it was becoming apparent that the immediate economic crisis in the United States might yet be postponed for a year or so.

This has been strikingly confirmed by the development of the latter part of 1924 and the first month of 1925. Industry and commerce have been recovering with startling rapidity. It would be as idle and erroneous to ignore this fact, as it would be, on the other hand, to overestimate its significance for the future.

The Basis of the Recovery.

What is the basis of the recent recovery of industry?

Two new factors, not visible a year ago, have been of decisive effect in starting the course of industry upward again. One of these is the world-shortage of grain accompanied by a large harvest in the United States, which has relieved the agricultural crisis. This first factor is expressed in the price of wheat at £ 2 per bushel on the Chicago market in January. The other factor is the increased exports which have been stimulated and increased by the credit and political power of the United States, overcoming the effects of the ordinary laws of the world market, which would have choked them off.

The agricultural recovery is, without doubt, of a passing nature. It is hardly likely that there will occur again immediately the conjunction of a world-shortage of grain with a bumper crop

in the United States. The agricultural industry, the most unorganised field of activity, is because of that fact the most subject to drastic ups and downs. The chances are strongly in the direction of American agriculture again next year facing the same problems of one year ago, which have not been touched fundamentally by the present high prices for grain. The effect of \$ 2 wheat upon the crisis in America has been merely in the direction of postponing it to a later date.

The Question of Foreign Trade.

Forecasts of depression in 1924 were based partially upon the expectation of curtailed export of commodities to foreign markets. This expectation was based in turn upon the continued breakdown of European economics, with the absence of purchasing power in the face of dire need, combined with the development of capitalist production in what were formerly colonies of the original "motherlands" of capitalism and the resulting increased intensity of competition for markets generally.

In spite of all factors working against the expansion of American trade in the world markets, however, the statistics for the first 11 months of 1924, show net exports of merchandise were more than 3½ times as large as the amount for the same period in 1923 (See Federal Reserve Bulletin, January, 1925).

Whereas in 1923 the visible balance of trade was against the United States by \$ 28,000,000, in 1924 this changed to a favourable balance of \$ 612,000,000.

This tremendous jump in the foreign trade of the United States was not based upon participation in the "open markets" of the world, if there is any such thing left in this, the modern monopolist, era of capitalism. It was based upon foreign investments. And, as Lenin first pointed out in his work on Imperialism, foreign investments are the principal instruments of every great imperialist power for subjugating the markets of the world.

And with what a dramatic sweep has American capital flooded the world markets during the year 1924.

Twenty-six groups of securities, issued by European governments or bearing their guarantees, were floated in America, with about the same number for Latin-America and the Far East. The amount involved was more than \$ 1,000,000,000, distributed as follows: Europe, \$ 473,000,000; Japan, \$ 185,000,000; Latin-America, \$ 192,000,000; Canada, \$ 200,000,000. These were almost entirely new investments.

Foreign securities of all kinds issued in the United States during 1924 amounted to approximately one and one-half billion dollars, of which, according to the *Annalist* (an authoritative publication of Wall Street) of February 2, from which these figures were taken, about one billion dollars represented entirely new investments of American capital abroad.

The United States Department of Commerce estimates that at the first of the year 1925, American investments abroad, not including war loans, amounted to \$ 8,000,000,000. The estimated income to American security holders from these foreign investments is \$ 400,000,000 annually.

The practical effect of this terrific flood of capital and credit from America to the markets of the world has been to capture, to seize by the monopolistic power created thereby, the outlet for 3½ times as much merchandise from American factories for 1924 as in 1923, in spite of the otherwise unfavourable constellation.

Other Factors in the Temporary Recovery.

Another factor in postponing the depression has been the continuation of the building boom beyond the wiping-out of the estimated war-shortage. In spite of the predictions of the experts, such as those of the F. W. Dodge Corporation, that building for 1924 would show a decline of 10%, there was a positive increase, making 1924 the greatest building year in history. Building for the year amounted to 603 million square feet of floor space, totalling a value of \$ 3,547,205,571; compared with but a half-billion dollars building in 1918, for example, or with one-and-a-half billions in 1919, a boom year. The capacity of the domestic market to carry on building operations beyond the point of making up the war-time shortage had been underestimated by all concerned.

Whether the Dawes plan has been of appreciable effect in the temporary revival in any direct manner is questionable. It may be and is contended that the acceptance of the Dawes plan by the governments, meaning the acceptance at least for a time of the hegemony of the House of Morgan, has stimulated the foreign investments previously enumerated, and thereby helped in the recovery of commerce and industry.

The Dawes plan, while artificially stimulating imports into Germany, particularly from the United States, has done nothing whatever to change the chaos of European economics to any kind of ordered arrangement. And this is inevitably so. What ever temporary advantage it gives to one section of the capitalists, it is at the expense of the economy of another portion of the world, thus aggravating the fundamental contradictions of world capitalism.

Transportation Expansion.

Figures of transportation of merchandise for 1924 show, in spite of the sharp decline in the middle of the year, that the total car loadings were but 2,66 per cent less than 1923. In the meantime the car loadings for 1925, first three weeks of January, show an increase over "normal" of 6,5, 17,4 and 18,2 per cent.

On the basis of such estimates, large sums of capital are being expended upon renewals and replacements of railroad equipment. Transportation thus becomes a factor in stimulating the industrial revival, as well as being a measure of the extent of that revival.

What the Revival Means to the Workers.

Tremendous profits for the capitalists of America are being coined out of the business revival. These profits are, in turn, being capitalised, with the resulting terrific boom on the stock exchange. But what has the year 1924 meant for the workers, and what are the prospects for 1925?

That which has happened to the working class during the past year is graphically illustrated by comparison of two figures from the "Survey of Current Business" of the United States Department of Commerce for January. They are as follows:

Decrease of November 1924
from November 1923

Production of manufactures	2,7 per cent
Factory Employment	12 per cent

In other words, unemployment has increased among the workers to the extent of almost 10% more than the decrease of production can explain. The working class of the United States has been subjected to more intense exploitation, to speeding-up, to lengthening of hours, to curting of wages. And the illusory "prosperity" of the capitalist class, which will be shortlived but while it lasts is coined into hard dollars, is thus for the workers transformed into its opposite, into greater misery, unemployment, and a constantly lowered standard of living.

When Will the Crisis Come?

For the working class, capitalism is just one crisis after another, and prosperity is a reality only to those small sections whom the capitalists find it advantageous to corrupt by special privileges. So when we speak of the approaching crisis it means rather that breakdown of the capitalist system of production that closes the factories on a mass scale and halts production or brings on a war. Such a crisis is definitely in the near future for the United States.

These are the questions that are placed on the order of business for the working class of America. And whatever the alternative that history chooses, the basic preparation of the working class for the struggles into which it will be thrown is the same: Organisation of the millions of unorganised into the labour unions; transformation of the antiquated craft unions into powerful industrial unions capable of throwing the mass power of the workers into the struggle; the crystallization of an iron-disciplined vanguard in the workers (Communist) Party; unity with the working class of all other lands; revolutionary struggle for the overthrow of the blood-sucking capitalist system, the institution of workers' rule and the conquest of industry and government for the working class-the dictatorship of the proletariat.

THE LABOUR MOVEMENT

Appeal of the R. I. L. U. for the Workers of Shanghai.

Moscow 3rd March 1925.

The Executive Bureau of the Red International of Labour Unions has issued an appeal on behalf of the fighting 40,000 working men and women of Shanghai which runs as follows:

"Forty thousand Chinese working men and women from the factories of Shanghai, who have to toil for the profit of Japanese capitalists, are now on strike for the most elementary demands, such as the abolition of corporal punishment in the factories. The class solidarity of the Chinese bourgeoisie, the Japanese factory owners and of the English imperialists is to be seen in their attitude towards the strikers. They have united for common action against the workers who have been driven to desperation.

The strike is looked upon as a crime. The representatives of the strikers have been arrested and tortured.

The Red International of Labour Unions declares its full and complete solidarity with the strikers. It calls upon the workers of all countries to support the workers of Shanghai in their heroic struggle.

The Red International of Labour Unions calls upon the Amsterdam International and its sections, as well as upon all organised and unorganised workers, to respond to the call for help of the Shanghai workers with active support and with a sharp protest against the Chinese, Japanese and English bourgeoisie the last of which is playing a leading role in Shanghai.

The Red International of Labour Unions has sent 30,000 Roubles, of which 15,000 were contributed by the General Council of the Trade Unions of the Soviet Union, to the fighting workers of Shanghai. It calls upon all workers to render moral and material support to their Chinese fellow workers.

The strike committee in Shanghai replied to the appeal of the R. I. L. U. as follows:

"The strike committee of the 40,000 textile workers acknowledges the receipt of your brotherly support and sends to the freest workers of the world the warmest greetings, and promises to carry on the struggle right up to the emancipation of the suppressed workers of China."

IN THE INTERNATIONAL

The Decision of the National Council of the C. P. of Czechoslovakia.

The National Council of the C. P. of Czechoslovakia at its session of 28th February 1925 adopted by 18 votes against 11 a resolution which was submitted by the Polit bureau from which the following is an extract:

1. The National Council approves the political line of the Central Committee and welcomes the militant attitude adopted by the Central which has greatly strengthened the confidence of the working masses in the Party, and demands the energetic continuation of this action by the Party, the unity of which must be preserved and strengthened.

2. The National Council confirms and approves the immediate expulsion of Bubnik, in view of the fact that, precisely in the moment of increased activity of the Party, he practised treachery by systematically preparing the splitting of the Party and of the International.

3. The National Council declares that the right elements made use of the expulsion of Bubnik in order to institute a fraction campaign against the Party leadership and the Comintern.

4. For this purpose the right elements, being unable to bring any political charges against the Central Committee, made use of the personal faults of individuals, against whom the Central Committee itself undertook the necessary measures, in order to destroy the confidence of the working masses in the Central which they had themselves elected, whereby they sought to avoid the discussion of the really important political questions.

5. The National Council especially condemns the serious breaches of discipline of the leading comrades in Brünn, which are highly injurious to the Party.

6. The National Council decides that a delegation, consisting of workers from the factories in Kladno, Brünn and Prague, shall proceed to Moscow on the invitation of the Executive in order there to arrive at an agreement with the Executive regarding the complete liquidation of the inner Party difficulties.

7. The National Council declares that the comrades of the minority of the Central Committee (Smeral and Zapetocky) demanded, instead of the immediate dispatch of the delegation to Moscow and the convocation of a Party Conference, the immediate holding of a national conference of functionaries, although they must have known that such a conference could only render more acute the differences in the Party and increase the danger of a split.

8. An extraordinary Party Conference is to be convened immediately after the session of the Enlarged Executive.

9. The National Council decides to augment the Polit bureau by the addition of two workers from the factories, and also to improve the editorial staff of the "Rude Pravo".

10. The discussion in the press shall be immediately closed.

11. The National Council at the moment when the bourgeoisie is longing for a split in the Party in order to be able to crush the labour movement, calls upon all Party members to defend the unity of the Party and preserve its fidelity to the International.

The National Council further resolves:

1. Immediately to set up an investigation committee, the majority of which shall consist of workers and which shall include a representative of the Executive, in order to deal with the accusations brought against several members of the Party Central and to bring suitable proposals to the Central.

2. Vercik is expelled from the Party.

3. To take note of the declaration of Comrade Seidler that he will lay down his position in the Central until the conclusion of the investigation.

4. The National Council condemns the abuse of his function by Comrade Tausik, in that he, at an open meeting, before the Polit bureau had received his report and before an important political vote and for fractional purposes, conveyed to the meeting the results of the session of the control commission.

5. Horn, Vitur, Hortlik and Breuer are expelled from the Party.

* * *

After the vote comrade Zapetocky made a declaration on behalf of those comrades who had voted for Smeral's resolution, that they submitted to the decision of the National Council and that they desired the publication of this declaration in order to facilitate the acceptance of all the decisions of the National Council by the Party members.

UNION OF SOVIET REPUBLICS.

The International Situation and the Military Tasks of the Soviet Union.

Comrade Frunse's Speech at the Meeting of the Students of the Military School, the Commanders and Political Functionaries of the Moscow Garrison of February 16th 1925.

One of the greatest, most gifted military scholars, the German General Clausewitz, said as early as the beginning of last century, that war is only the continuation of politics with other means.

By this he wished to emphasise that the aims and tasks of war are absolutely determined by the policy of the State in question. But the correctness of this assertion is indisputable not only when it applies to war, but also when it applies to times of peace. In times of peace, military affairs, military activity and the development of armed forces are also determined by the general political situation of the State in question. This applies particularly to us, to our Red Workers' and Peasants' Army.

During the seven years of its existence, the Red Army has passed through two periods which differ greatly from one another.

The first period was the period of creation, of growth and of the heroic, glorious fight of the Red Army against the internal and external enemies of the revolution. The second, the post-war period, began in 1920 when the Red Army entered on the paths of peace.

When in 1920 we turned our endeavours to peaceful construction, we were faced by a completely destroyed national economy, a total depression of productive forces both in town and village, and consequently both the working class and the peasantry found themselves materially in an extremely serious situation. At that time not only our enemies but we ourselves in Soviet Russia voiced a doubt as to whether the working class and the peasantry would be equal to the task of economic reconstruction which history demanded of them. In other countries the hope naturally gained strength that our workers' and peasants' republic would perish. There is no doubt that this circumstance contributed in a considerable degree to the fact that international capital changed from open, armed intervention to methods of the economic and political blockade of the Soviet Union. This however is not the essential thing. The fact that the capitalists gave up the armed fight is due especially to the heroic combat of our Red Army and the brilliant parrying of the attacks of the international robbers by the workers and peasants of the Union.

Since then four years have passed. During these four years our internal situation has greatly changed. Our enemies' hopes for our economic bankruptcy were wrecked before our eyes. We are decidedly recovering in all spheres of our economic reconstruction. Our finances have become sound, industry is reviving, agriculture is developing at a rapid pace.

On the base of the economic boom, the existence of which cannot now be disputed, the political invigoration of our Soviet Union is rapidly advancing.

It would seem natural to expect that in consequence our external political situation would be considerably strengthened and the danger of war diminished.

This indeed is partly true. Our economic growth and the internal invigoration of the Soviet Union are supplemented by a series of great diplomatic successes. In the course of the last two years we have won the formal recognition of the Soviet Union by all the great bourgeois countries with the exception of the U. S. A.

But, Comrades, we should make a great mistake if we were to take for granted that these facts have lessened the danger of war for our republic. The dangers have not grown less. On the contrary, as a result of our economic invigoration, they have increased.

Why? Because the news as to our economic, cultural and political growth sounds like a death knell to the bourgeois capitalist world, because our enemies have lost the stakes they placed on the inevitability of our economic collapse, because the fact of the invigoration of the workers' and peasants' State has, independently of our will, become the strongest means of agitation and propaganda, the strongest weapon for undermining the bourgeois capitalist world.

Think of the elaborate campaign which was recently developed in the whole of Europe in the interest of a new block, inimical to the Soviets. Think of the negotiations of the Balkan States and of our nearest neighbours in the West with regard to the same theme. And think of the conference at Helsingfors at which our Western neighbours discussed the question of the creation of a united front against the Union of Socialist Soviet Republics. Think finally of our neighbours' preparations for war, especially Roumania and Poland, who are using two fifths of their budget for armaments. These are facts which should induce us to reflect seriously on our situation, and to ask ourselves whether we acted rightly when we adopted the policy of so great a reduction of our armed forces. This question must be answered by a concrete analyse of our present international situation.

During the last few years the international proletarian movement has undoubtedly changed its character. The international Labour movement was not able to destroy capitalism immediately after the end of the imperialistic war. The Labour movement has now entered a new phase, the phase of rallying the revolutionary forces and of preparing for the approaching new fights.

Alongside this the Bolshevisation of the international Labour movement is proceeding. Further and further strata of the army of the international proletariat are being saturated with those views on the basis of which the working class of Russia carried off the victory. This process of Bolshevisation has now embraced all those parts of the international Labour movement which have joined the Comintern, who are grouped round the Red Banner of the revolution.

The Communist Parties of all countries are speedily ridding themselves from the last remnants of the old opportunist inheritance and transforming themselves into a real revolutionary force. We see how this fact once more causes the ruling bourgeois circles to tremble before the communist danger. We see how, as a result of these facts, attempts are being made in all countries to create a united front against the Comintern, how further these attempts merge in the endeavours to combine the forces of the bourgeois countries in a united front of battle not only against the Comintern but also against the Soviet Union.

In the last few months we have seen an intensification of the fight of the colonial peoples for their national liberation. In a number of countries — Africa, Arabia, Persia, Afghanistan and finally in China — we see the development of foci of an enormously growing movement of the working masses of the suppressed East.

This fact by no means diminishes the fear and enmity of the imperialists of all countries. They know that all these countries feel their hopes for liberation to be linked with the fate of the Soviet Union.

The antagonisms in our enemies' camp remain for the present however unchanged. They are so great, so serious, that even the fear of the insurrection of the colonial peoples and of the invigoration of the Soviet Union cannot induce the bourgeois groups by whose hostility we are faced, to drop their dissensions and to create a united front against us. In this respect the most recent attempt to organise an anti-Soviet block is especially instructive.

It is quite clear to us, that England has taken the initiative in the organisations of this block. We have, it is true, recently heard declarations from the mouth of the leader of English foreign policy, Chamberlain, implying that this assertion is incorrect, that England has no aggressive intentions against the Soviet Union and is not working at the creation of an anti-Soviet block. These are very fine words but difficult to believe.

We know, it is true, that the ruling groups in England today have no quite definite standpoint, that there are not only advocates of Curzon's old go-ahead and ultimatum policy but also representatives of sounder and more moderate views.

And with this knowledge we will not give up the attempt to find a peaceful solution to the points of dissension which separate us, in spite of the facts which I have just depicted to you, in spite of the policy of the present English government being inimical to our interests. But the first condition is that the English policy must definitely renounce every attempt to intimidate us. We are fully convinced that the English Conservative Government cannot carry on an armed campaign against us in opposition to the will of the English working class. And no government can force the English worker into a war against the Soviet Union.

We have always been ready to negotiate objectively with regard to the peaceful solution of the points of dissension which divide us. From our point of view, the life and blood of hundreds of workers and peasants is more valuable than any other advantage we might gain. For that reason we have maintained, we do and shall in the future maintain the standpoint, with regard to England and other bourgeois countries, that peace must be protected and ensured.

Nevertheless we know that the objective course of international relations will induce the groups inimical to us to interfere in our affairs and to pursue a policy opposed to the interests of the Soviet Union. Therefore, while we put our peace policy in every respect into practice, and are ready to agree to any tolerably acceptable proposal, we must not fail to concern ourselves with the consolidation of our military power. More than that, nothing but the development of our military power will prevent our enemies attacking us.

The other important country of West Europe, on which war and peace depend, is France.

We shall soon be sitting round the conference table with France. What are the prospects of these negotiations?

The workers and peasants of the Union and the Red Army must know that the Soviet delegation will, at this Conference, be faced by tasks of enormous difficulty. The reason for these difficulties is that the old Czarist Government was deeply in debt to French capital. The Czarist Government's war and pre-war debts to France amount to the gigantic sum of about 10 milliard gold roubles.

If French capital insists upon our acknowledging these debts, no serious negotiations can of course take place. We are of the opinion that the October revolution definitely and irrevocably solved this question. (Applause.) We cannot negotiate as to any change in this course, at the most we can discuss a few corrections. These corrections may, in our opinion, lead to an understanding which will make it possible for the Soviet Union to satisfy a certain number of the owners of the old Czarist promissory notes, on the condition that it involves no burden of taxation for our working class and peasantry.

Is such a combination in any way thinkable? Certainly. We could agree to it, if a loan were made to us which enabled us to satisfy the French holders of Czarist bonds on the basis of the difference between the rate of interest and the investment of the loan.

A positive factor for the approaching negotiations with France is the circumstance that, by contrast with England, there are no irreconcilable opposing interests between us and France. Whereas English capital is afraid, not only of our revolutionary ideas, but altogether of the invigoration of the Soviet State, because it is anxious about its position on the Asiatic Continent, the situation with regard to France, is decidedly more favourable. Therefore the hope for the possibility of a satisfactory issue to the peace negotiations, which will presumably begin in the immediate future, are not without foundation, especially as we shall naturally use every means in our power, which does not involve any new burdens for the working masses of the Soviet Union, to settle peaceably any outstanding differences with France.

We are firmly convinced that every year of our peaceful existence, every year of our peaceful economic and cultural political successes will represent an enormous plus in our fight against world imperialism, a factor in the consolidation of our foreign political position. Our peace policy is no empty phrase, intended to deceive our opponents. No, this policy is in accordance with all our home and foreign political interests. The same circumstance however makes it impossible to ignore the danger that international capital may, at a suitable moment, decide to attack the Soviet Union in order to try to destroy in the Soviet Union that source of dangers which are threatening the whole capitalist world with annihilation.

In the East we have recently had a great success: the conclusion of the peace treaty with Japan. This treaty returned to us the last bit of Soviet land which in the East was still under the yoke of foreign imperialism, the northern half of the island of Saghalien.

Our treaty with Japan leads to a definite improvement of our foreign political situation in the East. It enables us to consolidate our position in that country which, in the immediate future, will be the centre of interest of all the countries of the world. I refer to China, where an enormous revolutionary process is in course of development, where the respect for the Soviet State is steadily increasing in the eyes of hundreds of millions of the Chinese people.

This indeed describes, in essentials our relations to the greatest bourgeois countries. There remains only the United States of America. Is the recognition of the Soviet Union by America to be hoped for in the immediate future?

Our diplomats are of the opinion that many signs go to indicate that this recognition may be expected in the near future.

In our foreign political situation a new period is now beginning which may be characterised by the existence of formal relations with all bourgeois countries, by the presence of representatives of all foreign States in our Red Capital. This leads to a new and far more complicated situation. Thousands of unfriendly eyes will be fixed on our successes and our failures; as up to the present, plots will be hatched and plans supported which aim at throttling us one way or another.

We must remark that the prospect of an anti-Soviet block is without doubt bound up with the hopes for our internal disintegration. I have particularly in mind that discussion which was started in the columns of our Party Press and which caused the change in the leadership of the Red Army.

Every one of you grasps the meaning of these events. It is plain that our enemies have tried to make political capital out of this. They have seen in it the beginning of the disintegration of the Red Army and of the approaching collapse of the Soviet power. As a matter of fact, the foreign White-Guardist Press, the Polish, Estonian, Finnish Press and the Press of the

great bourgeois countries was crammed with all sorts of suppositions as to the internal situation of the Soviet Union.

One of the methods with which the West European man in the street is stirred up against us is the idle talk about our "red imperialism". The bourgeois Press terrifies the ordinary citizen with fairy tales about the enormous preparations for war which are taking place in the Soviet Union and the working out and preparation of plans of attack against our neighbour States.

My nomination as chairman of the revolutionary military council was, among other facts, also used for this purpose. A short extract from foreign papers with reference to my nomination will serve as an example:

"According to communications from English newspaper correspondents in Moscow, Frunse, Trotzky's successor, is one of those who have always been in favour of war with Roumania on account of Bessarabia."

"According to English newspaper correspondents from Riga, a transference of great masses of troops has recently taken place in Russia, for the purpose of consolidating the garrisons on the Bessarabian frontier..."

With regard to the remarks referring to me, I should like to say a few words. In one point, there is, strange to say, an atom of truth in these insinuations. I can certainly not be accused of having too much sympathy with the Bojars who, at the moment, rule in Roumania. This lack of sympathy is probably explained by the fact that I, as a born Bessarabian cannot feel any gratitude to that regime which is making a great show in Bessarabia, in the Bukowina, and in other countries seized by the Roumanian Bojars. (Applause.)

Nevertheless it is not our fear of the royal army and its threatening armaments, but only our strong will for peace, which makes it possible for the Roumanian Bojars to make fun of the enslaved workers of Bessarabia and the Bukowina. We are firmly convinced that the preservation of peace and the fact of our peaceful success will bring about the solution of the whole series of questions, and among them the Bessarabian question. There is no need for us to organise and prepare a war against Roumania. Apart from this however, we can quote a number of facts which prove our sincere will for peace.

Should we indeed have begun to cut down the Red Army, if we had been preparing for war, for the occupation of Bessarabia, for an attack against Poland or other countries? Would the Supreme Military Council in this case have proposed the reduction of the effective strength of the Red Army by 50,000, as was done at my suggestion? We did this in order to diminish in this way the burden of our taxation and to emphasise our endeavours for peace. Another fact: did we not make such proposals in Genoa and the Hague? Did we not later on approach our nearest neighbours, Poland, Finland etc. with similar proposals? Was it our fault that the Moscow disarmament conference failed?

Needless to say, none of our enemies should cherish the hope that, having started on this peaceful course, we are ready to agree to every compromise and every humiliation. No. Our task, the task of the Soviet Union and, in the first place, the task of the Red Army is in the present circumstances, to bring the armed force of the Soviet Union on to an incomparably higher level than its present one. A situation must be created in which the possibility of a Curzon ultimatum is out of the question. (Applause.) We must get so far that no one will dare to speak to us in Curzon's language, and I am absolutely convinced that, with the help of the Soviet apparatus, we shall succeed in accomplishing this task, and transform our Union and our Red Army into a power with which the whole world will have to reckon. (Applause.)

A few words as to the details of the task.

I consider that it is the duty of the State to concentrate more attention on and to use more of its resources for defense. At what special point should these efforts begin? Where are the widest breaches in the defensive force of our Union?

I can assure you that even to-day the Red Army is a strong armed force; and if to-day we were to find ourselves in the position of having to test the force of our weapons in the field of battle, I do not for a moment doubt that the Red Army and the Red Navy would be equal to their tasks.

Nevertheless all is not as it should be. The greatest short-coming is the unsatisfactory condition of our war industry, our war technique. The situation has already greatly improved as

compared with the past, but we must still make progress. The Red Army must have at its disposal all those means of war which our possible enemies will have.

The second task is to bring our territorial formations up to a befitting level.

The third task is to raise the standard of the military education of the Red Commanders.

Our fourth task is to construct an iron revolutionary discipline.

Past discussions have been of great positive value in the expansion of our horizon and our general political development. They have however had their drawbacks. What is still left of these drawbacks must be removed with great determination.

Our fifth task is to educate the army in the spirit of the commands of our great teacher Lenin. The army and the navy of the Republic must, under the leadership of the communist party become the most powerful support of Communism and of the cause of revolution. Many trials lie in wait for us, and only by steeling ourselves in the spirit of Lenin's teaching shall we have the strength, energy and firmness of will to overcome them.

There are many shortcomings in our army but in one respect, in respect of the spirit with which it is imbued, in respect of its readiness to sacrifice itself in fighting for the great ideals proclaimed during the October revolution, it is on an incomparably higher level than the armies of any bourgeois country. The Red Army is the army of the future. It is the bearer of new ideals; this is the source of its power. This is the source of that heroism, that burning enthusiasm, which made it possible for us in the past years of civil war to issue victoriously from the trials of war, which gave your old comrades the power to sacrifice themselves by thousands in battle. I have in mind the brigade of the Kursants which fought on the Southern front where I led operations against Wrangel. Every achievement of this brigade was heroic. The Kursants fell almost to a man, but they did not yield their positions.

I believe that you will make these traditions of our heroic Kursants your own, I trust that they will enter into the flesh and blood of you, who are the commanders of the future. This tradition is the pledge of our future great victories which the Kursants, commanders and our whole workers' and peasants' army will display to the world, when the workers' and peasants' mother country calls upon them. (Continued applause. Cries of "Long live the old Guard!", "Long live the leader of the Red Army, Comrade Frunse!")

Family and Marriage Rights in the Soviet Union.

(The Bill upon Family and Marriage Rights.)

By J. Brandenburgsky (Moscow).

About a year ago the Session of the All Russian Central Executive Committee recognised the necessity for a revision of the Legal Code of Civil Rights. This Code was published in 1918 and during the course of the ensuing years it was subjected to but slight alterations and extensions.

It is the intention of the Commissariat of Justice to present the coming session of the All Russian Central Executive with a new draft code.

The central point is the marriage question. In 1918 when we laid down our principle of the so-called civil marriage, we had to struggle against the religious marriage and propagate the so-called civil marriage in contradiction to this. We were therefore compelled to emphasise strongly in one of the main articles of the Code that "only the civil marriage (soviet marriage) registered in the Civil Registry brings with it the rights and duties of married people".

This was true in so far as the "soviet marriage", as it was legally expressed at the time, was opposed to the religious marriage. But it was clear that such a law must quickly become obsolete, that is as far as it declared that only the registered civil marriage brought with it rights and duties.

This naturally brings forward two questions:

First, is the registration of a marriage absolutely necessary if the marriage is to be valid?

And the second question. What constitutes in any case, the "validity of marriage"?

The idea of the "validity of marriage" is indissolubly bound up with the idea of the "legitimacy of marriage", and

these two ideas stand in the closest connection with the relation of the classes and the capitalist nature of present-day states, where the bourgeoisie carefully isolates itself from "people of low birth". Only "legitimate" children have access to the families of the well-to-do, that is to say, children who are the offspring of an alliance made holy either by the church or society, i. e. the possessing class. The Russian landowner could have sex relations with women among his serfs, the officer could have a liaison with the milliner, but these alliances were not legitimate and the children following from them were branded as "illegitimate", they were not permitted to belong to the family of the "respectable" father.

Now, after the overthrow of the capitalist order and the dominance of the Church, and after the abolition of the class differences, the material difference between the cohabitation of married and of unmarried couples disappears completely. The illegitimate cohabitation is regarded by the law not only as a fact, but as a valid state and in consequence there can no longer be any talk of the legal invalidity of marriage when the latter actually exists. It is perfectly clear that marriage is valid whether it is registered or not.

If a registration is necessary, this is in no way for the purpose of making the marriage valid (this is done by the fact and not by the formality) but for the purpose of defending the personal and material rights and interests of the married couple and the children. From the legal standpoint there is no difference between registered and unregistered marriage, and no such difference can exist in the Soviet Union. All the rights and duties which the registered marriage brings with it must also be brought with the actual marriage relations, whether these latter are registered or not.

In 1918, the introduction of the registration of marriage was necessary as a counter-poise to the religious marriage. At the present time it is necessary to go still a step further and to recognise that the registration of marriage is actually nothing but a transitional stage to a higher form of marriage, free and without any form of registration.

Therefore, the draft which will be presented to the session of the All Russian Central Executive Committee will in no way contend that registration in the usual way is necessary for the validity of marriage. That would be wrong. Marriage will in all cases be valid and its material and legal consequences will be in all cases the same. The draft rather says, even in its first article, that "the registration of marriage is for the purpose of rendering easier the defence of the personal and material rights and interests of the married couple and the children."

This basic idea involves a number of conclusions. The new draft no longer speaks, like the old Code, of the conditions of marriage (with this the law cannot deal) but lays down the conditions necessary for the registration of marriage. This is by no means the same thing.

Persons who stand to one another in marriage but not in registered relations have the right at any time to define their relations legally by registration with a statement of the duration of the relations.

The right of alimony extends in the same way to unregistered married people, with the clause, however, that the unregistered party can only demand this right when the other party is not otherwise registered. That is, if a registered marriage is not only not liquidated, but is continued in the form of cohabitation, then a parallel relation, no matter whether this is of a more or less lasting character, cannot have the character of a marriage. This however does not affect the alimony for the children.

The old law is fundamentally altered by the fact that now both parties to the marriage have the same right to property acquired during the cohabitation. To the Soviet Government the division of the property of the individual parts of this unique "co-operative" appears as a remnant of the old inviolability of private property. For us, the normal and typical is the working class family where it is not possible to weigh on the scales the amount subscribed to the common good by each of the parties to the marriage. The results of the joint work of the parties to the marriage (the one outside the family and the other often inside) must represent the property of both parties; therefore the draft of the Commissariat of Justice lays down the joint character of all property acquired in the course of the marriage, no matter of what this may consist.

With regard to the relations between parents and children, the bill makes in this case far less fundamental alterations, for the basic lines of our conceptions in this connection have already

been laid down with perfect clearness in the Code of 1918. These basic lines are: the rights of the children with regard to the parents are determined by their actual origin, and in consequence, there can be no question of illegitimate birth, and secondly, the rights of the parents are carried out exclusively in the interests of the children, and in consequence the law gives no rights to the parents with regard to the children for the benefit of the parents themselves, but only with regard to third persons and in the interests of the children. With regard to the children however, the parents have above all duties to perform — they must take care of the children during infancy they must educate them and equip them for some social activity, and when the parents fail to perform these duties, then the courts can deprive them of their so-called rights as parents and take the children from them.

The new draft code contains a more precise definition, the previous lack of which led in practice to extremely perceptible conflicts: the parents have the right to apply to the courts for the return of their children who, for some reason or another, are in the hands of other persons, but in giving judgment the courts are **not** formally bound by the rights of the parents, but must exclusively keep in mind the interests of the children.

A very important alteration is the fact that **adoption** is permitted. In this the compiler of the code sees an effective means, amongst others, of combatting the abandonment of children as waifs and strays. The institutions for the protection of infants and mothers and for the socio-legal protection of children have for a very long time followed the practice of adopting and educating children, whilst the widespread practice amongst the peasants of giving their children away to foster parents has never been abolished. In such circumstances, the prohibition of adoption contained in the Code of 1918 has lost all justification and the new draft permits of formal adoption in which the adopted children are in all ways placed on a level with the natural children of the adopting parents.

We wish by way of example to point to the backwardness which is characteristic of the treatment of the question of marriage and the family in contemporary bourgeois countries up to the present day.

The most interesting in this connection is the Republic of France where the Church is separated from the State and where marriage by the Church has no legal standing but requires the completion of the marriage through the organs of the civil power. But this external form in no way prevents the treatment of all questions relating to marriage from the point of view of the basic norm of the old Roman law, in the eyes of which the woman remains under guardianship all her life. For this reason the French marriage has nothing in common with our marriage registration.

Let us compare the first article of our code (see above) which defines with perfect clearness the rather narrow boundaries of the legal significance of the registration, with § 149 of the French Civil Code: "No one can assume the title of wife or husband or demand the civil rights of marriage unless he or she can produce a document of the marriage recorded in the register." That means that all the material legal relations arise, not as with us, from the actual fact of the marriage, but only from the act of its legal completion.

The French law further demands the consent of the parents in cases where the parties to the marriage are under twenty one, and should there be no parents, then the consent of other adult relatives and even of other branches of the family, or finally of the family council.

Further, the soviet law does not mention the question of the equal rights of both parties to the marriage with regard to their material or personal relations. This equality stands beyond all doubt.

§ 213 of the French Civil Code declares, on the other hand, that the husband must protect his wife and that she must repay this by her obedience, and that in consequence she is **obliged to follow him** everywhere wherever it should please him to go. Her property rights are limited even if she follows her own profession or if the two live with separate property; she has not the right to appear before a court without the consent of her husband and to sell her property, to part with it, to pledge it or to give it away! The husband manages, in virtue of the law, the whole property of the family and of the wife and can alone ("seul") dispose of her whole personal property (with the exception of the unalienable immovable property) unless the woman

or her relatives have taken care to regulate their mutual property relations by a special marriage contract.

And **divorce**? The grounds permitting this in France are extremely limited. They are: breaking of the marriage vows, further the famous "adultery", serious illness or a judgment of the courts for a crime incompatible with the marriage. For divorce a complicated process is necessary with a preliminary period for proof and a separation of the two parties ("separation de corps"). In the Soviet Union divorce is obtainable at the wish of one of the parties to the marriage without further requirements.

In the other countries of Europe the laws upon marriage approximate to the French law which, like the French civil code, is the most logical.

In general one can say that marriage legislation in bourgeois countries binds the married parties most closely where religious sentiment is strongest, but the essence of this legislation is approximately the same and represents a variation of the French or, better still, the Roman conception of marriage.

According to the general German law, the property of the woman is handed over to the man for management as a consequence of the marriage, with the exception of the articles for her personal need and the property acquired by her own work. Business agreements of the woman without the agreement of her husband are invalid and even court decisions regarding matters which the woman has undertaken without the consent of the husband have no force for him.

In comparison with bourgeois family and marriage legislation that of the Soviet opens up a new world.

OUR MARTYRS

Haralambi Stojanov.

One after another there fall the most courageous and self-sacrificing champions of the Bulgarian proletariat, struck down by the bullets of the government's murder organisation or tortured to death in prison. The plan of the fascist government, literally to exterminate all persons known to be communists, and in the first place all communist leaders, is being drastically carried out. All communist members of parliament, all communist members of municipal bodies etc. are being systematically shot down on the open street. On Friday the 6th of March, comrade Haralambi Stojanov, the only communist member of parliament remaining alive, was shot down, as he was returning home from parliament, by an agent of the government's murder organisation.

Comrade Stojanov was a railway worker. At the elections which took place immediately after the insurrection in September 1923, he was elected on the joint ticket of the communists and the Peasants' League.

At the time when the centrist elements in the C.P. of Bulgaria, out of fear, made the cowardly and treacherous declaration in parliament, in which they repudiated Communism and condemned the September insurrection, comrade Stojanov was the only one who fearlessly declared from the parliamentary tribune that he had been elected as a communist and had come to parliament as such. He made a strong protest against the acts of cruelty which the government had exercised upon the arrested communists and members of the Peasants' League. Comrade Stojanov thereby saved the reputation of the Party in the eyes of the working masses, who had been disappointed by the cowardly and treacherous attitude of the centrist members of parliament. He received messages of congratulations from workers and peasants from all parts of the country.

When the centrists, who a short time ago again acknowledged communism, again on the occasion of the proceedings in parliament regarding the new Exceptional Law deserted their posts and made a fresh treacherous cowardly declaration, comrade Stojanov was the only who remained undaunted at his post and made all preparations to indict in parliament the reign of terror in Bulgaria. The bullets of the government agents have now silenced his voice for ever.

The death of this brave leader will stimulate the international working class to conduct the fight against the bourgeois murderers and bandits until they are completely annihilated.

THE WHITE TERROR

Further Activities of Zankov Murder Gang.

Assassin despatched to London to murder Comrade Rakovsky.

Just before going to press further information came into our hands which goes to show that the Bulgarian government of Zankov is even organising and financing assassinations of its opponents abroad. This information consists of two letters, the one from M. Stantcheff (address, Philipp Makedensky-Gasse No. 32, Philipoppel, Bulgaria) who is known in Bulgaria as one who carries out assassinations on behalf of the Zankov government. The addressee of this letter is Dr. Stoilov, formerly the Bulgarian Ambassador in Vienna, but at present at the Bulgarian embassy in Rome.

The second letter is addressed from the Bulgarian Embassy in Rome to the Foreign Ministry in Sofia. It is signed by the Bulgarian Ambassador himself. We are also in a position to state that two agents have already been despatched by the Bulgarian government for the purpose of carrying out murders abroad. The names of these agents are: Botutcharov, an officer, and Stoimenov. Ed.

The first letter reads as follows:

"Dear Stoilov,

Thank you very much for the letter and the books; it is, however, very hard to understand. The storms by day and night have begun. I was very glad to hear that the betrayer of Bulgaria, the scoundrel Tchaulev¹⁾ has been got rid of. I am almost convinced that the same will also happen with Dimitrov²⁾. He is at present in Rome. I cannot sleep so long as he remains alive. Once he is dead I shall be able to die in peace. I shall never forget the unfortunate people who are suffering in the hell of Soviet Russia. I have begun to keep a watch over our communists and can now boast that in a short time the entire central committee of our communists will be in my hands. Dr. Maximoff³⁾ is surrounded by reliable people, but we hope to arrest him, as well as the member of parliament Kosturkov⁴⁾. Yesterday I was with Lazarov⁵⁾ in his house and there learned that Vlachov⁶⁾ and Charlakov⁷⁾ have

¹⁾ Tchaulev, member of the Central Committee of the Macedonian revolutionary organisation, leader of the Left wing of the same and opponent of the policy of Zankov. As a result of this he was murdered by agents who were sent to Milan by the Zankov government.

²⁾ Dimitrov Georgi, member of the Central Committee of the C. P. of Bulgaria and of the Presidium of the Balkan Communist Federation.

³⁾ Dr. Maximoff, Communist member of the Bulgarian parliament who was arrested by the government on a charge of inciting to rebellion, but was acquitted by the Court.

⁴⁾ Kosturkov, leader of the bourgeois-radical Party, a decided opponent of Communism, but opposed to the methods of violence and the political murders carried out by the Zankov government.

⁵⁾ Lazaroff, General, commander of the Sofia garrison and one of the "heroes" in the putch of 9th of June 1923.

⁶⁾ Vlachov, foreign representative of the Macedonian revolutionary organisation and up till recently Bulgarian Consul in Vienna. Owing to his opposition to the methods of Zankov

fled to Soviet Russia. We shall send people there to-morrow in order to finish them off as well as Kolarov⁸⁾. Lambreff Kaspar started for London two weeks ago in order to get rid of Krstju⁹⁾ — the greatest evil. He has done enough mischief to us. Something is bound to happen to him in any event. I much regret that Z¹⁰⁾ is not satisfied with me. Formerly he always reproached me that I was too dilatory in settling with our traitors. Now I have received credit and permission. A thousand thanks for the information from Rome regarding Jureneff¹¹⁾, Schettle, Alexeyev, Dobroljuboff, Katz, Usurbekov, Lebedev, Rubanovitch and Trubnikov. Will you please continue the same work. You need not trouble about money, everything will be paid. Please telegraph me at once regarding Aussem¹²⁾. You will know him from Vienna (he is now in Paris). Who knows him by sight? I should be very glad if you would send to me in Milan the photos of the agents of the Soviet Mission. Koiju (Nikolaus) will arrive in Sofia in 8 or 10 days. Please do something for Naples. Dobroljubov often stays there. Where does he lodge? This interests W.¹³⁾ very much. I send you 8000 Lire for January and February for the purpose of carrying on the work. The Cheque is on the Bank of Rome.

With a thousand greetings

M. Stantchev."

The second letter is as follows:

"Bulgarian Embassy in Rome.

24th January 1925.

No. 186/2.

To the Foreign Ministry in Sofia.

The arrival of Dimitrov in Milan after the murder of Tchaulev, as well as the previous meeting between him and the latter at Palestro street No. 3 where Tchaulev lived, proves beyond doubt Dimitrov's connection with the Soviet Mission. The observations which I have made in Milan over Tchaulev, absolutely proves the participation of the Soviet Mission in Italy in the Bulgarian organisation. The information of the agents regarding the work of Dr. Peneff confirms my opinion still further. We have established connections with Usurbekoff and hope in a short time to expose the work of Jureneff and I hope that... the agents in Vienna, who are in touch with Aussem and Rome, will achieve quick and good results.

Ambassador, Radeff.

Secretary, Stojanoff.

he was removed from his position and condemned to death by the government's murder organisation.

⁷⁾ Charlakov, up till recently editor of "La Federation Balcanique" which stood for the independence of the Macedonian movement from the Bulgarian and Balkan bourgeoisie.

⁸⁾ Kalarov, member of the Central Committee of the C. P. of Bulgaria and of the Executive of the Communist International.

⁹⁾ Krstju Rakovsky, representative of the Soviet Union in London, who energetically advocated the independence and freedom of Macedonia, and at the same time exposed the game of the Bulgarian government with regard to the cause of the Macedonians.

¹⁰⁾ Z. This refers to Zankov.

¹¹⁾ Jureneff, Ambassador of the Soviet Union in Rome.

¹²⁾ Aussem, up till recently Ambassador of the Soviet Union in Vienna.

¹³⁾ W. This refers to General Walkov, Minister of War in the Zankov government, the chief organiser of the political murders of the opponents of the Zankov government and the most reliable tool of Bulgarian monarchism.