

The COMMUNIST REVIEW

THE COMMUNIST PARTY OF GREAT BRITAIN

16, King Street, Covent Garden, W.C.2

Number 2

Vol. 2

December, 1921

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Review of the Month

Regarding Ourselves

THE circulation of the COMMUNIST REVIEW is sweeping rapidly forward and once again we have been compelled to print an additional supply. We received hundreds of orders for the October and November issues, which we regret we were unable to fulfil. Our friends should note that we only print REVIEWS according to the number of orders we have on hand. We are compelled to do this because we cannot afford to have any unsold copies left over. It is only by the strictest economy and the amount of voluntary labour given to the REVIEW in addition to our exceptionally large circulation, that we are able to sell it at sixpence. Where sellers of the REVIEW find that the demand for it is increasing it would greatly facilitate matters if they would increase their orders now.

While it is gratifying to report that the circulation of the REVIEW is going forward with leaps and bounds we must confess that here and there a vast improvement could be made in bringing it before the masses.

The Soviet Concessions

LAST month we stated that the full importance of the Soviet revolution had not been adequately appreciated by the official Labour movement in this country and by Mr. Snowden and Mr. MacDonald in particular. Every concession which the Russian Government has been compelled to make to the powers of imperialism has been greeted with a chorus of approval by the leaders of the Second International. These gentlemen seem to imagine that these concessions demonstrate the wisdom of their non-revolutionary policy. Poor fools! They do not seem to understand the meaning of the Communist slogan of "*All Power to the Masses.*"

No one more clearly understood the insuperable nature of their task than the Russian Communists did when they seized power in 1917. They vividly realised that their success depended upon the revolutionary triumph of the *international proletariat*. They knew that if the world workers did not rise against their masters that the Russian revolution would be compelled to manœuvre for position until the workers of other lands made a determined onslaught upon capitalism. The Russian Communists had to adopt a policy which gave them full control in order to have as many powers as possible with which to bargain, if need be, with international imperialism during the period within which the masses in other countries were organising their revolutionary forces. The history of the Russian revolution has shown that every time the Soviet Government has conceded anything it has done so by using the concession to consolidate its revolutionary power.

Many short-sighted people, even in the revolutionary movement, imagine that the Communists of Russia, who scorned to compromise with the imperialists during the war, and who denounced the Second International for making concessions to capitalism, are inconsistent because they themselves are now bargaining with the bourgeois States of the world. Let us examine this point. The attitude towards compromise is determined by definite relations and conditions. Before the revolutionary masses seize all power they have very little to bargain with because every aspect of social power and control—means of production, the Press, educational facilities, armed forces, etc.—is in the hands of the propertied interests. All power being in their hands, the capitalists are able to compromise with a dangerous Labour enemy in order to safeguard their class interests and consolidate their class power. The capitalist class, in thus submitting to a compromise with the Labour movement, does not betray its class interests, it rather uses compromise as the means wherewith to buy additional class power. It is because compromise *prior to a revolution* strengthens the ruling class, and thus relatively weakens the Labour movement, that revolutionary socialists are always suspicious of agreements and alliances with

capitalism. We can, therefore, understand why the Russian Communists were most emphatic in their opposition to compromise when they were struggling against the propertied interests, who had all the economic and political powers in their hands. In order to be in a position to combat capitalism and imperialism in Russia in 1917 their slogan was: "No Compromise" and "All power to the masses."

Holding Power in Russia

WHEN the Russian Communists, as the mass leaders in the Soviet revolution, seized all power their real task of revolution only commenced. Long before the Soviet revolution, the followers of Marx had outlined the essential functions of the proletarian revolution under two heads—the tasks of *destruction* and *construction*. These tasks have been closely studied since 1871, the year of the Paris Commune. The problems of destruction and construction, in each country, are determined by a whole series of historical and economic conditions. In some countries the capitalist class is most powerful and is additionally strengthened by having well-organised imperialist allies, ready to rush to its aid in case of a proletarian uprising. Such a condition as this would make the preliminary and destructive task of a revolution extremely difficult. Where, however, the capitalist class is powerfully entrenched the economic technique is generally in a high stage of development and this makes the constructive task of revolution a relatively simple matter. The propertied ruling class in Russia was very weak prior to the Soviet revolution; but the conditions of industry were wretchedly primitive and in a state of complete collapse. Indeed, the Soviet revolution came just in the nick of time to prevent the very fibres of Russian society from being absolutely destroyed by the chaos and muddle caused by the lack of organisation and centralised effort of the Kerensky Government. Even if the Russian Soviet revolution had been backed up by an international rising of the proletariat the tasks of reconstruction would still have remained gigantic and well nigh insuperable. Not only did the workers of other lands not rise against capitalism but the whole imperialist world hurled itself upon struggling Russia by blockading it and compelled it to send its most dauntless revolutionary proletarians to the frontiers to defend the Soviet system against the various White armies. Faced with these almost overwhelming problems the Russian Communists had to buy "breathing spaces" in order to safeguard the revolution. That they were able to get any breathing spaces at all was due to the fact that they had captured all power in Russia and were able to yield fragmentary concessions which helped to momentarily pacify the hungry wolves of imperialism. The Bolsheviks have yielded every point under protest and have only yielded because of the sheer pressure of circumstances. Had they adopted the insanely moderate policy of Mr. Ramsay

MacDonald, who does not demand *all power* for the masses, the Bolsheviks would have had nothing with which to bargain with their enemies. Now that the Soviet Government has offered once again to discuss the payment of the Tsarist debts, Mr. Ramsay MacDonald says that Lenin has retreated to the position of the I.L.P., which does not repudiate the national debt. What the superficial mind of Mr. MacDonald cannot grasp is that the Bolsheviks *have won power* and are utilising the Tsarist debts as a method to consolidate that power. The I.L.P., however, is prepared to meet the debt of British Tsardom *before it has even gained one ounce of power*. In other words, the I.L.P. is quite willing to give the enemy a strategical position before the battle commences. Soviet Russia has retreated. But every inch of ground retaken by the enemy has been desperately defended and has only been yielded when the enemy handed over some of its heavy artillery. The Soviet has never retreated with empty hands. In its retreat it has maintained its power to be able to advance and resume the offensive at the earliest and most favourable moment. The Soviet's retreat has compelled the imperialists to lift the blockade and to remove their armies.

Russia's Problems

IT is extremely difficult for meek individuals like Mr. Ramsay MacDonald to comprehend the revolutionary strategy of Lenin. The brilliant leader of the Russian revolution views the terrific conflict at present going on in the world from the standpoint of the class struggle, which reduces itself to a question of power. Whatever concessions have been yielded have not impaired the unchallenged political supremacy of the Soviets. None of the bargains with the imperialists has led to any compromise so far as the Dictatorship of the proletariat is concerned.

The reason why the revolutionary masses must deprive the middle-class and the capitalists of all political power in the early days of the revolution is abundantly illustrated by the article of comrade Rutgers, dealing with this important point, which appears in this issue of the COMMUNIST REVIEW. The manuscript of this valuable survey was sent to us several months ago by Madame Rutgers and only pressure upon our columns has prevented us from printing it sooner. Comrade Rutgers shows how difficult it was in Russia, after the Soviet revolution and in the absence of a technically trained proletariat, to organise the middle-class experts and intellectuals. Since Rutgers penned his article many of these intellectuals have been compelled to recognise that the Soviet Republic is no passing phase, but is a new and most powerful organ of social administration. Reports are showing that the middle-class have had their lesson; the length and severity of which has been mainly caused by their own stupidity and reactionary posture. If they now rally to the aid of the Soviet, as they seem to be doing, the Government may reward them by so modifying the franchise as to enable them to take part, politically, in moulding the future of Russia. Such a step as this would be hailed as a further compromise of the Soviet Government. In reality it would demonstrate

the triumph of the proletarian revolution over the recalcitrant middle class.

The recent change in the policy of the Soviet of leasing the great factories to private firms is meeting with great success. *Pravda* contains detailed statistics regarding the wonderful output of goods now taking place in the Moscow district. Under the new policy Russia is slowly building up what she has not had since 1914—her factories and mills working at full pressure. In this way the economic life of the great country is being put upon a new basis. The pity is that the Soviets were not permitted to tackle this problem in the beginning of 1918. Instead, Russia was forced to take the most capable and skilled members of the revolutionary movement away from the pressing problems of industrial reconstruction and to send them into the trenches. Russia has never had a technically trained proletariat like Germany, Britain and America. Her technical skill was mostly in the hands of the middle-class, which did not respond to the early demands of the Soviet revolution. In revolutionary centres, like Petrograd, the Communist artisans, whose industrial services were necessary to the success of the revolution, drained their ranks no less than fourteen times by sending their most intelligent and enthusiastic organisers into the Red Army. Indeed it is questionable if the front line of the Communist proletarians, in Petrograd and Moscow, who led the attack on November 7th, 1917, are alive to-day. It is doubtful whether history will ever see repeated the sheer heroism and reckless disregard for their own lives that characterised the rank and file of the Communists in the first years of the Soviet Republic. The marvel is not that the Russian Communists are now bargaining with the middle-class inside Russia and the imperialists outside, the real marvel is that the Soviet Republic has successfully combatted obstacles for four years which would have completely shattered any Labour parliamentary democracy in four months, if led by such weak-kneed moderates as Mr. Ramsay MacDonald. How easy it is for this indemnity champion, in the slippered ease of his study, to teach men like Lenin and Trotsky, who are in the revolutionary trenches how to run a revolution!

The lesson of the Russian struggle, during the last four years, is one which should sink deep into the minds of every honest and straightforward Socialist in Britain. A revolution in this country would not follow in the same line as in a backward industrially developed country like Russia. But there is one vital point of contact which must unite the European proletarian revolution with that of Russia, and that is the need for all power being vested in the control of the masses as the first indispensable step towards success. It is only by undermining the political institutions of present society and by thus replacing the capitalist powers by the industrially organised forces of the proletariat that capitalism can be successfully challenged. Our task of breaking the splendidly equipped fighting forces of capital in this country will be a hundred times more difficult than was the work of the Russians in destroying Tsardom and the dominant landed ruling class. In Russia the destructive work of uprooting the old system was as nothing compared to the problem of constructing a new social system, owing to the numerical weak-

ness of the proletariat and the absence of a highly developed economic technique. In Britain the really important majority, of the working class, is made up from a specially trained and educated industrial proletariat, of whom thousands are technical experts. In Russia technically trained mine-managers came from the middle-class; in this country there are hundreds of certificated proletarian mine-managers who are unemployed and who would be eager to place their services at the disposal of a Workers' Industrial Republic. In Russia the workers are separated and swallowed up in great geographical areas, which makes unity of action and social co-operation extremely difficult, but in Britain the industrial population is compact. In Russia the industrial centres, like Petrograd, are thousands of miles away from mineral zones such as Baku and the Donetz, but in Britain industry has been so organised that the great coal, iron and engineering industries lie close together. These differences between Russia and Britain shall react upon revolutionary tactics. There the most arduous task is that of industrial reconstruction; here the greatest difficulty will be in wresting all power from the clenched fist of the ruling class. In Britain the work of industrial reconstruction will be comparatively simple, because history has partly solved that problem for us. The British masses hold one of the keys of the world-revolutionary situation and the sooner they use it the better it will be for themselves and for the dauntless proletarian fighters of Soviet Russia.

W. PAUL.

URGENT!

WE have always contended that the most dangerous enemies, confronting the Communist movement in this country, are the leaders of the Second International and particularly those who are mercilessly exposed every week by our brilliant contemporary **THE COMMUNIST**. The proof of our contention was vividly demonstrated, by the amazing verdict against **THE COMMUNIST**, in the recent libel case brought forward by Mr. J. H. Thomas. Ever since the Communist Party was formed, twelve months ago, many attempts have been made to wreck it and to destroy the party organ—**THE COMMUNIST**. One reason, amongst many, why Sir Basil Thomson was dismissed was that he had failed to weaken the Communist Party and its fearless paper. Where Sir Basil Thomson failed the Right Hon. J. H. Thomas cannot hope to succeed. The capitalist government could not injure us by imprisoning our members and the leader of the Second International shall equally fail in his attempt to smash us by mulcting them. **THE COMMUNIST** is the only working-class paper in this country that is not afraid to unmask the enemies of Labour. Its bold stand during the miners lock-out, and the warnings it issued, have been proven up to the hilt by subsequent events and by the present condition of the masses. We urge all our readers and sympathisers to rally to **THE COMMUNIST** and to assist it by increasing its circulation and by sending it financial assistance.

W.P.

A Personal Testimony

THERE are some facts I would like to blot out from memory, but I cannot. Had you layed in Sacramento jail as I did, and seen your comrades dying all around you and seen them losing their reason from the inhuman treatment they were receiving, you too would want to blot it from your memory.

On December, 22nd, 1917, fifty-five workmen from all walks of life were sitting in the Industrial Workers of the World hall at Sacramento, California, reading. Some of these men were members of the organisation and others were not. Most of them had just come in from their work, and were sitting there reading. When without any warning the police drove up, and with drawn guns rushed into the hall and made everybody put up their hands. After finding nothing more dangerous than a red cord, they then loaded every man of them into the patrol wagon and unloaded them in a drink tank at the city jail. This tank or cell was just about 18 by 22, with a little barred window that let in a faint ray of daylight. Some of these men were members of the organisation, others were not. All of them were migratory workers. Maybe two or three were not. I am not sure now. You see, I want to be careful to the very word to tell the truth, because the truth will always stand. It mattered not to those in charge, anyway, what they were. Now let me tell you what happened right in the very heart of California, and in the heart of Sacramento. These men were each handed an old, worn out, vermin-infested blanket, so dirty that the smell would knock you down, and in this cage or cell, without a bed to lay on, these fifty-five men layed for sixty-five days in the middle of winter.

I don't want anybody to think I am exaggerating as to the true facts. I don't have to. They had to take turns at laying down. There was one toilet for all, and that was out of order. No chance to take a bath, nor were they allowed to take a shave. There they lay, day after day. Not a friend was allowed to see them. Not having the chance to bathe, soon they were swarming with vermin. Their beards grew long, and they grew weaker day by day. Two went insane, one kept trying to kill himself. They did take this man out, after a while. All these men had money, and one of those in charge agreed to buy food if the men would pay for it, which they gladly did, because they were starving at the time. When the food arrived, others in charge of the jail would not let them have it. What I tell you now is almost too much to believe. They set the food just beyond their reach outside of their cell or cage, "and let it rot." Soon the smell was unbearable from the rotting food. But those brave men in charge of the jail only laughed and said it was too good for them.

The men soon became more like wild beasts than men. No words can describe their sufferings. Their beards had grown so long and they were so thin. They were a sight to behold. At the end of sixty-five days they were turned into a county jail where it

was some better, because they could now take a bath. But let me tell you, almost a year later, some of these very men, still not half their former self, sat in the court room, and when the judge gave the most of them ten years, they just received the sentence with a laugh of scorn, and, on the impulse of the moment, with clear, ringing voices, started to sing solidarity forever. It was a wonderful show of solidarity. They had not made any plans to do this. But their true feelings broke loose. It was sure grand, and they then walked out of the court house, singing "Hold the Fort." After all the long months we had lain in the filthy jails, we now knew we were going to where we could at least keep clean, and, if sick, get treatment.

There is so much to say about this holy justice, I get ahead of my story. I will now let you know how these men were released from their 18 by 22 cage in the city jail. One little woman, sick herself, moved by the sufferings of these men, went before the court and with tears in her eyes pleaded for the very lives of these men. She told the court what was going on right under its very nose. She told them of the shame of it. She told them not to forget that this was America they were living in, too. What was her reward for this? Let me tell you; she was indicted with the rest of us.

They even had to show their spite on one poor, weak and sick little woman who had pleaded with tears in her eyes in the name of justice and humanity to save the lives of these men.

I was arrested just after these men were turned out of this hell hole, and turned into the county jail. I arrived at the time in the county jail myself. Never will I forget the sight of those men. They had fell away to nothing. Later on the flu struck Sacramento. These men in their weakened condition were soon victims. One by one they died, till five had passed away. They would not even let us have a doctor, till at the expense of the organisation they sent one in to us. We were all sick and were up day and night doing the best we could to take care of those who were in the worst shape. In spite of all we could do five died. Really I don't know how to describe what we went through at the time of the sickness. It was hell. That is the only way I can describe it. There we were all sick, trying to help the others in worst shape, falling all over ourselves. Nobody could come in to help us, only the department agent.

Get these facts to Washington in letters of protests. This is only a little.

JOHN L. MURPHY, 13586.

(From *The Liberator*).

Why are YOU not a member of
the Party?

Radek's Criticism of Communist Party of Great Britain

[The following speech was delivered by Karl Radek at the Communist International Congress, held at Moscow last August. True to the Communist method of self criticism, we print the speech in order to enable our Party to realise its inherent weaknesses. At the same time we must not forget that Radek, like every Communist leader, never praises a party for its successes and triumphs; these are always taken for granted. A Communist International Congress is a place for discovering mistakes, for a self-analysis of the movement, for a comparison of notes and an elaboration of new policies and tactics—it is not a place for compliments and mutual admiration.—Editor.]

LET us take one of the smallest Communist Parties working in a great country, which is now the arena of mighty class fights. I refer to the attitude of the English Communist during the present great miner's strike. Comrades, the reason why I begin with this account is because I wish to put the following statement at the head of my statement on concrete tactics. There can be no Communist Party outside the mass movement. However small a Communist Party may be, it must place itself at the head of any movement of the masses taking place in its country, and concentrate all its forces on it during the fight.

I believe that the example of our English comrades proves that our youngest and smallest Communist Parties are not doing as yet even the simplest and most important things that are to be done in this sphere.

During the whole period of the strike I have been reading *The Communist*, the organ of the English Communist Party, with careful attention. It must be acknowledged that the English Communist Party has managed to give a proper propaganda character to this paper, which was not the case with their former paper, *The Call*. *The Communist* conveys the impression that it stands in a close relation with the actual life of proletariat, while some organs of Communist Parties seem to have been published on some other planet. But you will find a characteristic feature in the above paper. There are no reports of what the Party is doing in the mining districts. This circumstance looked very suspicious to me. I requested our friend Borodin, who has written an excellent article on the English strike for the Executive, to circulate an inquiry list among the delegates who have arrived from England, for the purpose of ascertaining the facts concerning the miners' strike. I wish that a great number of these comrades should be made acquainted with the results of this inquiry. We have learned that some meetings did take place in the mining districts, but they were not arranged by the Central Committee of the Party according to any definite plan. The meetings were organised by separate Communist groups. To my question, what do you tell the masses, what is your attitude to the question of nationalisation? what is your attitude to the present concrete claims of the workers? one of

the comrades replied: "When I ascend the rostrum at a meeting I know as little about what I am going to say as the man in the moon; but being a Communist, I find my way along while I speak."

What does this mean? The Party stands in the midst of an immense revolutionary struggle of the proletariat, and *has no definite plan for the distribution of its forces*. The first rule to be observed is, that the smaller the forces, the more effectively they must be used. Further, the Party sends out its forces, but does not give them any watchword for the fight. The comrades are not instructed what to tell the miners about the present moment, nor what they are to say in regard to the future. There is another thing: In many places the Party appears on the scene under the cloak of the "Workers' Committees," and any success that is achieved by the propaganda does not bring the masses near to the Communist Party. Comrades, we consider it our duty to say the following, even to the smallest Communist Parties: You will never have any large mass parties, if you limit yourselves to the mere propaganda of the Communist theory, if, in the event of such a movement, you have but one watchword: Do not trust your leaders! The English Communists have made this watchword very popular, and were right in doing so.

But you will never stand at the head of these masses of workers if you do not help them by fighting in their front ranks, by taking part in the movement as a Communist Party, teaching the workers the lessons of the fight by your watchwords. The general principle which we must repeat again and again is, *Nearer to the masses*. Every day in which this was not done is a day lost for the cause of Communism. The smaller a Party is, the more it must concentrate its forces on the achievement of this task.

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The Intellectuals and the Russian Revolution

By S. J. RUTGERS

I.

The Middle Class and the Masses

IN the days prior to the war the conquest of power by the working class seemed a thing of the far future. The question of the difficulties which subsequently would arise was not much thought about. Most of us supposed it would all be plain sailing after power had been captured, and this for two reasons. Firstly, because it was taken for granted that, by the time the proletariat captured power, capitalist society would have attained to a degree of technical and economic perfection that would have ensured sufficiency for all. Secondly, because no doubt was felt about the attitude of the intellectuals whom we thought would adapt themselves to the new order and would prove the allies of the conquering proletariat because—as was assumed—their chances, material and intellectual, would be better in a socialistic society than in the present one, weighed down as they are by the ever-increasing pressure of trust-capital. A serious disturbance in the apparatus of production was not to be feared, the importance of the capitalist's rôle in the actual control of industry being on the wane, as it was, there seemed no grave difficulties in the way of the reconstruction of society under the dictatorship of the proletariat.

It was, of course plain, that a fierce fight would have to be fought for the conquest of the power, but in this very fight the workers and their organs of class rule would develop new energies, and thus contribute to the simplification of the problem.

This, then, was the current theoretical conception of the matter. But Russian reality has taught many lessons.

In the first place, the establishment of the workers' dictatorship was rendered necessary in Russia—and this will in all probability, hold good for further developments of the world-revolution—as a consequence of the collapse of capitalistic society. Not in abundance, but in misery, the New Society is born.

Even before the world-war it was plain that Capitalism was past its creative period. Imperialism had no use for the overwhelming means of production it manufactured. It sought salvation in expanding finance-capital rather than by means of an improved technique. Likewise, the tendency to transfer industries to unexploited regions, where raw materials and labour were cheap, meant a lowering of the average standard of technical power. And, in addition, there set in an ever-increasing waste of capital in unproductive expenses, speculative enterprises, etc., all of which culminated in the world-war, with its riot of waste.

Not only is Capitalism decadent but it has, once more, revealed the sad truth that a class does not die without defending itself to the very last. From Denikin to Lloyd George, the leaders of reaction have, to a man, shown themselves absolutely devoid of human feeling. The capitalist class is determined to drown society in blood, and let intellectual and material civilisation crash into the abyss of universal ruin rather than of its free will, concede to the proletariat one single position of power.

It is one aspect of the class-struggle, which some of us have perhaps shrunk from facing, that classes in power maintain themselves as long as they have products at their disposal to bribe and arm groups against the working class. We see this day by day in Russia, and we know both by theory and practice, that Communist Society can arise only after a terrific struggle.

The attitude of the intellectuals, as a group, in the widest meaning of the word, is, in part at least, determined by this circumstance. Towards the Social Revolution the attitude of the intellectuals as a social group has always been one of opposition. This is pretty generally admitted, even by men like Dr. Max Adler, who, nevertheless, expects great things for the Social Revolution from the intellectuals. In "Socialism and the Intellectuals," he writes (p. 23): "The class-antagonism, by arousing the class-consciousness of the proletariat compels it to seek culture and drives the intellectuals into the camp which most strenuously opposes this craving for culture, the camp of the bourgeoisie."

The attitude of University undergraduates in the various countries likewise points towards an increasingly reactionary temper even amongst this flower of the intellectual flock.

In the capitalist system the degree up to which middle-class intellectuals are able to achieve a relative independence in matters material and mental, is determined by the bourgeoisie's valuation of their services; but even this culture is necessarily culture of a bourgeois order. The environment and the education of the intellectual have this for their one aim. The idiotic school-system, which all but absolutely bars general culture in order to waste time upon all kinds of irrelevant information which, if eventually needed, may be had from any handbook; the promoting of an exaggerated and consequently, senseless sport: all this, as a system of education compares only with military drill, which, of set purpose, day by day, for months at a time, repeats a score of movements and exercises which the dullest might easily master within a few weeks, and this, avowedly, in order to deaden the intellect and enforce a habit of mechanical obedience. The little world of the University undergraduate, fenced off from real life, within a secluded circle, animated by an arrogant caste-spirit, in which army officers move, makes for one and the same end: the maintaining of exploitation. Even to workers the process of emancipation from bourgeois ways of thinking and bourgeois culture is a hindrance in their struggle for freedom; how much the more then must this be the case with bourgeois and semi-bourgeois intellectuals!

Class antagonisms have not lessened of late years, but have, on the contrary, increased. Imperialist-nationalist ideology has

conquered the whole bourgeois-intellectual world. This ideology, working hand in hand with economic greed, was the promotor of the past war. It is the abettor of the class war in the midst of which we now live and of the national wars which are bound to come. The fact that it is precisely the intellectuals who, generally speaking, are the propagandists of Imperialism, is not a mere accident. Extension of the world-power of capital means extension of bourgeois culture over all the earth, and, therewith, extension of the possibilities, material and otherwise, which favour the apostles of bourgeois culture and the adepts of bourgeois science. It opens perspectives which make one forget the deadly monotony of a drudge's existence, forget material and moral slavery. The more desperate the reality of bourgeois life, the more passionate, and utterly reckless the ardour with which the more energetic among them embrace this new ideal. Pioneers of science, engineers, ministers of religion, soldiers, politicians and journalists leave their study and sally forth to the conquest of the world, penetrating into the farthest recesses of Asia and Africa. The home-stayers have also their task in warding off and keeping down the masses by fraud and force.

All this hardly makes it probable that the intellectuals will prove helpful in the building up of Communist Society. It is contended that under Communism conditions of life will be better, for intellectuals, as for others. This, however, seems exceedingly improbable during the transitional period of the dictatorship of the proletariat, with which the present generation has chiefly, if not exclusively, to reckon.

The Russian Revolution has demonstrated the fact that, on the whole, the bourgeois intellectuals do not readily adapt themselves to the new order of things. The causes are obvious. As was inevitable in so great a general impoverishment, the preference accorded to the claims of the workers created a shortage for the old privileged classes. And this not only materially, as in the matter of food, clothes and housing, but also in many things which we are accustomed to consider as part of the mental and moral privileges of bourgeois culture. Regarding the last-named point, it may perhaps be objected that the new Worker's Government in this very matter makes the utmost exertions to promote and render accessible to the generality both art and science. But it should not be forgotten that socialising a thing means restricting the individual rights of the few who formerly had the exclusive disposal of it. Activities play in new channels and as many new resources cannot be made accessible to the masses, these have to be reserved for the building up of the new life, and this again, entails restrictions upon *individual* use. Lastly, to those intellectuals prejudiced by bourgeois thought and habit, the new surroundings seem depressive, so as to seriously impair their capacity for work.

It has been said: "The workers stand for a new culture, and this must draw the intellectuals to them."

But the culture of the intellectuals is not culture in the absolute sense, but *bourgeois* culture, which is generally inimical to proletarian culture. What is more: proletarian culture cannot exist

but by conquering bourgeois culture; and this is one of the most radical processes of the proletarian revolution. Class monopoly must be destroyed, not only in material production but in science, art, and all culture in general. Since then a new mentality must be given to the mass, the power of the bourgeois intellectuals as a class must be destroyed; it is, therefore, somewhat naive to count on their support during the proletarian revolution.

In so far as bourgeois intellectuals obtain the lead in the proletarian revolution and exert any influence upon the new system of production and culture, it will be to the harm of the proletarian revolution. For, as monopolists of bourgeois culture, these intellectuals shall be the very last to be able to see and solve the new problems.

This sets the workers a difficult task, and it will be as well to examine the manner in which these difficulties cropped up in Russia, and the manner in which they were met.

Single individuals of the bourgeois intellectual middle class sometimes pass into the ranks of the working class. These individuals, of course, can do useful work, even though, as is probable, they should in many cases, prove unable to keep up with the progress of the revolution, especially if that progress be a rapid one. These elements may even be said to constitute an *indispensable factor* in the transition from bourgeois to proletarian society. As it is necessary to take over and use the technical resources of Capitalism for the building up of the new world, so it is necessary, and necessary in an even higher degree, to take over and use the results of the science and experience, upon which this technique is based. It is true the theoretical elements of the technique are, partly, to be found in books; but these books are only valuable when interpreted or used by specialists. And for the education of the new generation we still, in the main, must look to the bourgeois intellectual world for teachers. This co-operation of the old and the new renders, therefore, all the more necessary a lengthy period of proletarian dictatorship, in which the proletariat must acquire the mental qualities demanded by the new society. In this process members of the intellectual class, who have broken with bourgeois culture form, of course, the important elements.

II.

Lessons from Russia

AS is well known, most of the intellectuals and of the technically-educated in Russia, after the October revolution, refused to serve under the proletarian Government and even attempted sabotage and systematic obstruction on a large scale. This at once caused hesitation, even among certain groups of Communists, and there were some who advocated a policy of concessions to the Mensheviks, in order to arrive at co-operation. These projects, however, were not realised, and it certainly is one of the very greatest, among the many great merits of Lenin, that, in this critical situation he, by his unflinching firmness and unconquerable optimism, restored courage and self-reliance to many

quailing hearts. Now that it is all past and over, this may perhaps seem to many of us, to be the natural and logical acceptance of a principle professed from the outset and always adhered to. But when all circumstances, including the personal feelings of those who played a part in the October Revolution become known, it will then be realised what it meant to act up to principles and to claim all power for the workers in face of the threatened revolt of the middle class experts. The workers had to take upon their own shoulders the huge task of administration and reconstruction. It required an almost superhuman courage to do as many workers did at the time of the formation of the first Council of People's Commissaries, to wit, to take upon oneself, guided only by one's Communist convictions, to administer, conjointly with the trade-unions concerned, large factories and public services. It is difficult to fully realise what it meant to assume the control of the banks, at a time when the counter-revolution and the system of sabotage had utilised them as their principal bases of action. Think of Trotsky, for example, who, as president of the revolutionary military Commission, had to beat off an attack by Kerensky's troops on Petersburg. The task seemed a thing transcending all imagination. And yet, it was done. Not due, of course, to any military experience of Trotsky's—which he could not possibly have had at the time—but because numerous contingents of revolutionary soldiers proved willing to march against the enemy, and the adversary's troops were averse to meeting them in a serious fight. When one sees the modern Red Army sweeping past, colours flying, and every one in perfect rhythm, it is difficult to imagine what heroic revolutionary courage Trotsky displayed in the surging days of October, 1917.

What proved a most difficult thing at the time was to find a worker who dared to take upon himself the control of the totally disorganised food-distribution; but among Russian Communists the rule is, that when the comrades declare a man fit he considers the question settled.

It is not to be wondered at, truly, that the bourgeoisie and the intellectuals were absolutely convinced that this condition could not last for a fortnight: our own friends had only the vaguest of ideas about how they were to manage. But the workers and peasants saw there was no other way out, and they went forward undaunted by temporary difficulties, undaunted even by the doubts that beset many of them. Here it was where the masses that wrought the wonder of the revolution. The chief merit of the handful of intellectual leaders was certainly this, that they never allowed themselves to be discouraged, that they continued to trust in the triumph of methods which, judged by the standard of the bourgeois intellectual, seemed hopeless.

The prediction of a rapid and total collapse of Bolshevism was not fulfilled. The much-wondering middle class intellectual saboteurs were compelled to come back and beg for work, lest they should starve. But the distrust they had aroused among the workers for a long time still continued to make felt its salutary after-effects.

Compare this with the history of the Hungarian Soviet Republic. Fraternal co-operation among Social-patriots, middle-class experts, and the Communists in the conquest of power. High-sounding declarations by engineers and intellectuals, who put themselves at the service of the Soviet administration in order to co-operate in the reconstruction. Result: extensive corruption from the outset, systematic treason, and sheer treachery by the old leaders of the trade-unions and the representatives of the Entente. In the end, surrender and the inauguration of a most bestial system of white terror.

We leave out of discussion the question whether the Hungarian Soviet-Republic would, without the help of Russia, have been able to maintain itself as a purely proletarian organisation against the united attacks of its enemies, under the leadership of the Western democracies; but the manner in which the Soviet-dictatorship arose and fell, is, in itself, most instructive.

It is rumoured that in Germany large groups of intellectuals are in favour of Soviets, that manufacturers are perfectly willing to continue business on a new basis, and even army officers are interested in Bolshevism—this is a sign of danger, that should not be under-rated.

It has often been said: in the countries of Western Europe it will be difficult for the workers to conquer the power now held by well-organised capital, but once they have the power, the construction of a new society will be comparatively easy. This verdict is mainly based upon the consideration that the great number of intellectuals and "educated" workers will assist in the Communist organisation. And this illusion is cherished, although we see, even now, that the best educated groups of workers may be the most reactionary.

In Russia, both the inexorable policy of the party, unswervingly true to principle, and the attitude of the intellectuals themselves, threw the workers back upon their own resources; and this indubitably, accounts for the success of the Revolution. What, then, were the subsequent developments?

The intellectuals, as we saw, made haste to retrace their steps and proffer their services, which were accepted. But their co-operation was far from being cordial; covert opposition, or, at least, absolute deficiency of co-operation was the first result.

III.

Middle Class Technicians and the Soviet

MY work in Soviet Russia brought me into frequent contact with engineers in the employ of the Soviet organisation for public works. Under this department all new constructions were grouped, building of roads, bridges, new railway lines, canals, systems of irrigation, draining, etc., it was an immense field of labour, and in which a number of problems arose that could not fail to attract any engineers interested in their work. Without going into details, this much may be said, that the radical

alterations in the whole of the economical system brought new problems to the fore and gave old problems an entirely new shape. It was, for instance, necessary to transfer industries, to exploit new resources, to solve the problems of communication and distribution according to a new and more rational point of view, and to prepare a solution for the future, etc. Moreover, in the planning and the execution of new works everything had to be put upon a new basis. The cost of all raw materials, of machines, and of human labour underwent, of course, a radical change, in their relation to one another, and in similar cases different materials and different methods had to be employed in order to obtain the best results. All this, one would expect, would have attracted and interested technical minds. One would have expected a certain enthusiasm if only for the sake of the technical importance of the thing—the enthusiasm of the engineer who has to execute a great work in a region not yet opened up. But these things did not appeal to the bourgeois engineers of Russia.

Although, as early as the first General Congress of Economic Councils, the Communists proposed and discussed a number of new technical problems, no sign of interest was forthcoming from engineering circles, much less any partial solution of these vital problems. My experience was gathered more especially in the department for water works, where very little was done by a number of engineers of acknowledged practical ability, and who, in matters of theory, were in no way inferior to their Western colleagues. In the extensive Moscow bureaux old projects, approved, in the main, by the previous Government, were elaborated and discussed on the basis of the condition of the past. Of new points of view, resulting from the radical change in circumstances, very little could be seen.

And yet, it had repeatedly been pointed out, not only in congresses, but in the Communist Press, that a great number of problems would necessarily undergo great changes, because of the fact that, instead of private profit as hitherto, public interest would be the basis of all enterprise. The iron industry, for instance, would, in great part, have to be centralised in localities where ore and coal were easily accessible; other industries, by systematic decentralisation, would have to link up with agriculture; the entire problem of distribution assumed a new aspect. The means of transport were involved to a considerable extent. Not only was a rational railroad system an absolute necessity, as well as the utilisation, to the full, of the extremely favourable opportunities of an extensive system of transport by water, but in the new system, all rivalry between railroads and water-roads would be done away with, and they would one complement another. To confine myself to the waterways. Any one must see what an extraordinary development of possibilities arose when the entire fleet of river and canal boats were brought under one management, and the ceaseless conflicts of numerous private interests had been done away with, a rational organisation of the inland shipping-trade was rendered possible.

There were several such general problems, and new conditions had to be decisive for all technical details. The choice of materials,

of working methods, the determination of the order in which various works were to be executed; absolutely everything had to be examined anew according to the altered circumstances. To mention only the most important of these: ground-rent and interest on capital were no more, the output of labour had changed, the relation between machine labour and hand labour, between the direction and the execution of a work had altered.

Of course, all these problems did not at once make themselves felt in their full significance; and, it need hardly be said, circumstances were, for the time being, most unfavourable for the execution of important works. The main point, however, is that the middle class engineers showed little interest in these great schemes.

A comparison between the brisk and energetic life among the masses of the workers where every problem aroused the keenest interest and raised endless discussions, and the torpid apathy prevalent in the "old guard" engineers, makes it evident that these were incapable of fulfilling any but a subordinate and more or less mechanical part in the building up of the new system of production. And yet the Soviet took a great deal of trouble to meet the wishes of the intellectuals and engineers. Technical and intellectual work was highly appreciated, and this appreciation, which was also expressed in the shape of high salaries, was transferred to the representatives of capitalistic intellect. But these gentlemen did not feel at home under a worker's government.

As remarked, the intellectuals, generally speaking, offered their services to the Soviets on material considerations only, and this, as a rule, without any enthusiasm. In the central bureaux, where the general control is exercised, results, as we saw, were most unsatisfactory. Control by workers' committees is difficult, especially in cases where the necessary preparation is lacking. In the building works and in the factories conditions are, of course, better. The most urgent work at least is done, because the need of the day compels to the doing of it, and control by the workers is a splendid feature here.

From my inspecting tours in the province I always returned in a hopeful mood. In the smaller units better work was done, there was more organisation there, more enthusiasm, more sense of the new than among the generality of the officials in the great bureaux of Moscow, dominated by middle class experts. In Moscow, too, it is true, endeavours were made to make workers take a part in bureau-work; but whilst discharging this unaccustomed task they, in many cases, soon grew subject to the influence of the surroundings, and the new bureaucratic elements were not less of a danger to the success of Soviet organisation than were the old.

As the stability of the Soviet régime grew more and more manifest, the number of bourgeois intellectuals who offered their services increased, and the bureaucratic element was strengthened. The submission of the middle class intellects to the Soviet was rejoiced over, and great expectations were cherished as to the results of this co-operation. But unless the workers again break up this bureaucratic apparatus, pushing "from the bottom upwards" it is

doomed to petrify, and to become a new instrument of oppression. Against this contingency even the Soviet-form offers no guarantee should it cease to be a living organism, based upon the active will of the mass of the workers. It is, therefore, a matter of the very greatest importance that the masses should retain their industrial organisation, even after the proletarian revolution, as in this the proletarian character is preserved even better than in the Soviet organisation, which, on account of the participation of peasants, intellectuals, and intermediate groups, as well as by reason of its many specific political functions of general administration and control, is more exposed to the danger of bureaucratisation. In Russia this danger has been very plainly revealed, and the Communists fight it to the uttermost. The special peril lies in the involuntary alliance of the old bureaucracy with the new, and of the introduction of non-revolutionary intellectuals and experts.

This is what the masses and the Communists must, from the beginning, oppose with all their strength, always and everywhere must they demand the largest measure possible of control by the workers themselves. It is a question of self-reliance and courage, and of being prepared to temporarily sacrifice technical perfection and higher productivity rather than give up control. The more firmly resolved the workers show themselves to do without the help of bourgeois intellectuals the more eager the latter will be to proffer their services, and the more easily will they be disciplined.

IV.

Soviet and Capitalist Educational Experts

SMALL wonder the Workers' Republic should proclaim entirely novel principles in the province of education, and that they should give the most assiduous attention to school matters and to the education of the new generation!

Again, experience demonstrates, in Russia, that the workers cannot rely on bourgeois intellect in this matter. The Workers' Universal School suffers severely from the lack of sympathetic insight and co-operation among the old-time teachers. It is worthy of remark, too, that the higher the grade of these teachers, the more disappointing the results. Among teachers of the elementary school, for children of 7-14, a certain number were found more or less able to cope with the new task; but the masters of the higher schools, with few exceptions, proved absolutely unfit; and in the matter of the re-organisation of University teaching hardly anything has been effected through the professors, despite the fact that the Universities are now open to all—a thing of small moment in a revolutionary period, to the workers who have better things to do than to listen to old-time learning.

But even for the lower grade of the workers' universal school the best teachers often prove to be workers trained in a course of a year or sometimes even of only half a year's duration. At the Moscow training-school for teachers workers as well as teachers, were trained for tuition at the universal school. The results with

the workers were the more satisfactory. The old teachers, for a long time, continued to form an exceedingly reactionary group.

It is not only lack of sympathy and zeal that is at the bottom of this trouble in the matter of education. As in other problems it is lack of understanding and imagination. Precisely because development has been along definite lines, a breaking with the past is exceedingly difficult to the old teachers. That is the reason why the new ideas and methods were and are elaborated and advocated in workers' periodicals and papers. These are vigorously supported by groups of Communist teachers, who grew in numbers during the revolution.

It is, for the rest, easy enough to understand, that just as an engineer tied to formulas and rusty experiences cannot adapt himself to the new life, so a dry formalistic, omnipotent schoolmaster in school, feels miserable within the workers' system of education. He is altogether helpless and at a loss when venturing upon even the very simplest and most primitive attempts in the direction of the new ideal. He knows nothing about handicraft and the different kinds of material. During lessons dealing with certain problems the children are free to move about, and as they exercise a measure of initiative in their classes, it is a very different thing for the master from standing in front of a class where the children were nailed fast to the forms and half dazed with monotonous drudgery. If it were a kind of systematic higher Kindergarten teaching according to a method set down in a convenient handbook, and aided with all manner of technically perfect appliances and finicky models in glass cases, well, that might, at a pinch, be put up with. But these Soviet workers want everything to link up with practical life. They want really useful things made, clothes and shoes repaired, objects mended that the children can take from home; the schoolroom and the furniture kept clean; help given with the laying of the wires for the supply of electric light; assistance with the cooking of the food, etc., etc. All this is a starting-point for the imparting of knowledge and ideas necessary in every-day life. A "certificated" teacher in front of such a class in the universal school is as great a danger as a Czarist officer at the head of a division of the Red Army. Both should be closely watched by the workers.

So far we have only considered the most primitive forms of the labour universal school. But what must be the average schoolmaster's feelings in the model training-school of our enthusiastic comrade, Levitine! The old systems of teaching writing, arithmetic, geography, history, are here displaced. The old books are thrown on the scrap heap! What is the new method?

We are going to *make* something, say a wooden spoon, to eat our dinner with. In the school garden we select a tree to fell. Not all trees are equally fit for the purpose. In felling the tree we have to consider several important questions. The laws of equilibrium cannot be neglected with impunity. There, the monster lies prone; and having first seen to it that the tools are ready, which again causes many important questions to arise, we begin sawing. That

is great fun! Saw by turns, two together, whilst the others sing or count. In the beginning it goes quickly, but the cut widens, and it gets to be quite a problem to make out whether every couple of sawers does an equal amount of work. The tree bends with its own weight. Quite a series of new problems arise. What is to be done now? We will have to lift the tree, but we are not strong enough to do it. How strong would we have to be; computation of cubic content, of weight, specific gravity of wood, etc. We are measuring, weighing, ciphering, before we know. Then comes the mystery of the lever, the wonder of success. In the meantime the teacher has found occasion to tell things worth knowing about the branches and the leaves and about other trees and other methods of working: The children make sketches of the axe, saw, etc., note dimensions, qualities, differences in kind. They handle iron, stone, willow wood, ash wood. The different kinds of wood, pieces of an equal size, are weighed, or pieces of wood an equal weight are measured, and calculations are set going once more.

To conclude, the older pupils send in a written report of all their experiences gathered during the work; the best descriptions are read out to the class and supplemented. And everything must be systematically arranged, and written out neatly and plainly, with sketches and calculations. How good the porridge will taste that is eaten with that spoon! What memories, what pleasure, what pride! Education! Yes: not with books but out of concrete realities related to the process of creating a useful thing.

But the model school offers a great many possibilities: there is the vegetable-garden, the flower-garden, the tree-nursery, ponds, water-supply, a loom, a printing plant, a carpenter's workshop, an engineer's workshop, photographic studio, etc. Such is the equipment of a model school.

Still all these many appliances may very well be dispensed with. Every kind of work affords opportunities for teaching, any sort of material will open up perspectives of geography, history, physical science; all occupations require counting, weighing, measuring, writing, singing. But a far greater amount of real knowledge than a teacher of the old stamp possesses is required for such work. Moreover, the old-time knowledge is practically of no value, and he has to begin over again. For a working man of a certain degree of general culture and a modicum of imagination, it is not difficult to become a modern teacher in Russia. The new method is something like a revelation. He sees new perspectives opening, he is surprised and delighted to perceive what a multitude of meaning is revealed by the very simplest kind of work once one develops a habit of inquiring into the connection of things, and of satisfying the natural craving for knowledge and insight instead of thwarting it. For him, the model school is a true academy. It is an introduction into a new field of labour, and but the completion of an earlier education. He will not be distressed at his pupils putting questions to him which he is not able to answer off-hand; not only because the distinction between learning and working, and the distinction between teacher and pupil becomes gradually obliterated for him. And where his own imagination should fail, the many-headed imagination of his class will prove an inexhaustible resource.

A certain degree of systematisation will certainly be required in the long run, and this is what is being attempted, account being kept of these teachings based upon experience. It may lead to more rapid results in the direction of a culture of many-sided quality (polytechnical culture). But even in absence of a strict system, relying solely on the haphazard of arbitrary selections out of the infinite riches of living reality, this method will lead to surprising results. Once a pupil has learnt the art of tackling a problem, of gaining an insight into its meaning, of investigating, and of conquering difficulties, he has gained all that is necessary to prepare him for life. For concrete knowledge is necessarily limited within narrow bonds; whilst in any special case, it may be supplemented and extended without great difficulty.

However, the teachers, of course, must possess a certain degree of general culture and of imagination, besides possessing knowledge of the *execution* of work of certain kinds. For a bourgeois intellectual this is not a simple matter. Even the usual school experiments attempted by our teachers in physical science, with the aid of an assistant and with perfect instruments, beautifully polished, often fail in the most miserable manner. It is easy enough to prescribe that when in the process of some work a fire is needed, the class be shown in what way our ancestors used to make fire. But it is not so easy to manufacture the little contrivance by which fire is made by friction, and to really make fire with it. And if this is achieved with the aid of simple appliances, and not with model instruments bought in a shop, it will not harm the class to learn by experience what a deal of painstaking thinking goes to the making of a real thing. The making of fire, too, requires considerable exertion. In the model school it was done, as we have outlined. And it was a good object-lesson in history, geography, physical science and arithmetic. It ended in a calculation of the time and labour saved at present by the use of matches, by one person in a day, in a year, in a lifetime; and, again, for all the town, all the country, all Europe in an hour, a day, a year. It is true that for this one had to know the population figures of the country and of Europe, but as a matter of course one goes to a handbook for information of the kind. Moreover, the pupil who joins in similar experiments and calculations, and sends in a report, has a far better chance of remembering the figures than the victims of the present system, who learn by rote long series of figures for the next examination. There may, possibly, be some use in plaguing our fourteen-year-old children with elaborate geometrical artificialities that have no conceivable relation to reality; it may be, as it is argued, that this is a form of gymnastics of the brain; but the mental agility attained by this method may be gained in a more pleasant manner by the solving of riddles and the telling of anecdotes. And as for the knowledge of geometry and goniometry a great deal more will be gained by the measuring of buildings and sites, complemented by the determining of superficies, contents, weight of objects, and of position in respect of the sun and the stars. The middle class schoolmasters of the present are particularly unfitted for this work.

Small wonder that the bourgeois intellectual proves unable to develop the new principles in Soviet education, and that their failure should be the more conspicuous the deeper the intellectual is incrustated in bourgeois culture. High school education should link up with the real labour in factories and workshops, in offices, and in the field, without the loss of its many-sided (polytechnical) character, that is, without dwindling into the one-sidedness of a specific technical education. The "pupils" too, should be allowed a generous measure of share in the control and initiative of the class. The purpose to be effected is the complete dissolution of the school idea for those between fourteen and eighteen, and the formation of free groups of juveniles, autonomons as far as possible, temporarily conducted by leaders who shall weave the energy and intelligence of youth into a vital part of the social body, participating with a productivity of their own into the general process of labour, where the grown workers will have the leisure and the degree of culture necessary to influence them by instruction and general mental and moral education.

The thing always to be kept in view is that culture should be general, many-sided, not *subservient* to production, as to its purpose, but still promotive of production. Physical science, chemistry, mechanics, trigonometry, book-keeping, geography, history, may be efficiently taught in this manner, not to mention writing, drawing and arithmetic. More manifold international intercourse by travel and migration complemented by reading, singing and listening to lectures, will open opportunities for foreign languages and literature, which in many ways will exert a most favourable influence. Anyhow, old-time methods and old-time teachers may be dispensed with.

For University education and science as such the change, of course, is even more radical. "Undergraduates" of 18, 25 or 26 will be unthinkable and impossible in a society based upon labour. An adult not performing useful work will be a monstrosity. In future every human being possessing sound brains will learn labour and teach all his life, will both give and take. It is plain that this will revolutionise science. Science too will link up directly with labour, and in this way be released out of its present condition of academic seclusion.

Those wishing to study medicine and hygienics will gather knowledge in and by practice under proficient guidance, and in so doing will be brought into contact with a number of cognate sciences. A natural differentiation according to practical and spiritual character and bias automatically sets in. Those who, by experiment and investigation are able to open up or to prepare for new points of view, or to apply to better purpose the knowledge gained, will find at their disposal the best resources, laboratories, appliances and materials; but discoveries will be the result of individual exertion much less than of an exchange of thought and of collective research, in which new perspectives appear as the strict delimitations between the many various provinces of science which are done away with.

It will prove possible to find a common basis for branches of learning seemingly far apart, to reduce to unity the countless disciplines of our modern specialists, whose professional interest induces them to make things as intricate, and as incomprehensible to the outsider as possible.

Bourgeois intellect is petrifying; it shares the fate of the capitalistic process of production in its entirety. What, in the beginning, was a motive power of unparalleled energy, the specialisation and individualisation of science and art as of labour, has already come to be a hindrance to further development. In industrial production finance-capital tries to overcome difficulties by fusion of masses of capital into ever larger units, but with no other result than to cause the difficulties to develop into catastrophes which irremediably ruin the entire system. In art, science, culture, waves of nationalism reacting to the national needs of the various finance-capitals, periodically overwhelm the last hopes of real unity. Culture under Capitalism decays with the economic dissolution of society and does not make for the larger unity wherein the several mutually estranged branches may be united, but only becomes a fetter absolutely inimical to the genius and essence of science, or more exactly, a noose for the mental paralysis of all.

Who is there does not think with reverence and pride of the initial period and the triumphant evolution of the natural sciences and philosophy, of the conquest of the world by steam and electricity, of biology, of bacteriology, and the investigation of the wonders of the skies? Who among the elder generation but remembers the war which so fiercely and for so long a time, raged around Darwinism? Who remembers the beginnings of the emancipation from religious dogma as a paramount social force? What proud hopes seemed justified by the spectacle of this evolution in its virtiginous course! And how absolutely sterile it has already proved!

Dogma reinstated and enthroned, but in a throne of cardboard and plaster instead of halo-encircled gold. Scientific and technic research intent, principally upon discoveries in matters of detail merely. No great ideas except in the last abstractions of mathematics and speculative philosophy; and a practice that dooms to sterility all important inventions. Even in technical science, Capitalism's favourite child, in the day of its power, is in the Imperialistic period valued only as a factor of annihilation. For purely constructive work it is balked as much as possible in its creative energies, because under monopoly, it is not intensity of production, but the closed market held by armaments that promises the greater profit. Great technical discoveries which, in an ever-augmenting degree, require the co-operation of many and vast material resources, become a menace to extant monopolies and the capital invested, real or fictitious, in them; is endangered by new discoveries. The engineer or intellectual who achieves practical results does so by dint of dogged perseverance in a monotonous and strictly specialised labour that precludes all contact with the fullness of life, all mutual inspiration resulting from interaction with other branches of science, art and philosophy.

The new communistic society strives after unity in production, unity in mental life, in science. In this direction, too, there are remarkable beginnings in Russia. With loving reverence I think of Professor Bogdanof and his work.

In the interest of the future of science, it is necessary that the system of the specialists be done away with. The bourgeois intellectual class and its mental monopoly must be replaced.

V.

The Intellectuals and the Revolution

BUT, says Radek, "we need the bourgeois intellectuals." Certainly, the experience and the knowledge of many generations and long centuries has accumulated in the heads of a small privileged group and we cannot forego this precious heritage. Material wealth, too, is in the hands of a small group, and of this also we wish to save what we can. Opportunists and social traitors lift up a voice of warning: no revolution, no class-war in which factories, mines, cities may be ruined. Gradual processes, compromise, re-establishment of capitalistic production by hard work, economy, and submission, to the capitalistic to begin with, and subsequently only the realisation of socialism by the action of parliamentary democracy and the superiority of our organisations and our leaders. We know by rote the cant phrases and will not repeat them here. Communists who do not believe in this idyll, but are convinced that it is the power and the organising capacity of the masses that are the decisive factors, are willing to pay the price, and know that it can only be reduced by a thorough-going resolution in the deed. As Bucharin expressed it: "The losses represent the cost of the revolution, caused by the change in the process of production, they are the direct material expenses of the class-war: without such losses the transition to a new society unthinkable, and so, therefore, is the transition to the effective development of the forces of production unthinkable without these expenses."

But, like the material losses the mental losses are also inevitable, and a condition of higher developments.

Naturally, no one wishes to destroy factories or workshops. Nor does anyone desire to waste intellectual values and energy. But the condition of success is that we do not recoil from sacrificing values if this be necessary in order to attain our end:—the power and the leadership of the proletariat. The more resolute the action of the working class, the lesser will be the social and personal "losses."

This holds good especially in the difficult matter of mental leadership. Factories and tools can be expropriated, accumulated knowledge and experience cannot. The bourgeois intellectuals, therefore, must take part in the building up, and at the same time, bourgeois intellect must be defeated. This is the heart of the problem. The small group of intellectuals who have openly broken with capitalist society and who have consciously, even though, of course, imperfectly, adapted themselves to the new conditions, will naturally play an important function in this process.

Let us, for an example, consider an extreme case: In the Red Army tens of thousands of old-régime officers are employed, especially in the higher ranks, in the general staff, etc. Of course treason is frequent, and the possibility of treason must always be kept in view. Together with every commanding officer, therefore, a worker is appointed as " commissary " to exercise supervision. In case of attempted treason the most severe measures are taken. The commissary then has a great responsibility. Apparently his task is hopeless. As he has no knowledge of military strategy worth speaking of, the general-specialist finds himself free to do very much as he likes. And, as a matter of fact, counter-revolutionary plans might succeed and divisions of the Red Army delivered over to the enemy by treason.

But, on the whole, the system has proved efficient, in an ever augmenting degree, for the protection of the Soviet Republic. If the commissaries possess sufficient self-reliance to demand explanations and sufficient intelligence to combine data, they soon gather fundamental ideas and a working knowledge that can be extended by attending discussions, lectures, etc. In this manner a former hairdresser's assistant has risen to the command of three army divisions.

The chief peril is this, that men who educate themselves in this manner are prone to become, so to say, infected, and develop bourgeois-intellectual bureaucratic qualities. Therefore, control must be exercised not by individuals, but by committees, which can be appointed, recalled and periodically renewed. In the army organisation this creates grave difficulties and, even in Russia, reformers have recoiled from a consequent application of the principle. As, however, the army is only a temporary institution, and in any case a body extraneous to the workers-state, this is perhaps comparatively unimportant.

Still, the entire principle of the Soviet is based upon this general co-operation in execution and in control, with a many-sided system of committees, in permanent contact with the mass of the workers, who issue instructions and retain the power to recall the persons appointed. The difficulties of controlling the mental and technical direction do not in the process of production and in social life exceed the average worker's horizon so far as in the army, but the dangers in themselves are hardly less.

The best form of a committee evidently is the one adapted to the purpose; a committee numbering representatives of the different categories of workers in the building trade is, of course, the proper body to control the actions of an engineer charged with the direction of a great building work. In a factory too it will often prove possible to have control exercised by committees without this arrangement degenerating into a farce. But the workers must feel very deeply that it is of the utmost importance they should not confide this control to single individuals. The temptation is great to leave it to a few of the ablest, most intelligent and most energetic among the workers to so educate themselves as to be fit to personally assume the direction; but this frequently ends in their being absorbed into the bourgeois intellectual class as were the leaders of

the old social-democratic parties, and of the old trade-unions. Therefore, the temptation must be strenuously resisted.

When news reaches us from Russia that the intellectuals grow more and more reconciled to the Soviet régime and are becoming enthusiastic co-operators in the new reconstruction, this certainly is good news, as a proof of the increasing power and stability of the Soviet Government. But, on the other hand, we must not overlook the danger of a new period of supremacy of the old and the new bureaucracy, which in that case would again have to be defeated by the effort "from the bottom upwards" of the masses. Fortunately, we may rest assured, that very many of our Russian friends are aware of this peril and are constantly on their guard against it, and that they will fight it, even though economic and technical reconstruction should have to, meanwhile, suffer.

But in Western Europe, where the peril is so infinitely greater, the problem is, as yet, hardly discerned. Its effects make themselves felt in the shape of a distrust of discipline and directions from headquarters, "from the top downwards," in a dislike of centralisation, and, above all, in a vigorous hatred of the officialdom of trade-unionism and leaders of social-democracy. But in general this attitude is instinctive rather than conscious and systematic, and it hardly takes into account the real difficulties connected with the problems of the transition and the reconstruction, and with the comparative inevitability of the phenomenon. It must never be forgotten that there is a tendency, however, to confuse discipline with "bossism."

Centralisation is as necessary in the modern class-war as it is in modern production. The class-war, nay life itself, sometimes forces us to compromises. But the Communist is justified in his existence as such by his clearer and deeper insight into the truth that we must overcome these compromises, and it is his duty to discern clearly from the start the danger they involve, and the aim that lies beyond. The deeper our conviction of the inevitability of reverses and compromises in the great process of social growth, the more inexorable must be our exposure and our attack upon them. For only if we clearly discern and thoroughly understand the compromise as a compromise, as a defeat, as a danger, then only shall we be able in a subsequent period to overcome it as completely as possible. In the matter of compromises with bourgeois culture, such as the accepting of bureaucratic forms of organisation and direction, this critical attitude is even more necessary than in the matter of compromises with the material resources of the bourgeois State, because in the former case the dangers are so much more difficult to discern and the process of overcoming them more lengthy.

There must be no attempts by special propaganda and compromise to conquer the prejudice of these groups against Communism. The proletarian, anti-bourgeois character of our struggle and of our victory must be emphasised in our dealings with them. No endeavours must be made to gain a "support" that later on may prove unable to withstand the shock of reality. Only such individuals can be of real use who possess the strength to break in deed or in spirit with the traditional culture. These

will feel the remnants of their bourgeois culture as a hindrance, and will ask for a modest place in the ranks, in the daily struggle will divest themselves bit by bit of their ancient impediments, and some day they will be able to render important services to the working class. But the danger of reaction exists all the same, and vigilance will always be required. The best among the intellectuals certainly will not disapprove of such vigilance, but rather applaud it. The great majority of bourgeois intellectuals should be considered as our enemies until such time as they shall have given indubitable proof to the contrary. They will accomplish their part in the struggle and in the reconstruction more readily if the working class exercises the unyielding right of direction and control. The more determination workers show to sacrifice everything rather than remain dependent upon intellectual leaders and a middle class bureaucracy, the less the chances of these elements hankering for a return to ancient forms and privileges.

The dictatorship of the proletariat is necessary for the transition to communistic society. It is necessary to build up our Communist Party, whilst the resources of the bourgeois are, as yet, unimpaired. But among these resources are the mental weapons, the culture of the bourgeoisie, and these may prove the most difficult to break. Whilst economic and social reconstruction is dependent upon the co-operation of bourgeois intellectuals, the workers cannot do without weapons of their own, even although it may be necessary to gradually relax the more rigorous forms of the dictatorship.

The duration of this historical period can be shortened only if the workers resist every compromise with bourgeois culture, and oppose as strenuously as possible all forms of bureaucracy. It is not impossible that the social process may yet be interrupted by new periods of exploitation, based upon a monopoly, not of material, but of mental possessions, of direction, and intellect. These may manifest themselves in the form of a bureaucracy which in economic, as in military organisation, has achieved a position of power, and which may yet again necessitate a renewed and severe struggle of the masses.

The expropriation and socialisation of capital, therefore, is insufficient, unless followed up by the socialisation of intellect and culture. The former is the condition of the latter: but this, too, can only be realised by the class-war.

The titanic war we wage is one and indivisible. It is against monopoly, all monopoly, whether monopoly of capital or monopoly of intelligence.

THE WORKER

Price **2^D**

Workers Office
32 N. Frederic Street
Glasgow

Weekly

The Conquest of Mexico

By LOUIS C. FRAINA

THE conquest of Mexico by American Imperialism is becoming an accomplished fact—not military conquest, but an economic and *political* conquest that will necessarily bring Mexico under the hegemony of the United States.

Recent events are conclusive.

Obregon inherited from Carranza the controversy over the constitutional provision nationalising the natural resources, including petroleum. The American financiers, maintaining that this provision was retrospective and confiscatory, appealed to their Government. The Harding Administration, through Secretary of State, Hughes, diplomatically intervened on behalf of the petroleum interests. The American State Department refused recognition to the Obregon Government, *unless Obregon would first sign a treaty with the United States guaranteeing American "rights" in Mexico.* This demand that a treaty should precede recognition is a new departure in diplomacy—a brutal manifestation of American aggression disguised in urbane and diplomatic forms.

Obregon naturally refused—as, while he has largely abandoned the aggressive national policy of Carranza directed against American Imperialism, Obregon realises the temper of his people; acceptance of the American ultimatum would have meant his downfall.

In the meantime, foreign capital interested in the Mexican finances combined in an American-British-French *bloc* to compel the payment of Mexican obligations. While these obligations are not large in comparison with Mexico's natural wealth, the public revenues do not permit of the payment of interest, much less of the principal. In seeking new sources of revenue, the Mexican Government decided to increase the export tax on petroleum. Petroleum in itself symbolises Imperialism—the domination and exploitation of Mexico by foreign capital, particularly American. Most of the petroleum concessions were secured from the Diaz régime by means of corruption for practically nothing; the Mexican State and people have secured practically none of the benefits of petroleum, which enriched foreign exploiters. For years the petroleum companies have been paying regularly dividends of from 25 to 30 per cent. on their stock—and much of this stock represented no original investment. Accordingly, the Mexican Government increased the export tax on petroleum by an average of 25 per cent., the income to be used in liquidation of the foreign debt.

Immediately the petroleum interests cried out anew about "confiscation of legitimate property interests"—in which the Americans, as usual, played the heaviest instruments in the symphony. The Americans again appealed to their Government, and the American State Department again diplomatically intervened, reading Mexico a lesson in "the sacred rights of private property"

—precisely as it did to Soviet Russia in answer to the request for trade relations. American warships, were even “accidentally” anchored in Tampico Bay, at the time when the petroleum interests were financing a Mexican “Revolution” against Obregon. . . .

But still things did not move, and the American petroleum interests decided on sabotage and direct action. Production in many fields was completely stopped, in others lessened; thousands of oil workers were thrown out of work. This was the American protest against “confiscation.”

There are two interesting features of this “confiscation” issue. The new tax of 25 per cent. is not all confiscatory; the petroleum producers can in spite of it mass up enormous profits, larger than any they can secure out of petroleum produced in the United States. Moreover, a Sovereign State has both the right and the authority to confiscate property, when it considers that in the public interest, and a foreign nation has no legitimate protest *providing that its nationals are not discriminated against*. The United States itself has on several occasions confiscated property in this fashion, without protest from foreign nations.

The new situation produced a crisis and a dead-lock—the American Government and its financial proteges were unyielding, Obregon apparently equally unyielding.

But Obregon was not unyielding, in the measure that Carranza was. Obregon is an adventurer, who when needing the workers’ support in his revolt against Carranza posed as a “Socialist”; he is himself a wealthy person, having the monopoly of the chick-pea production. Obregon is connected with large property interests depending upon the American market; moreover, as President he is, in relation with the United States, between the devil and the sea; American hostility means the eventual collapse of his Government, while for him to accept the American ultimatum would eventually mean down-fall.

It was a situation requiring all the skill of the adventurer and the politician. Obregon decided on a policy that, while rejecting the American political demands, would grant all the economic and financial ones. In this way, Obregon figured, he would placate American hostility and still “save his face” with the Mexican people.

Obregon’s first move was to ask Congress to vest in him as President extraordinary power to negotiate and settle the petroleum and related issues. But Obregon’s own party mistrusted him; there was a sort of parliamentary revolt, and the Congress refused to grant the extraordinary power.

But that was the final and futile parliamentary resistance. Events thereafter moved swiftly, and in favour of Obregon’s adventurous policy.

The Mexican Supreme Court in August decided that the constitutional provision nationalising sub-soil deposits (petroleum) was not retrospective—precisely the interpretation demanded by the American Government. This judicial decision means recognising as valid all foreign titles to Mexican oil-fields, no matter how

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secured; and these titles include approximately 80 per cent. of the known oil fields—a complete nullification of the Constitution, except as concerns new and potential oil fields.

Then, upon invitation of Obregon, American oil magnates came to Mexico City, for a conference—the very oil magnates who have been financing banditry in Mexico and intriguing for American intervention. These oil magnates met in conference with Obregon, de la Huerta and Villareal—the last two “Socialist” members of Obregon’s cabinet, one a member of the Labour Party, the other of the Agrarian Party. *The conference was completely secret; not one word was made public.* In this conspiratorial fashion the Mexican Government and the American oil magnates came to an agreement. The Mexican negotiators, in making public the fact of an agreement, expressed their complete satisfaction, *as did the American oil magnates.* It is now months after the conference, *and still not a single decision has been made public* by the Mexican Government.

The combined circumstance of Government secrecy and American oil satisfaction indicates the character of the agreement—concessions and a surrender to American capital.

Obregon continued the policy of granting the American demands, by means of interviews and executive acts. He issued decrees and made preparations to satisfy the international bankers concerning the public debt; he invited American bankers to Mexico City—in other words, it can be said that during the past three months Obregon has satisfied all the demands of American capital.

The conclusion was drawn that now American recognition must come, since all the issues in dispute had been practically adjusted, and to the satisfaction of the large American interests. Obregon must have plumed himself on the situation; he had satisfied American capital, realised the conditions for recognition, while, simultaneously, politically and apparently having proven his independence of the American Government.

But, like a thunderbolt, comes the declaration of the American State Department; *in spite of the Supreme Court decision, in spite of the agreements with the American petroleum interests and the financial magnates, the American Government will still insist upon recognition being preceded by and independent upon the Mexican Government signing a treaty granting American demands and guaranteeing American property rights in Mexico.*

In other words, the American Government insists upon the *political* as well as the financial and industrial subjection of Mexico to the United States.

It appears as if Obregon’s policy is about to collapse like a house of cards. But the interesting feature is not what new adventurous manœuvres Obregon will evolve, or whether the American State Department will temporarily compromise, but the general tendency of American Imperialism.

The Harding Administration has made it clear that it would concentrate on the extension of United States influence and control in Latin-America—in this continuing and developing the Wilson

policy, as well as of preceding Presidents. In the general collapse of American foreign trade, particularly with Europe, the United States has been compelled to concentrate on Latin-America, and this concentration has prevented the American crisis from developing into a disaster.

But there are two other circumstances independent from trade as such: *raw materials and investments*.

The war has not alone transformed the United States from a creditor to a debtor nation: it also transformed the United States from an exporter into an importer of raw materials.

Now Latin-American, and particularly Mexico, is bursting with precisely the raw materials required by the United States. In the countries bordering on the Carribbean there is an abundance of petroleum, iron, copper, coal, platinum, manganese, lead, tin, zinc, lignite, graphite, antimony, bitumen, sulphur, rubber, hides, fibres, rare woods, sugar, tobacco, coffee, cocoa, as well as fruits of all sorts. In all these industries American capital overwhelmingly dominates; while out of fruits alone she has developed one of the richest and most powerful monopolies in the world, the American Fruit Company. All these indispensable raw materials are abundant in Mexico, Cuba, Haiti, San Domingo, Central America, Colombia, Venezuela. The resources of petroleum in these Carribbean countries have been emphasised in all discussions, but the other raw products are at the least equally important. Already in 1916 it was declared in the United States: The Carribbeans (and South America) are our chief sources of raw material imports; our dependence upon them will increase. The prophecy has been amply fulfilled. An average of 75 per cent. or more of the raw material products of the Carribbean countries are exported to the United States; while 75 per cent. of the imports in manufactured goods of these countries are from the United States. Accordingly, Mexico and the Carribbeans offer three mighty inducements to American imperialism: (1) Provide indispensable raw materials; (2) purchase manufactured goods; (3) absorb large masses of investment capital.

Partly consciously, most often largely unconsciously, the United States has been carving out an empire in the Carribbeans. Cuba is politically and constitutionally a protectorate of the United States; Porto Rico is a colony, while Haiti and San Domingo are governed by the bayonets of American troops; Honduras, Guatemala, Salvador, Nicaragua, Panama, and Costa Rica are either occupied by American troops or in other ways dependent upon the American Government—which is almost equally true of Colombia and Venezuela. The Carribbeans are a satrapy of American Imperialism—the economic subjection expresses itself in political subjection.

It was not until recently that this process of "Americanising" the Carribbeans expressed itself in a definite policy—the use of the Carribbeans as a basis for the domination of the whole of Latin-America, precisely as a "Mittel-Europa" was to serve the aggressive purposes of German Imperialism.

But with this development of a definite Carribbean policy there arose an obstacle to its realisation: Mexico.

Up until the Revolution (1910) Mexico was completely subservient to American capital and the American Government. (Mexico was the only Latin-American country to accept the Monroe Doctrine). Under the corrupt, semi-feudal Diaz régime, concessions in oil-wells, mines, and others of the infinitely rich natural resources of Mexico were practically given away to foreign capital, "compensation" being a mere pittance of their value. The whole country, its resources and its future, were mortgaged. Mexico was economically a mere colony. In 1912 capital invested in Mexico was estimated as follows: American, \$1,057,770,000; British, \$321,303,000; French, \$143,466,000; Mexican, \$793,187,242. In addition there were large investments of Spanish and German capital. Mexican capital represented not more than 25 per cent. of the total. American capital was dominant.

The Revolution against Diaz was an agrarian Revolution, the revolt of the propertiless, oppressed peasants against the semi-feudal agrarian barons. But there was another aspect, if temporarily minor. The agrarian tyranny was not the only feature of the Diaz régime: it hampered the development of a national Mexican Capitalism by the indiscriminate and corrupt granting of monopolistic concessions in the country's natural resources to foreign capital. The Diaz policy plundered the country and produced a domination by foreign capital; and this domination was used to keep Mexico in the category of a producer and exporter of raw materials, and an importer of manufactured goods—preventing Mexico developing a symmetrical industry and a normal Capitalism of its own.

In every agrarian Revolution where there is no powerful, organised revolutionary proletariat to direct the peasants, the Revolution comes under the domination and directive of the bourgeois class. It was so in the Mexican Revolution—the peasantry broke apart, a bourgeois Republic organised. This bourgeois conclusion of the Revolution was most clearly and uncompromisingly expressed in the person and politics of Carranza. While placating the peasants with promises and slight reforms, and granting the workers abstract liberties, but repressing them in action, Carranza devoted his utmost energies and powers to formulating a policy that would facilitate the development of a national Capitalism in Mexico.

But the mischief was done—the Diaz régime had accomplished the subjection of Mexico. Carranza had to recognise that the development of a national Capitalism was impossible while the domination of foreign (particularly American) capital was unchecked. Carranza saw the situation clearly, and he had the courage of his convictions. The whole meaning and tendency of his politics may be concentrated in one phrase: the struggle to limit, and eventually break, the political and economic power of foreign capital in Mexico. There was nothing Socialist or revolutionary in this programme: it was a national, bourgeois programme for Mexican Capitalism.

A whole series of legislative measures and constitutional provisions were adopted by the Carranza Government in order to realise the national programme. The best known of these is Article 27 of the Constitution, which among other natural resources declares petroleum the property of the nation. The constitution is not

clear whether this provision is retroactive, but that clearly was Carranza's own intention. American capital immediately protested, and all sorts of intrigues against Carranza were encouraged, including American financing of bandits and military revolts, in which adventures the petroleum interests were particularly active. But Carranza consistently maintained his anti-foreign stand, resulting in innumerable diplomatic clashes with the American Government, and the formation of a British-American-French financial *bloc* against Mexico. One curious expression of this *bloc* was the exclusion of Mexico from the League of Nations—to which Carranza retorted that it was not a real League, but a conspiracy of the Great Powers.

Then came the Presidential elections of 1920. General Obregon was a candidate; he had been recently on tour in the United States, and sympathetic to the Americans. Carranza opposed Obregon for various reasons, among which was the desire to have a civilian instead of a military man as President. Thereupon Obregon directed a military revolt against Carranza, in which he was supported by the workers because of his "socialist" phrases, and because Carranza had been using military force to break strikes. Obregon was successful; Carranza fled from the capital and was murdered. Obregon then placed in power as "provisional resident" one of his tools, the "Socialist" de la Huerta. One of de la Huerta's first acts was to declare in an interview: "We will go half-way and I am sure the American business interests will come the other half." Subsequently, Obregon, of course, was "overwhelmingly" elected President.

The policy indicated in de la Huerta's statement concerning American business interests has been the basis of Obregon's politics. But in spite of Obregon's friendliness toward American business interests, he has consistently been refused recognition by the American Government.

Whatever may be the new developments or variations in the relations between the Obregon and the American Government, one thing is clear: the Carranza policy of encouraging a natural Mexican capitalism and breaking the power of foreign capital has either collapsed or been abandoned. Mexico to-day is economically an American colony.

In 1912, American investments in Mexico aggregated \$1,057,770,000. Since then these investments have enormously increased, assisted by the war and the withdrawal of European capital. At this moment, American investments in Mexico amount to not less than \$2,000,000,000; and are perhaps as high as \$2,500,000,000. This means complete American domination of the economic life of the country. Mexico is one of the world's richest countries in natural resources, and these are dominantly under American control: the American Chamber of Commerce in Mexico estimates that American capital owns 80 per cent. of the petroleum fields, and more than 80 per cent. of the mines. A study of the distribution of American capital in Mexico would show that it is strategically invested to control production, distribution, and the coming industrial developments.

Moreover, trade between the United States and Mexico is very large, and extraordinarily favourable to the United States. In July Mexico was third among purchasers of American goods, and purchased \$604,937 more in goods from the United States than all the other Latin-American countries combined. But that is not the whole story. In 1919 Mexico had a favourable balance of trade with the United States of \$17,471,275. In 1920 Mexico had an *unfavourable balance* of \$27,663,122. For the twelve months ending June, 1921, this unfavourable balance was *five times larger*—\$112,216,000. Since Mexico is exclusively an exporter of raw materials, 85 per cent. of which are imported by the United States, these trade figures indicate the lessening of industrial activity in the United States, as demand for raw materials declined; but at the same time they indicate how completely Mexico is being absorbed by the United States, a large part of the American favourable balance being necessarily invested in Mexico.

Accordingly, from the stand-point of trade, raw materials and investment, Mexico is indispensable to the United States—is, in fact, an American colony. And there is no way out under Capitalism.

It is quite clear why there is a gigantic intervention campaign in the United States, why there is an itch to ship American soldiers to Mexico and conquer the country. For American Imperialism is not satisfied with Mexico's status as an economic colony: it insists equally upon making Mexico a *political* colony.

From the standpoint of the political aspirations of American Imperialism, Mexican independence is a direct menace. These aspirations are directed to carving out a colonial empire from Texas to Colombia and Venezuela, including the Carribean "republics" and Central America. But at this moment there is in between Texas and the Carribean Empire an independent Mexico, which bars the direct land route and divides the Empire. It is necessary to knit up this empire directly with the United States. But Mexico intervenes. Moreover, a politically independent Mexico (in spite of its economic and financial subjection) may, and has, repeatedly developed resistance to the schemes and aggressions of American Imperialism. This resistance ideologically is dangerous in its influence upon the rest of Latin-America. Accordingly, the resistance must be broken down; it must be broken down in order that Mexico, Central America, Colombia and Venezuela shall be one unified economic and *political* colonial system under the domination of the United States.

These conclusions do not necessarily imply military intervention and the annexation of Mexico to the United States—although they may. American Imperialism moves in a mysterious way its wonders to perform—it prefers indirect to direct means. Cuba is politically and constitutionally independent: but it is as completely dependent upon the United States as India and Egypt are upon Great Britain. Venezuela and Colombia are independent, but their politics are almost completely determined by the American Government. It may be possible, and preferable to impose "peacefully" a Colombia-Venezuela, or Cuba status upon Mexico. That would

be more moral—and cheaper. If not, then military intervention must come.

This Mexico-Caribbean Empire is then to serve as the basis for the complete subjugation of South America.

South America offers the same temptations to the United States as Mexico and the Caribbean countries—provider of raw materials, purchaser of manufactured goods, absorber of investment capital. South America is a vast undeveloped continent, offering magnificent opportunities to the imperialistic *entrepreneur*. While not so overwhelmingly dominant as in Mexico and the Caribbean countries, there are still very large investments of American capital south of Panama. Moreover, during the war, America monopolised first place in trade with South America, while before occupying third or fourth place. The international financial situation gives the United States the same opportunity, if smaller, in South America as in Europe. The bankruptcy, need of capital and currency depreciation of Europe allows American capital to purchase industrial undertakings and sources of raw materials in Europe at enormously low cost: and through this process Europe is becoming an American economic colony. The same situation, although not quite as acute, prevails in South America. A writer in the *New York Commercial* recently declared: "Perhaps there will never again exist during the present century a period when foreign properties can be as cheaply acquired as right now. All of Latin-America is suffering a business depression, and coffee, cereal, sugar, tobacco and other plantations, as well as mines, can be purchased at exceptionally low figures. When the world regains its equilibrium these producers of raw materials will increase in value, thus making a splendid investment for those with vision to acquire them. American ownership of such properties will give this country a grip on Latin-American trade that European countries will find hard to overthrow, because reciprocal markets will be developed." These suggestions are more than being acted upon by American capital.

This rapid economic penetration of South America is strengthened by the Monroe Doctrine, which already politically assures the United States supremacy in Latin-America. Formerly dominantly political, the Monroe Doctrine is now dominantly the economic instrument of American Imperialism. So precious is this doctrine to the United States (which usurps the hegemony of the Americas) that President Wilson incorporated in the Covenant of the League of Nations, a provision expressly recognising the validity of the Monroe Doctrine—a Doctrine in itself the negation of a real League of Nations. At the meeting of the League in October, in spite of the American boycott, the Czecho-Slovak amendment to the clause recognising the Monroe Doctrine was defeated. . . . President Wilson, improving upon President Roosevelt's Imperialism, interpreted the Monroe Doctrine as meaning that the United States could prevent any Latin-American country from granting concessions to the capitalists of any country other than the United States. When Colombia wished to grant an oil concession to the Pearsons' petroleum interests (British) the Wilson Administration intervened: the concession was not granted and Pearsons withdrew.

There is now a great international struggle for petroleum—the Great Powers are each developing petroleum politics. All Latin-America teems with petroleum—and additional inducement to the United States and its Imperialism. It *must* dominate Latin-America.

And by means of this domination, Latin-America will become even more than it is now, the colonial basis of the Imperialism of the United States—the American “Mittel-Europa” for the conquest of world power.

That is precisely why Mexico is doomed: its complete subjugation and dependence upon the United States is indispensable to American Imperialism.

There is no way out. Mexico alone cannot carry on a struggle against American Imperialism—and even if it could politically resist, its economic subjection is so great that its political resistance would necessarily collapse. Moreover, Latin-America is divided by national rivalries and interests, and cannot offer unified resistance: it is an artichoke that will be devoured, leaf by leaf, by the United States. Latin-America, in spite of its hatred of the Monroe Doctrine, has never united to resist the United States. Carranza tried to form a Latin-American “front of resistance,” and failed; the other Latin-American countries either could not realise that Mexico’s struggle was their struggle, or they were animated by dread of American Imperialism.

The American people are the most moral people in the world. American Imperialism, accordingly, has always been the most moral of imperialisms. French Imperialism was always cynic, taking what it wants without any circumlocutions; German Imperialism, in spite of its sentimentalism and scientific pretensions, was obviously brutal and brutalising; while British Imperialism, in spite of its moral assumptions and urbanity was quite clearly—Imperialism. But American Imperialism successively imposed its moral claims upon the world. The United States “got away” with its moral claims of liberating Cuba in the imperialistic war against Spain. While the whole world was acclaiming President Wilson and his “14 points,” the identical Wilson was using American bayonets to crush the liberty of the Carribbean peoples. But now the mask is being torn off. The United States, in spite of the sanctimonious Harding, now appears openly and brutally as the protector of private property in Mexico and Soviet Russia, as a determined, cynical Imperialism preparing to impose its savage domination upon the world.

American Imperialism must devour the whole of Latin-America, and in the process devour the people of the United States as well, unless the proletarian, Communist Revolution intervenes. The Revolution alone can liberate the peoples of the Americas. But Imperialism itself develops the forces for its overthrow. The policy of the Imperialism of the United States will necessarily develop a powerful, unified revolutionary movement in the Americas; and this movement, directed against American Imperialism, unified and disciplined by the domination of that Imperialism itself, will conquer, freeing not only the peoples of the Americas, but the peoples of the whole world.

SONGS of the REVOLUTION

THE celebrated Funeral Hymn of the Russian revolutionary movement is one of the most beautifully sad pieces of music in the world. It translates the misery and anguish of the Russian masses into melody. Its heart-throbbing melancholy rhythm bespeaks not only of oppression but of a tragic loss—the greatest loss an enslaved class can ever know, the loss of a valiant fighter for Freedom struck down in the struggle.

The funeral service of a Russian revolutionary is as glorious in its emotional splendour as the ritual of any Church. The orthodox funeral of religious bodies is based upon the assumption that their dead will rise again. With greater beauty and with a greater truth the Communists bury their dead with the unalterable conviction that the work of a lost comrade never dies, but lives on in the movement as an inspiring and shining light to those who are left behind to carry on the great struggle. The Christians pray over their dead that heaven is their reward; the Communists courageously assert that their ideal is the hope of the Ages and of the world.

We must confess that in Britain the movement has never attempted to introduce any of the beautiful touches into the socialist funeral service that is so impressive in Russian and in European countries. In the desperate struggle under Tsardom the work of every comrade was jealously appreciated, and his or her death was felt to be a severe blow and a tremendous loss. This high appreciation of the living made every death a serious affair.

It is a most impressive spectacle for a British visitor to be present at a Communist funeral in Russia. The beautiful pathos of the whole thing becomes engraved in one's memory. The writer was at the funeral of John Reed. He also was a delegate at the annual conference of the Ukrainian Communist Party, which was held at Karkov a few days after the fall of Perekop (which was Wrangel's last stand). The Ukrainian Party lost thousands of members in this battle, and the opening scene of the Conference in memory of the dead was a ceremony of surpassing sadness. Hundreds of the delegates were soldiers who had recently passed through the pitiless and murderous hail of French bullets at Perekop; they were strong and determined men and were not ashamed of their tears which fell as they sang slowly and sadly the Funeral Hymn of the Revolution. It was a tribute to the fallen, and its real greatness lay in the sad sincere simplicity of the singers, who, with bowed heads, sang of those who had perished in the greatest fight of the ages—to destroy class power and human exploitation.

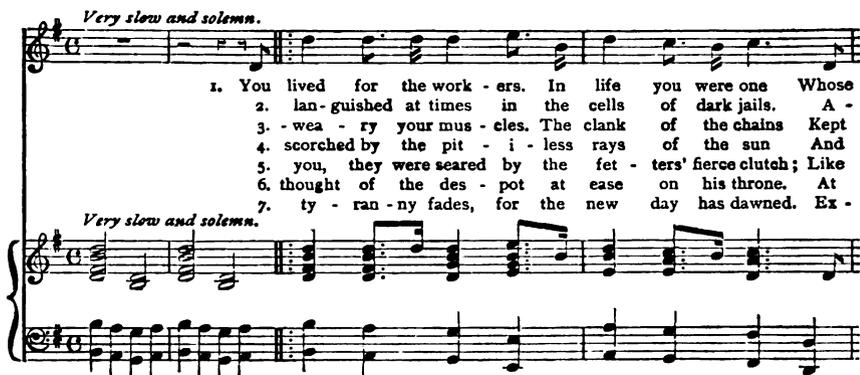
The Funeral Hymn of the Revolution shows that Communism is no arid and non-human creed. We are as other men and women; our feelings and emotions are as theirs. We, too, have our philosophy of life, of action, and death. We glory in the deeds of those comrades about us, we laugh boisterously at the strange antics of our opponents, and we feel as keenly as any the tragedy of death, of the passing of one whose work was as necessary as it is imperishable.

Funeral Song

Words Translated by *Eden and Cedar Paul.*

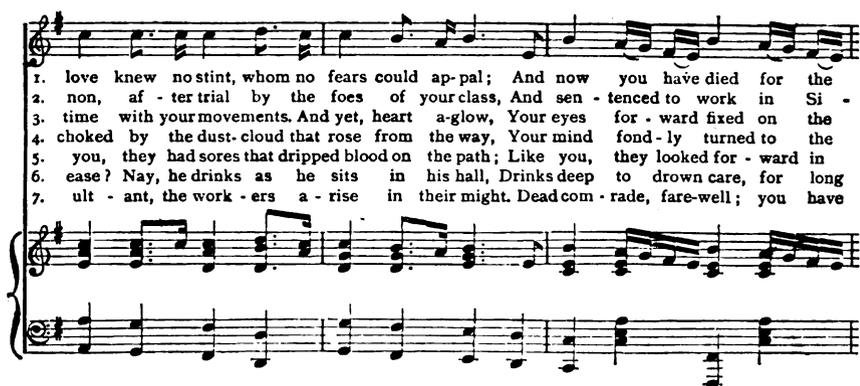
Russian air harmonised by Muriel Davenport.

Very slow and solemn.



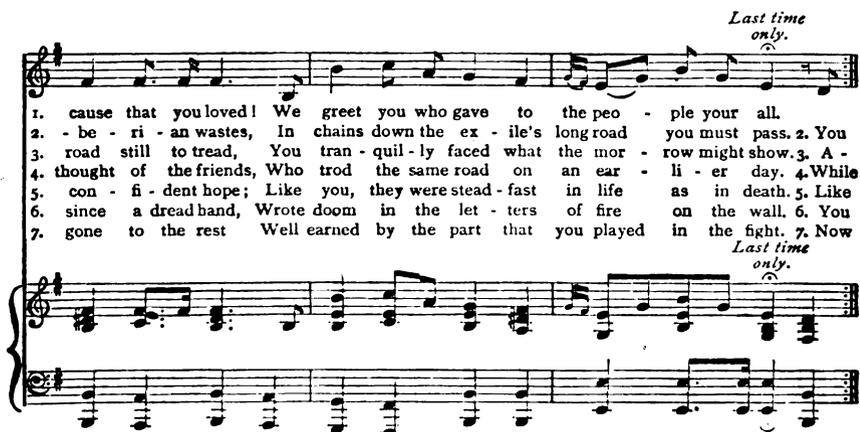
1. You lived for the work - ers. In life you were one Whose
 2. lan - guished at times in the cells of dark jails. A -
 3. - wea - ry your mus - cles. The clank of the chains Kept
 4. scorched by the pit - i - less rays of the sun And
 5. you, they were seared by the fet - ters' fierce clutch; Like
 6. thought of the des - pot at ease on his throne. At
 7. ty - ran - ny fades, for the new day has dawned. Ex -

Very slow and solemn.



1. love knew no stint, whom no fears could ap - pal; And now you have died for the
 2. non, af - ter trial by the foes of your class, And sen - tenced to work in Si -
 3. time with your movements. And yet, heart a - glow, Your eyes for - ward fixed on the
 4. choked by the dust - cloud that rose from the way, Your mind fond - ly turned to the
 5. you, they had sores that dripped blood on the path; Like you, they looked for - ward in
 6. ease? Nay, he drinks as he sits in his hall, Drinks deep to drown care, for long
 7. ult - ant, the work - ers a - rise in their might. Dead com - rade, fare - well; you have

Last time only.



1. cause that you loved! We greet you who gave to the peo - ple your all.
 2. - be - ri - an wastes, In chains down the ex - ile's long road you must pass. 3. A -
 3. road still to tread, You tran - quil - ly faced what the mor - row might show. 3. A -
 4. thought of the friends, Who trod the same road on an ear - li - er day. 4. While
 5. con - fi - dent hope; Like you, they were stead - fast in life as in death. 5. Like
 6. since a dread hand, Wrote doom in the let - ters of fire on the wall. 6. You
 7. gone to the rest Well earned by the part that you played in the fight. 7. Now

Last time only.

The Forum

One of the most stimulating signs of the times is the keen interest at present being displayed in the revolutionary movement regarding Tactics. The old doctrinaire Socialist Parties were immune to new ideas and were afraid to examine new weapons. To suggest a new tactic, in the old days, meant the beginning of a heresy hunt which generally ended with the propounder of the new idea being either scalped or excommunicated.

The COMMUNIST REVIEW is aware that many sincere comrades have ideas on revolutionary tactics which, although not in line with the policy of the Party, are of sufficient interest to form the basis of a good discussion. The number of very important international articles sent to the COMMUNIST REVIEW compels us to jealously protect our space, but we hope to be able to publish the most interesting contributions submitted. The contributors state their PERSONAL and not the Party view.—(Editor: COMMUNIST REVIEW).

“Direct Action” in Finance

By C. H. NORMAN

FINANCE is regarded as a mysterious science by the ordinary person, as the bankers have succeeded in hiding their misuse of the national credit under all kinds of meaningless phrases and high-sounding formulas. The truth is that the banking system is not understood by the public because the financial interests exercise such great control over the channels of information that few ordinary citizens have the least conception of the juggling inherent in the British banking system. The manipulation of the credit of the country during the war by the banking interest has contributed towards fastening upon the British taxpayers liability to repay a capital sum of £7,500,000,000, and to pay upon that sum annually interest amounting to between £350,000,000 and £400,000,000.

Properly to understand what occurred during the last seven years, one must consider the legal relationship between a banker and a depositor as at the 31st July, 1914. Then, money deposited on current account with a bank was placed in the bank as a matter of safety to be at call at the will of the depositor. That was the first class of deposit. The second class consisted of money put on deposit account, which involved that notice of seven or fourteen days could be demanded by the banker before there was any liability upon him to repay sums so deposited. This latter class of deposit was utilised by the banks in the same way that the moneylender utilises his capital—the banker let this money out on loan at interest to those who could offer good security. But there was an important distinction between the banker and the moneylender in the respect that the moneylender loaned his own capital to his clients, whereas the bank lent the deposits of its customers on overdrafts or mortgages or bills. The capital subscribed by the shareholders in the large banking concerns of to-day is kept intact as the reserve fund, and the actual moneylending transactions are carried through by the assets provided in the deposits of the bank's customers.

The second important element in the legal relationship between a banker and his customer in July, 1914, arose from the bank's liability to repay the amount deposited in gold or silver, or in Bank of England notes, which were convertible into gold. This was a liability dependent on the fact that the bank was a mere custodian of the money deposited with it, and had no rights over that money when the depositor called upon the bank to repay the money to him. When the war was imminent in 1914, a financial panic was feared by the banks and by the Government, with the result that the banks were closed for five days from the 1st August, 1914. What happened in that interval has been hidden from the public in a most skilful manner, but the transaction was this. The Government at once, without authority from Parliament, relieved the banks of their liability to repay their customers in gold, on the understanding that the banks would gradually transfer their gold reserve and bullion into the control of the Government. In one's passbook at the 31st July, 1914, a red line was drawn, the items added up, and the balance transferred to a new page. That red line was equivalent to a declaration of insolvency by the banks, or a repudiation of the liability to repay their customers' moneys in coin. The balance was carried forward on the principle that payment would be made in the future in Treasury notes not convertible into gold. As compensation for the transfer of this gold into the hands of the Government, the banks were given the right to exploit the credit of the nation through the medium of the issue of paper money, and the vast inflations of credit known as the War Loans. But whose was the gold which had been manipulated in this way? Was it the property of the Government or of the banks? Certainly not. It was the property of those depositors who had entrusted their earnings or savings in good faith to the banks for safe keeping. This act of robbery was carried through by the Government, with the connivance of the banks, without the victims in the least appreciating what had occurred. It is curious to reflect that the financial interests which executed this transaction were most vociferous in their denunciation of the Russian Soviet Republic as representing a company of robbers.

Let us examine the return of the Bank of England, which is the Government bank, to see what comparative figures of 1914 and 1920 disclose as a result of this deal. On July 22nd, 1914, the Bank of England returned the amount of coin and bullion in its coffers at £40,164,341; but on December 29th, 1920, the amount had risen to £128,267,670. The reason for this increase in the gold at the Bank of England lay in the fact that the coin and bullion controlled by the other banks had been transferred to the Government after July, 1914. One result of this remarkable transaction has been an enormous credit inflation. An analysis of the war debt will establish the nature of this inflation. The Government recently submitted to the House of Commons a summary of the holdings in the war debts. Therein it appeared that £569,000,000 was held by the small investor, and the remaining £7,000,000,000 was owned by the banks, insurance companies, and financial or industrial corporations of various kinds. None of these concerns ever had any such amount to advance in cash, or in goods

and services equivalent to cast. They undertook to support the Government by "lending" their "credit," which merely meant making entries in books. When the Prudential Assurance Company professed to loan to the Government a sum of £50,000,000, the mass of citizens probably imagined that that was a real advance. It was nothing of the kind. Neither the Prudential Assurance Company nor any other British company had £50,000,000 of cash or real credit to loan to the Government. These companies took a share in the Government loans by making an entry in their books, entitling them to receive so much interest, on the strength of which the Government declared to the taxpayer that there was an obligation to repay to these patriotic companies many millions! How far advances under this credit inflation departed from any genuine security may be seen in some other figures in the Bank of England returns. On July 22nd, 1914, the ratio of the Bank of England's reserve to its liabilities was 52.4 per cent., or over ten shillings for each £1 outstanding; but on 29th December, 1920, the ratio of reserve to liabilities had fallen to 7.3 per cent., or about 1s. 5d. for each £1 outstanding. The report and balance sheet of the National Provincial Bank of England for the year ending 31st December, 1920, disclosed that the whole of its reserve fund of £8,878,041 was invested in British Government securities. The seriousness of this situation compared with the period when the National Debt consisted of about £800,000,000 must be obvious, as, then, a Government security was a first-class asset from the point of view of ready realisation. Now that the National Debt has been inflated to over £7,500,000,000, any prompt realisation of these securities would ruin everyone concerned. The value of the present National Debt is dependent upon the Government successfully persuading the large holders not to realise and to re-invest the interest as rapidly as possible after payment by the Government.

When nearly £400,000,000 per annum is being paid in interest to holders of war debt, it is important to discuss the nature of the war debt and where its burden falls. £400,000,000 would keep two million families at an income of £4 a week for each family, so this payment of interest is an enormous drain on productive industry. There is only one source of real wealth in any community, namely, the labour of the masses as applied to the natural recourses of the country—to the land, the mines, and capital of various kinds. In peace time, the minority owning the land, the mines, and the capital, live upon the profits taken from the labour of the people working on the land, in the mines, on the waters, or in the factories. The mass of the people will not be employed at all under our system of industrial organisation and private ownership of the means of production *unless* there is a profit extractable from their labour by an employer, capitalist, or landlord. When, however, war breaks out on a large scale, the workman, being recruited or conscripted, ceases to earn profits for his employer, and, while in the trenches his labour cannot be exploited to produce profits or dividends on which others can live. Thus, on large sections of men being drawn from productive industry into the Army, the ruling minority which was dependent for its livelihood on profits or dividends, needed to obtain some compensation for

being deprived of their power to exploit the labour of their workmen, otherwise ruin would face them, for their incomes would dwindle away as more and more workmen entered upon military service. To meet this difficulty, the financial class has invented what is known as war debt, or war loan, by means of which the banks, the insurance companies, and the large industrial corporations, lend their credit to the Government, on the latter agreeing to pay interest on the credit so lent, and, ultimately, undertaking to treat such credit as an advance of real capital or cash, to be repaid out of the proceeds of taxation. The payment of interest was a method by which the incomes of the wealthy were guaranteed to them during the period that the workmen were in the trenches. If Governments financed wars out of taxation, no war could continue for more than a few weeks on an extensive scale, because the wealthy minority would be deprived of their main source of income by the transformation of the profit-earning workman into the revenue-spending and unproductive soldier. The war loan was an ingenious method of making up to the rich this lost source of income. It was the means by which the minority retained their unearned incomes while their workmen were absent in the trenches. The recent clamour for "increased production," stripped of its verbiage, is based upon the expectation that the returned soldier must pay out of his labour the interest and capital of the war debt, in addition to earning the ruling standard of profit which had been extracted from his labour in the course of peace-time industry. It is a sinister circumstance that the number of unemployed, 1,800,000, does not represent the number of families maintainable out of the moneys now applied to the payment of the interest on the National Debt. Under existing conditions, the product of British industry cannot bear indefinitely the liability to pay the interest and capital of the National Debt, and provide a decent living wage for the whole working class. As prices fall, the burden will be more oppressive on the community, for the National Debt was floated when the value of money was low, and the price of commodities high. The capital and interest of the Debt measured in commodities would be doubled in value to the stockholders on prices falling to about fifty per cent. above pre-war level. In these circumstances, the repudiation of all the large holdings, or their reduction by a continuous levy on capital, has been discussed. According to Colonel Repington's Diary, Lord Birkenhead, the present Lord Chancellor, took a favourable view of this proposal. Under the entry of Wednesday, May 17th, 1916, Colonel Repington recorded: "He" (Lord Birkenhead) "rather astonished me by saying that after the war all belligerent powers would repudiate all their war debts, and that this measure would be universally approved." (Vol. 1, page 202). It must be pointed out, however, that an isolated levy on capital would be almost useless, as the wealthy monopolists would recoup themselves from the community by a further manipulation of prices. A *continuous* levy on capital alone would check any such scheme to evade the capital levy by passing its burden on to the community through largely increasing the prices of commodities, which would be equivalent, of course, to a replacement

in the hands of the industrial monopolists of the sums taken from them by the capital levy.

Let us next examine on whom the incidence of the war debt falls. It is paid out of taxation. For taxation purposes, the community can be divided into three sections: (1) The wealthy classes, paying heavy direct taxation in the shape of income and super taxes, but paying comparatively little in proportion to their income in direct taxation; (2) The middle-classes, paying substantial direct taxation in income tax, but paying more in indirect taxation in proportion to their income than the rich class; (3) The working classes, paying small direct taxation, but whose main contribution to the revenue is through indirect taxation, which is enormous in proportion to their incomes. In practice, the taxation of the rich is illusory as a burden on the rich, because the rich capitalist has control of the commodities that the middle and working-classes need for their day to day use. The rich man thus can pass his 6s. or 10s. in the £ taxation on to the price of meat, soap, oil, or fares, or whatever may be the commodity or service he is handling. The middle-classes, in their turn, evade taxation where they are lawyers, doctors, architects, or tradesmen, by increasing their fees or their retail prices, or by effecting economies in their households; but the middle-classes cannot pass on their taxation with the same ease as the rich. The working-classes, in which term one must include the clerical workers, have only their labour-power to sell, and their success in passing back taxation on to the rich and the middle-classes is dependent on their power of winning and holding increased wages. During the war, though wages never kept pace with prices, and the rich controller of commodities always had the advantage as against the workman (except in the case of controlled undertakings like the railways, and some Statutory undertakings), the working-classes did succeed in recapturing by increased wages what the manipulation of prices had sought to take from them. But since the Armistice that position has been changed. The struggle as to who would pay the war debt—whether it would come out of profits or out of wages—became acute in 1919, ever since which time the working-classes have been defeated all along the line by the capitalist attack. The events of 1920-1921 in the industrial field, translated into economic terms, mean that the British capitalists have succeeded in their design that the cost of the war should be paid out of wages, and not out of profits. Wages have been forced down, profits have slightly risen, and retail prices have not yet fallen commensurate with the reduction in wages. It is true that wholesale prices have shown a substantial decline because the large reductions in wages have taken place in the industries engaged in wholesale production. Those reductions have not been reflected in retail prices for this reason. The vast amount of unemployment has led to considerable demands being rightly made on the *Guardians* for poor relief. That must involve increased rates. The largest local ratepayers are the small tradesmen class, who are also the retailers of commodities for the masses of the people. These men have been keeping up prices in anticipation of being required to pay increased poor rates for the unemployed.

By this policy, the tradesman class has passed its burdens on to the consumer in the shape of high retail prices, which cannot be justified by the ruling standard of wholesale prices. The result is that the working-man who is in employment is paying by his reduced wage for the cost of the war, and partially for the maintenance of his unemployed brethren. The middle-classes also are contributing a share towards the cost of the war and the relief of the unemployed. The rich class, though never so wealthy as now owing to the inflations of the war period, are paying little or nothing towards either the war or the relief of the unemployed. During the war, the rich learned how to escape taxation by the manipulation of the commodities of which they have the monopoly, and of which the middle- and working-classes have the need. Though individual members of the rich class can and are caught by taxation, though some do not consciously attempt to avoid taxation, nevertheless, the rich as a class have succeeded in passing on their taxation liability to the community of consumers.

“Direct action” in the industrial world having failed temporarily through the indecision of the leading figures in the Labour movement, “direct action” on the political field being also imperilled for lack of a dashing and skilful policy, has the intelligent workman any weapon by which he can counteract the recent victories of capitalism? For some unknown reason, the Labour movement has never considered the possibilities of the simplest form of “direct action,” namely, “direct action” in finance. What is the basis of this inflation in credit which has created the National Debt? The small bond-holder has contributed £560,000,000, but that £560,000,000 in reality is the only amount of capital which has been advanced to the Government. The remaining £7,000,000,000 is constituted of that £560,000,000, as it is the same money re-appearing in many different forms. What is the banking and financial system based upon? It is all circulating round the difference between what the workman receives in wages for his week's work, and what he expends on the maintenance of himself and his family. That “surplus value” is the life-blood of the financial system of capitalism. Neither Marx, nor any of the Socialist economists have observed that special form of “surplus value.” The workman's savings in the Post Office Savings Bank, in the War Savings Certificates, in the Co-operative Societies, in the Thrift Societies, and in the Trade Unions, and in the funds which are relied upon by the banks and the industrial corporations to carry on their system of exploitation. No issue of Treasury Notes in excess of the amount deposited in the Post Office Savings Bank, which floats in and out of the banks, being the money used by the Government to finance its administration, was ever permitted during the war. Many people may doubt that the amount of actual capital utilised in the financial system can be so small; but supposing the capitalist concerns were compelled to pay one week's wage in advance in addition to the wage for the week's work which had been done, the whole capitalist system would have to suspend payment.

Why should not the working people put an end to this kind of exploitation by assuming control of their own money? That would not involve any injustice or expropriation. If the Labour Party presented a demand to the Government that a Government Bank should be instituted with the right to every municipality to open a branch, and with the right of every Trade Union to do the same, an end would soon be put to this system of financial extortion. Should the Government demur to this course, the Labour Party could issue a manifesto requesting every workman and every Labour body to withdraw their funds from the Post Office Savings Bank, the War Savings Certificate, etc., and hold their moneys in their own possession for a few days. No Government in these times could risk the issue of such a manifesto, for in a few days the whole financial system, as organised under Capitalism, would be in ruins. The wisdom of the working people taking possession of their surplus savings must be plain to any reflective mind. The leaders of Capitalism have faced the reconstruction of industry after the war by deliberately manufacturing unemployment in order to reduce wages and to obtain repayment of Excess Profits Duty. The workers are fully entitled to demand that their savings should be applied to the task of rebuilding English agricultural and industrial production. The Cornish tin miners have been in dire distress for many months at a time when hundreds of thousands of working-class homes lack a proper kitchen equipment. Reducing wages cannot revive industry, for the reduction of wages weakens the purchasing power of the largest section of the community.

The savings of the working people should not be lent to a Government that has not the confidence of the people. Why should the Labour movement finance the Government which it is seeking to defeat? It is doing so by its present course of action on financial matters. The financial power is in the possession of the working-classes. This proposal does not involve any confiscation of property nor any transfer of property, but merely the sane use by the workmen as a class of their own money. The organisation of the credit power of the workers and its withdrawal from the control of the capitalist bank system in the way suggested would be a step towards reaching workers' management and ownership of the industrial machine. "Direct action" in politics and industry may not be operative for the moment; but "direct action" in finance can be organised at any time as a means of ending the present monstrous exploitation of the national credit for private profit, at the same time guaranteeing the funds whereby honest industry and honest trade can be restored for the benefit of the whole of the people.

Read **THE COMMUNIST**
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The Struggle for Central Europe

By WALTER & MARJORY NEWBOLD

I.

The Road to the East

FOREWORD.

[It is admitted by everyone that the maze of political and diplomatic antagonisms, at present in operation in Central Europe, is one of the most complex and difficult problems in the whole international situation. The purpose of the following article, which is an amazing example of patient and industrious detailed research work, is to trace national hatreds and diplomatic struggles to their true source—the conflict that is now raging among the various European and American banking and financial groups for the control of Central Europe. Here we see a cruel struggle for plunder with Blockades and White Terrors as the instruments of democratic States enforcing the demands of their financial interests. Here we see “Socialist” governments, with nothing but parliamentary majorities behind them, acting as the pliant tools of reactionary imperialism. Here we see what Soviet Hungary had to fight against at a time when the Vienna socialists of the Adler Two-and-a-Half-school withheld their aid and left the Hungarian masses to Horthy and his assassins. Here we see what Russia avoided, on a bigger and even more desperate scale, by holding on to the Soviet form of government, being able to meet the international imperialists, and by manœuvring them to consolidate her revolutionary power. In the story before us we see suspicious threads that seem to link up those sinister reactionary elements—Reading, Isaacs, Churchill, and Marconi.]

(Editor, COMMUNIST REVIEW).

DURING the war we all became fairly familiar with the idea of expansionist policy attributed to the German imperialists and summed up in the phrase—*Der Drang nach Osten*, or “the Road to the East.” There were maps extant at the latter part of the war representing the scheme of German imperialism as embracing a dominion extending throughout Eastern Europe and onwards into Africa and towards and including India. This tremendous area was supposed, and probably correctly, to be the objective of exploitation for which Germany was struggling. Grandiose as was the plan it was quite in keeping with those notions of world dominion which the German capitalists shared with their competitors of the same economic and political status in other countries.

One of the books which in the earlier part of the war attracted considerable attention, was Professor Naumann’s work, entitled “Mittle Europa” or “Central Europe.” His notion was of a great cultural unit in the centre of Europe, which comprising Germany and Austria-Hungary, broad-based on economic solidarity and buttressed by political and intellectual institutions and ideas, was to be the secure foundation whereon was to be raised the majestic edifice of German world-might. It was, given

victory, a sound proposition and, menacing as it would have been to the genuine independence of Germany's neighbours to east and west, was no more than the logical consummation of an economic and political development which had, for half a century, been becoming more and more apparent.

Needless to say, it was a concept that could only be viewed with the gravest apprehension by both Great Britain and France. Its achievement would have placed Germany in a position, either by annexation or compulsory agreement, to utilise the coal supplies of Belgium and Northern France and the iron-ores of Lorraine and, probably, Normandy and in this way to make of France a tributary state having no longer any pretensions to rank among the great powers of the world. It would have put at her disposal resources of raw material and means of manufacture so immense and so thoroughly co-ordinated as to overwhelm Britain on the international market and, projecting her power down the Danube and through the Balkans, to become an almost irresistible economic and military force advancing steadily upon India and Egypt, those pivotal points whose retention is absolutely vital to the completion of Britain's scheme of Empire. For some considerable time before the war, it had become evident to certain minds at the service of British capitalism that, in the long run, Germany was almost certain, pursuing the financial policy and adopting the scientific methods with regard to industry that she was doing, unless she was checked, to secure an invincible economic mastery that would enable her very speedily and very easily to get British capitalism at her mercy.

Slowly, at first, but surely and then with increasing rapidity, Britain and Germany drifted to war. With its coming, the capitalists of France saw their opportunity to demand of their Allies the disintegration of Germany and the breaking-up of her great economic dominance of Central Europe. With the defeat of Russia and the outbreak of the Revolution, France lost the co-operation of the Ally which, in seeking to absorb Turkey and dominate the Near and Middle East, would have brought fresh openings for her capital and, in further conflict with Great Britain at the Straits would have enhanced France's political power, so far as to make her the arbiter of Europe.

The collapse of Czardom made very insecure France's future in the Near East, where Britain, by Russia's default, fell easy heir to the Turkish heritage which she had so long coveted and schemed to obtain.

II.

Ramshackle Republics

FRANCE, thoroughly infuriated by the occupation of her northern provinces and able to enlist much popular sympathy amongst her Allies, sought, therefore, her compensation together with her revenge nearer home. She was able to ensure the rigid blockade which, during the Armistice, reduced Central Europe to a condition bordering on collapse. More damage was, however, by reason of her inferior economic organisation, done to

what had been Austria-Hungary than to Germany. The latter was shaken but the former was shattered. Moreover, Britain would not permit France to dismember Germany which, in practice, would have meant the seizure of her coalfields and her industrial plants on the right bank of the Rhine. France had to be content with breaking up Austria and Hungary in accord with "the sacred principle of nationality" into a jig-saw puzzle of republics, which, however, they may have conformed with racial and linguistic harmonies, certainly produced a discord of economic impossibilities.

Serbia, the catspaw cause of the world conflagration, was made into Jugo-Slavia at the expense of Montenegro and by the allocation of Bosnia and other territories formerly belonging to the Dual Monarchy. Roumania, another battered but ambitious little victim, was given the Banat, Transylvania and, at Russia's expense, Bessarabia. Poland was called up out of the shades of history, and formed out of slices of Germany, Austria and Russia, pampered by France as a menace alike to Germany on the west and Soviet Russia on the east. Italy was given portions of the South of Austria which, together with Hungary, remained two pitiful little remnants of their former sprawling extent.

The most important creation of the Versailles Treaty was, with the possible exception of Poland, the new republic of Czecho-Slovakia.

Often during the war we heard of the Czechs whose national pretensions, hardly known to us before 1914, became one of the great contentions of the struggle. They became a heroic people held in cruel political bondage by the Germans of Austria-Hungary and exploited economically to the advantage of the Germans of Saxony and Prussia. They were an unhappy nation, mountain-locked behind the Erz Gebirge and the Bohmer Wald, toiling for German task-masters who, holding the lower reaches of the Elbe, commanded their outlet to the world. The hearts of the capitalist politicians of the Entente were wrung for them and for their fellow-sufferers of Moravia—where, also, there was abundance of coal and iron. Czecho-Slovakia, according to the current Report of the Department of Overseas Trade on this country,

"as regards both natural resources and industrial development (is) one of the richest territories in Europe."

It has acquired about 80 per cent. of the whole industry of what was formerly Austria-Hungary. "It has several rich coal-fields" and "the whole country is abnormally rich in mineral and thermal springs." "Oil is found in Slovakia and Bohemia has rich deposits of clay, kaolin and sand" and "is well farmed and agricultural production is on a very high level of excellence." One-third of the area is under forest whose wealth is "enormous." "In its industrial development Bohemia may be compared to Belgium and the working-class population are hard-working and in many cases highly skilled." Czecho-Slovakia, in fact, was and is the key to Central Europe. It was and is bound by the strongest ties of economic self-interest to Saxony and Silesia. The richest part in the north and north-west of Bohemia is almost entirely German in population, through and through, and from Germany it

did an enormous traffic in raw materials entering and manufactures going out.

Bohemia and Moravia were regions of immense importance in the plan for an economic unity in Central Europe under German control and through their territory Germany would have marched to the lower reaches of the Danube on her way to the East.

Czecho-Slovakia, an entity comprising these two regions and including Slovakia and Sub-Carpathian Russia, touching upon the Danube at and below Bratislava and having within it the headwaters of the Elbe, the Oder and the Vistula, was equally essential to anyone else aspiring to dominate the centre of the Continent.

III.

Bohemia and the Banks

THIS being the case, it is not surprising to find that:—
 “French interests in Czecho-Slovakia are larger than those of any other country, and trade is being pushed by means of investment and publicity. The European Industrial and Financial Union (Union Européenne Industrielle et Financière) lately established in France, with a capital of 75,000,000 francs, aims at the restoration of Czecho-Slovakia. (*Czecho-Slovak Trade Journal*, Sept. 1920).

This great French enterprise, whose composition we examined in a previous article, has arrived at a community of interest with the most powerful of the Bohemian banking houses, the *Zivnostenska Bank* of Prague, apparently subscribing some 20 per cent. increase in its capital.

A writer in *l'Information* (28/1/21) remarks of Bohemian banking:—

“In fact, we see in Czecho Slovakia a consortium of banks more extensive and more powerful than in the former Austria. The profound influence of this economic oligarchy is, despite the Socialist appearance of the Republic, greater than in the monarchy of other days. We have several credit houses of great influence, but which all move around one great star, the *Zivnostenska Banka* which owns them all and towards which everything comes automatically. The *Zivnostenska Banka* is the reservoir into which falls the greater part of the available capital which in its turn supports the industry of Czecho-Slovakia; as a deposit bank, as an investment bank, as a “holding company,” it has undertaken tasks that the necessities of economic development had heretofore caused to be entrusted to the great Viennese banks. But it enjoys, moreover, special privileges, which accrue to it from after-war conditions, in having a semi-monopoly, the direct result of its unique position at the time of the formation of the Czecho-Slovak state. It was then, in fact, the only Czech bank adequately equipped to undertake all kinds of banking operations. What distinguishes it completely from the Vienna banks is that it finds the strongest support and assistance

from the Czecho-Slovak Government. This endeavours to encourage it by every means in its power. It is, in short, a question of an organisation which is rapidly developing and which has been created in a purely national spirit, setting aside all foreign influence."

Attached to the Zivnostenska Bank are, now, the *Discount Bank of Bohemia* and the *Credit Bank of Prague*, whilst it has fallen heir to all the subsidiaries formerly belonging to the *Crédit Foncier d'Autriche*, as well as to the metallurgical interests of the *Discount Bank of Lower Austria*. It has controlling interests in textiles, sugar refining, iron and steel works, petroleum properties, electrical undertakings, engineering, coal mines, soap manufacture, and assurance companies. "If the word 'trust' can truly be used, outside the frontiers of the United States, it can," says *l'Information*, "in the case of the Zivnostenska Banka."

Thus, despite the "Socialistic" appearance of this democratic republic or, maybe, as its appropriate corollary, we find money power centred in a bank which in "a true spirit of nationalism" has allied its fortunes with those of the quintessence of bourgeois cupidity, the massed banking interests of France.

Another big financial institution at Prague is the *Bohemian Union Bank*, which has come under the control of the *Banca Commerciale Italiana* and of *Lazard Frères et Cie*, of Paris. The representatives of the former on the board of the Bohemian Union Bank include its notorious President, Castiglioni, an Austrian patriot from Trieste, who made millions out of tyres in Vienna during the war and then discovered after it came to a disastrous conclusion that he was really a son of Italia Irredenta and, forthwith, climbed into the saddle of the great Milan bank and came careering back to buy up the bankrupt properties of his deserted and defeated fatherland. We shall find this creature again when we come to Hungary.

Lazard Frères et Cie, jointly with *S. Pearson & Co., Ltd.*, partners therein, hold in approximately equal shares almost all the capital of *Lazard Brothers & Co., Ltd.*, of London.

The managing director of Lazard Brothers and Co., Ltd., the Hon. R. H. Brand, was the British Government nominee to the Brussels Conference on Finance last year. The connection with the Pearsons shows that Lazards are in the orbit of the Rothschilds.

The Bohemian Union Bank should be regarded as a rival of the Zivnostenska Bank and as an instrument of the British-Italian opposition to French imperialist expansion in Central Europe.

A third banking institution of importance in Czecho-Slovakia is the *Credit Bank of Prague*, which was enabled in the spring of 1920 to raise its capital from 100 to 150 million crowns by the subscriptions of a group of French banks headed, on this occasion, by the *Société Générale de Paris*, the financial auxiliary of another group of French iron and steel magnates of about equal standing with Schneider-Creusôt.

The Credit Bank has taken over the *Roumanian Bank for Commerce and Industry* at Bucharest and has, also, helped to form

the *Banque Slovene* in Jugo-Slavia. Whilst distinct from the Union Européenne-Zivnostenska group, the *Société Generale Credit Bank* of Prague consortium has affiliations with and, probably works in political if not always in financial conjunction therewith.

The Dutch and the Americans have, also, made considerable investments in Czecho-Slovakia. The *Guaranty Trust Company* has established an agency at Rotterdam to import raw cotton into Czecho-Slovakia and, within the last few months, the *Standard Franco-Americaine*, formed by the *Banque de Paris et des Pays* and the Standard Oil Company of America, has been endeavouring, in return for an extensive loan, to obtain a concession to work the oilfields of Slovakia. The negotiations appear still to be in progress. Meanwhile, the same *Banque de Paris et des Pays Bas* has been forming the Bohemian branches of the Austrian *Landerbank* into the *Banque pour le Commerce et l'Industrie* of Prague and putting at the head of it Jules Cambon, President of the Standard Franco-Americaine, formerly French Ambassador at Berlin, and a gentleman high up in political and social circles.

The Standard Oil Company, as we have seen in "Capitalism in the Near East," and as we shall have occasion to expatiate upon hereafter, is a customary harbinger of American political aggressiveness masked beneath a business guise. It has been particularly active in Poland, and is now signifying its interest in other areas of Europe likely to yield petroleum. Czecho-Slovakia is the leading partner in what has come to be known as the Little Entente. Other members of that political grouping are Jugo-Slavia and Roumania, both of which have enlarged their territories at the expense of the former Dual Monarchy of Austria-Hungary and both of which are, equally with Czecho-Slovakia, concerned to prevent a Hapsburg *coup d'état* or any aggrandisement of Hungary that might lead to the recovery of her lost provinces.

They are, also, countries which come quite evidently within the orbit of France and which are intended by her not only to present a barrier to the advance of Sovietism but also to checkmate the schemes of Britain and Italy.

IV.

Yugo-Slavia and Roumania

WHEN yet the stage was being set for the Balkan Wars and France and Russia were using Serbia as a pawn in the diplomatic game against Germany and Austria-Hungary, the French armament syndicates were getting the little Kingdom into their debt and, in 1910, there was established the *Banque Franco-Serbe* which swung in the same orbit as the Imperial Ottoman Bank. With the conclusion of the war and the break-up of Austria-Hungary, Serbia or, as she had now become, Jugo-Slavia, presented a formidable proposition to the Italian imperialists who had purposed to move across the Rhetian Alps and down the valley of the Save to join hands with the Roumans. Belgrade, the capital of Jugô-Slavia, was and is a grand junction

of water and railway routes traversing the Balkans from north to south and east to west. France has purposed here, as about the headwaters of the Elbe and on the Upper Danube, to intercept and levy bond-holders' tribute on the traffic of a potentially productive region.

Jugo-Slavia is, however, one of those countries with a problematical future rather than a promising present and, apart from undeveloped coalfields around Pecs, oil-wells near Agram, and copper-lodes in various parts of Old Serbia, there are no paying propositions immediately to be opened up.

Roumania is a much better field for enterprise and investment. Already, before the war, it had around Bucharest and Ploesti very valuable oil *strata* in course of development by German, Belgian and British capital. The wells have been severely damaged by the engineers of the British Government who destroyed them when it became necessary to evacuate the oil-fields before the German advance, but recovery must by this time be almost complete. Across the Transylvanian Alps in the area annexed from Hungary there are other rich oilfields and areas productive of natural gas, whilst in the Banat region to the west, there is a big coalfield and to the north of it, another oilfield. There are enormous forests in the Transylvanian Alps and on the plains of the Lower Danube and near its mouth, wheat and maize growing tracts of enormous productivity and land suited to cattle breeding on an extensive scale. British financial houses of the highest standing such as *Stern Brothers, Goschens and Glyn, Mills, Currie and Co.*, together with certain French and Swiss bankers, have for very many years conducted "what may be called an English banking business" with Roumania "through the medium of an institution having an "exceptionally high reputation" there, viz:—the *Bank of Roumania*. This typically English concern has no holdings in Roumanian industries but confines its activities to the kind of business customarily conducted by English banks. It has, however, gone so far as to form, in conjunction with *Barclay's Bank*, the contracting firm of *W. Alban Richards and Co., Ltd.*, the *Pearson* interests, the *British Roumanian Corporation, Ltd.*, to act as financiers, concessionaries and merchants, apparently for public works in the oil tract.

The most influential of the native banking houses is that of *Marmarouch Blanc and Co.* which, powerful before the war, has now acquired huge properties in the Banat and Transylvania. It has a community of interest with the *Société Générale de Paris* and, in conjunction with other six Roumanian banks, has subscribed 50 per cent. of the capital of the *Steana Romana Petroleum Company* which, having taken over the sequestered properties of the *Deutsche Petroleum A.G.*, has been organised by the *Anglo-Persian Oil Company* and *Stern Brothers* and another firm of merchants comprising the British group and the *Banque de Paris et des Pays Bas, Miraband et Cie* and *Mallet Frères*, heading the French consortium.

This international grouping has set about exploiting not only the oilfields in Old Roumania but, evidently, has found its way

into what was formerly the zone of the British Hungarian Petroleum Company Ltd., now a subsidiary of the Anglo-Persian Oil Company, Ltd.

Then there is what appears to be a native institution, viz:— the *Banco Romaneasca* which has interested itself, after the manner of the Zivnostenska Bank in Czecho-Slovakia, which it seems in other circumstances closely to parallel, in coal mines, oil wells, timber concessions, electricity plants and in subsidiary banks. It would seem to be independent of external control but to be interested in concerns along with other Roumanian banks. "French financial interests have been very active during 1920," reports the Department of Overseas Trade concerning the position in Roumania. Besides the specifically French concern, the *Banca Franco-Romana*, an Austrian subsidiary of another French consortium headed by the Banque de Paris et des Pays Bas, viz:— the reconstructed *Oesterreichische Landerbank*, has taken a big interest in the *Banque de Credit* at Bucharest whilst the Banque de l'Union Parisienne is concerned in the *Commercial Bank of Roumania*. Schneider and certain makers of rolling stock have taken over railway workshops and a French Wireless Co. has acquired other machine shops. Belgian capital has undergone a re-shuffling in important petroleum properties "whilst the sugar industry of Roumania is practically in Belgian hands." The *Banque Belge pour l'Etranger*, which is in the same group as the Banque de l'Union Parisienne and Schneider, has, also, opened a branch in Bucharest.

To make competition still more lively we have the "Shell" group representing Dutch money and the *Banca Commerciale Italiana si Romana*, bringing the highly speculative activity of Castiglioni into the Roumanian arena.

V.

The Vultures of Vienna

SO much for the countries of the Little Entente. Now let us have a look at the dying city of Vienna, become the metropolis of a state shorn of its economic strength and deprived of the areas of industrial and commercial activity, which alone could support its complex of financial facilities. In losing Bohemia and Moravia, Vienna lost four-fifths of the industrialism upon which its banking houses depended for their custom and their credit reserves. In forfeiting Trieste, it lost its port and became an even more helpless geographical monstrosity. The capital of Austria had been, prior to the war, a great European centre, the metropolis of a very influential state and in close touch with Dresden, Frankfurt and Berlin in matters economic. It had been one of the nerve centres of German capitalism. At the same time, both because of the age and traditions of the Hapsburg dynasty and of the position of the city on the great water-way of Central Europe, the money-merchants of London, Paris and of Holland had done much business there and established valuable connections.

Vienna was one of the centres of the international banking house of Rothschild and that family had enormous properties in State loans and public and industrial undertakings throughout the Dual Monarchy. The old established money-lenders of the Continent, like *Hope and Co.* of Amsterdam, *Labouchere Cyens and Co.* of Rotterdam and, probably, certain of the Berne and Basle bankers, the foundations of whose fortunes were laid in the great days of Bourbons and Hapsburgs, must also have had interests in Vienna that were seriously affected by the break-up of an old-established state and by the economic consequences of the blockade.

One cannot but suspect that the newer moneyed men of Paris, Antwerp, London, Rotterdam and Milan, the financiers whose wealth has been built up on industry and commerce and who have been contesting the dictatorship of the old money-lending houses of the early 19th century have had more to do with the enforcing of the blockade and the carving up of republics out of empires than have the Rothschilds, Barings, Sterns and Hopes. Someone has been using the military army of a corrupt policy to depreciate deliberately the values of securities and business undertakings so that these might be forced on to the bourses at bankrupt prices and bought up by a new generation of money traders' interest on establishing themselves as a new but permanently endowed oligarchy. One has the impression that the post-war policy of the Allies with regard to Central Europe has been deducted to further the interests of such types of capitalists as the Berthelots and Zaharoff of Paris, Jadot of Brussels, Castiglioni of Trieste, Isaacs and Guedalla of London.

Great and continuous re-organisations have been taking place in the banks of Vienna during 1920 and 1921, and many have been the actual or rumoured alterations in their *personnel* of control.

The *Anglo-Austrian Bank* has become definitely British, but to whom precisely it has passed we have not been able to discover. The *Loenderbank* of Austria has come under the sway of the *Banque de Paris et des Pays Bas* and other French concerns grouped around this colossus. The *Crédit du Nord*, a Franco-Belgian syndicate, has taken over the *Kommerzialbank* of Vienna. The *Gälische Karpathen Bank* has, likewise, become a French auxiliary.

Then the *Société Generale de Belgique* and the *Bank Belge pour l'Etranger* have taken up a large issue of new shares of the *Wiener Bankverein*. Subsidiary to this is the *Banque Balcanique*.

Whilst French and Belgium banks with French affiliations were thus taking control of several of the leading Austrian houses, the *Austrian Credit Austalt*, which, apparently, is a concern under the influence of the Vienna Rothschilds, was commissioning the latter to set up in Amsterdam a bank to deal in foreign bills. As a result of these negotiations which have the appearance of a withdrawal of business headquarters from Austria to Holland, there was to be established in August, 1920, in the presence of the Austrian ambassador, at the Hague, the *Austrian Bank of Reconstruction*,

with a capital of 10,000,000 florins. "This company," according to *l'Information* (8/8/20), "will be closely connected with the 'Trenga'; this latter, which has for its object to facilitate the selection and sale by medium of a trustee of goods, was formed in May, 1920, with a capital of 30,000,000 crowns with the aid of the Government." This concern had the help, later, of the *Rotterdamsche Bankvereeniging*.

About July, 1920, the *Austrian Credit Austalt*, through the *Warburg Bank* at Hamburg, obtained 40,000,000 crowns from *Kuhn Loeb and Co.*, and the *Guaranty Trust Co.* of New York, and seems to have come under their control. Resulting from this deal, the Harriman shipping interests and the *Hamburg-Amerika Line* made arrangements early this year to establish an Austrian steamship company, but whether it went beyond the stage of negotiations we are unable to say.

The bank projected in Holland in August seems to have been finally realised towards the end of the year, for another mention is made of this scheme in November of last year, when the names of Hope and Co. and the Netherlands Trading Company are definitely given as constituting a company of which Baron Louis Rothschild and C. E. ter Meulen are to be amongst the directors.

This C. E. ter Meulen, interested here in the reconstruction of Austria and the revival of its prosperity, is the head of Hope and Co. and the world-famous author of the much discussed Credit scheme put forward by him to and on behalf of the League of Nations.

It is significant that this representative of an international banking house dating from the classic period of capitalism and located in the cosmopolitan country of Holland should be the author of such a scheme as is associated with his name. He and the Hon. H. R. Brand of Lazard Brothers are typical of a more staid and reputable, because longer established, form of capitalism than the gang of speculators scrambling over the prostrate bodies of the Viennese proletariat intent on nothing but loot and an ever more intense exploitation of human labour. They are the mellowed products of a more mature growth of the *grande bourgeoisie* who batten on the toiling millions of Europe.

VI.

The Capital of the Counter-Revolution

After this glance at poor Vienna—fit breeding ground for the mental anæmics of the "Two and a Half International"—we pass on to the centre of European Counter-Revolution, the city of Budapest. Here, on the navigable reaches of "the beautiful, blue Danube," in the midst of the green Magyar plains, is staged a drama which is well worth the attention of every Communist in Britain and throughout Europe. Here, the massed forces of Entente capitalism are gathered to subdue to their merciless will all Eastern and South Eastern Europe, but, all the while, quarrelling amongst themselves over the allocation of the spoil.

In the summer of last year, the *Union Européenne Industrielle et Financière* took up two-thirds of a new issue of 300,000 crowns of shares made by the *Hungarian General Credit Bank*, whose intimate relations with the Vienna Rothschilds and the *Austrian Credit Austalt* extending over half a century, the *Balkan Economist* remarked, "will remain unchanged in the future too," but with the advantage that the bank "will become the centre of all the economic and industrial enterprises now under the control of the said French group or to be put under the control of the same in the future in Central Europe and the Balkans." In consequence of this transaction the *Hungarian General Credit Bank* had at its disposal 280,000,000 crowns share capital and open reserves amounting to a further sum of 600,000,000 crowns.

A little later on, the *Hungarian General Credit Bank*, the *Austrian Credit Austalt*, the Rothschilds, the *Amsterdamsche Bank*, the Royal Dutch Shell Co. and Pearson and Co. formed the *Nederlandsche Petroleum Maatschappij "Photogen" Co., Ltd.*, with a capital of 14,000,000 Dutch florins to exploit oilfields in Central and East Europe. The *Asiatic Petroleum Co., Ltd.*, and the *Bataafsche Petroleum Maatschappij*, respectively, the British and Dutch trading departments of the Royal Dutch "Shell" combine, have half the directors under their control. "The object of the international capital participating in this mighty petroleum company is to ensure the co-operation of the big Budapest institutions which will undertake the safeguarding of its interests in Eastern Europe."

The President of the new "Photogen" was the chairman of *Ganz and Co.'s* shipyard at Pest.

Last year, also, the *Banque de Paris et des Pays Bas* and a group of French associates took an interest in the *Savings Bank of Pest*, and, through it, in the timber trade of Hungary, whilst the *Banque pour le Commerce et l'Industrie*, Schneider Creusot and its subsidiary wagon-building company acquired 51,000 shares of 300 francs each in the *Orient Railroad Company*.

Whilst French and Dutch capital was thus making its influence felt in Budapest, the money-power of Italian industrialism was vigorously asserting the will and the ambition of Castiglioni. This son of a rabbi in Trieste having brought within the same orbit the *Deposit Bank* of that city and the great Milan institution of which he is now the president, the *Banca Commerciale Italiana*, has established in Budapest the *Banca Ungaro-Italiana* which, in co-operation with the other two concerns which he controls, has formed the "Foresta" Company of Milan to develop timber concessions in Hungary. He has, also, joined hands with Stinnes—so it is said—in the operation of the greatest steel works in Austria, viz., the *Alpin Montangesellschaft*. He is interested in the manufacture of milk-products, apparently as a side line from his control of the *Agrarian Savings Bank* of Hungary and his holdings, together with the *British-Hungarian Bank*, in the *First Hungarian Farm and Industrial Co., Ltd.* In this latter concern two Ministers of the Hungarian Government are directors.

Castiglioni is reputed to have a fortune of six billion crowns, and he figures as a big capitalist in Italy, Austria, Hungary, Roumania, Bulgaria, Czecho-Slovakia, and Turkey. He is the head of a bank of European importance which, until Italy entered the War, was under German influence. He made his initial money as a munitions contractor to the Central Powers. To-day he is the associate of Stinnes, of Lazard Brothers and of the Marconi House. He epitomises cosmopolitan and conscienceless profiteering grown and growing ever more bloated at the expense of the unfortunate victims of war, blockade and economic catastrophe in the lands, alike, of foe and friend.

He and the master minds of the French and Dutch syndicate which we have already named are, however, by no means the only or even the most powerful capitalists whom we find operating at the headquarters of European Counter-Revolution.

VII.

Beneath Blockade and Terror

THE end of the war found a British river-patrol pushing up the Danube which, after the overthrow of the Soviet Republic of Hungary, made its headquarters, apparently, Budapest. To the commander of the British flotilla, Admiral Troubridge, was given the presidency of the Inter-Allied Danubian Commission set up by the Peace Conference at Versailles to regulate the Danube navigation under the scheme for its international control there decided upon. According to a statement quoted in the "*Economic Review of the Foreign Press*" (17/9/20), this Commission was being financed by the British. In 1919, the *British Trade Corporation*, which we described in the first article of this series, set up a branch at Belgrade under the guns of Troubridge's monitors, moored almost at its doors.

In the spring of 1920, there was formed in this country the *Anglo-Danubian Association, Ltd.*,

"to investigate the economic position in Austria, Czecho-Slovakia, Hungary, Jugo-Slavia, and elsewhere in Central Europe, and the practicability of establishing business relations with manufacturers in those countries or the States thereof."

Amongst the interested parties were the Goschens, Rothschilds, Schröders, Lazards, Iloyds and the London Joint City and Midland Banks, the British Trade Corporation and Metropolitan-Vickers.

Then a Coalitionist M.P., significantly enough a big shipowner in Dundee, Mr. C. C. Barrie, went out to Budapest to examine into the prospects of a syndicate to be formed to take over all the river steamers, barges and lighters upon the Danube. This was to be brought about by "a combination between the navigation companies and the International Danube Commission." They were, also, to run big steamers between Bratislava in Czecho-Slovakia and Bulgaria. The project met with marked disapproval by France, Serbia and Roumania—where Schneider and other French interests

had got the railways into their hands. However, the scheme went through and the British syndicate came into possession not only of a monopoly of the river transit of the Danube but also docks, shipyards and warehouses at Budapest and elsewhere on the river, and the coal mines at Pecs in Jugo-Slavia.

The *Danube Navigation Co., Ltd.*, capitalised in October, 1920, at something over £700,000, had upon its board eight directors. The chairman and one other director represent the great steamship company of *Furness Withy and Co., Ltd.*, who have a line running to the ports at the Danube mouth and have river services on the lower reaches of the Rhine; one represents the big Tyneside and Clyde shipbuilding firm of *Swan Hunter and Wyham Richardson, Ltd.*; one, *Hambro's Bank of Northern Commerce, Ltd.*, which does a big business with the Baltic States; one, *Cox and Co.*, the army bankers, who are associated with Barclay's Bank, Ltd.—the largest shareholders in Furness, Withy and Co., Ltd.—in continental and near Eastern banking business; one, *Charles Barrie and Co., Ltd.*, shipowners of Dundee, also doing a big trade with the Baltic; one, the *Hungarian General Credit Bank*; and two, the *Austrian Credit Austalt*. The largest shareholder in the river syndicate is the *Union des Banques Suisses*, which, together with the Austrian and Hungarian Credit Banks and certain British textile merchants, has formed the *British-Hungarian Cloth and Textile Co., Ltd.*, to import British textiles into Central Europe.

The *Balkan Economist* was, also, endeavouring last year to persuade British cotton manufacturers to acquire mills in Hungary because, whilst in other countries wages accounted for 50 per cent. of the cost of the finished article, and "prices of raw material and wages have risen in about the same proportion—in Hungary the fall in the *valuta* (exchange value of currency) has produced an enormous discrepancy, and the wages for labour possess much smaller weight than formerly, in comparison with the cost of acquiring raw material from abroad, that is to say, the same raw material can be worked up here much more cheaply than in the states with a good *valuta*." Probably this was what the Union des Banques Suisses and its associates had in mind, viz., to send in half finished textiles and to have the work completed by the low paid victims of Admirals Horthy and Troubridge's régime of Counter-Revolution.

Finally, in November, 1920, there appeared on the scene the *British Danubian Trading Corporation, Ltd.*, formed:—

to open up and promote every kind of commercial and trade relationship . . . in particular between the United Kingdom and Hungary, Austria, Russia, Roumania, Czecho-Slovakia, Jugo-Slavia, Turkey, Bulgaria and Poland;

to carry on business as bankers, capitalists, financiers, concessionaires and merchants.

The company was to enter into an agreement with the *British and Hungarian Bank, Ltd.*, and was, in fact, the creation of that bank and its controlling influence, the *Marconi's Wireless Telegraphy Co., Ltd.*

The British and Hungarian Bank, Ltd., which came under the ægis of the Isaacs last year, was already before the war, as the Anglo-Hungarian Bank, Ltd., or whatever name it then went under, a concern controlling 180 branches throughout the Balkans and as far as Moscow. Now, in 1920, due to the organising ability of Simon de Krausz, was added the business capacity, the financial resources and the political "pull" of the great Marconi house.

The capital of the bank is 200,000,000 crowns, and of this the Marconi group has acquired one half. Its assets, comprising banks, insurance companies, metal and machinery, timber, leather, textile, brewing, milling, pig-fattening, chemical, match, printing, railway, building, hotel, watering-places, furniture and innumerable other undertakings are estimated to be worth eight times its capital.

It is a concern associated with the enterprises of Castiglioni. The chairman of the Marconi Company is, of course, Senator Marconi, the chairman of another great Italian bank, almost the equal in importance of the Banca Commerciale Italiana, viz., the *Banco di Sconto*, which seems to have, in New York, a joint agency with Castiglioni's enterprise. Godfrey Isaacs, the chairman of the British Danubian Trading Corporation, is the managing director of the Marconi Company, one of the leaders of the Federation of British Industries, and the brother of Lord Reading, the Viceroy of India.

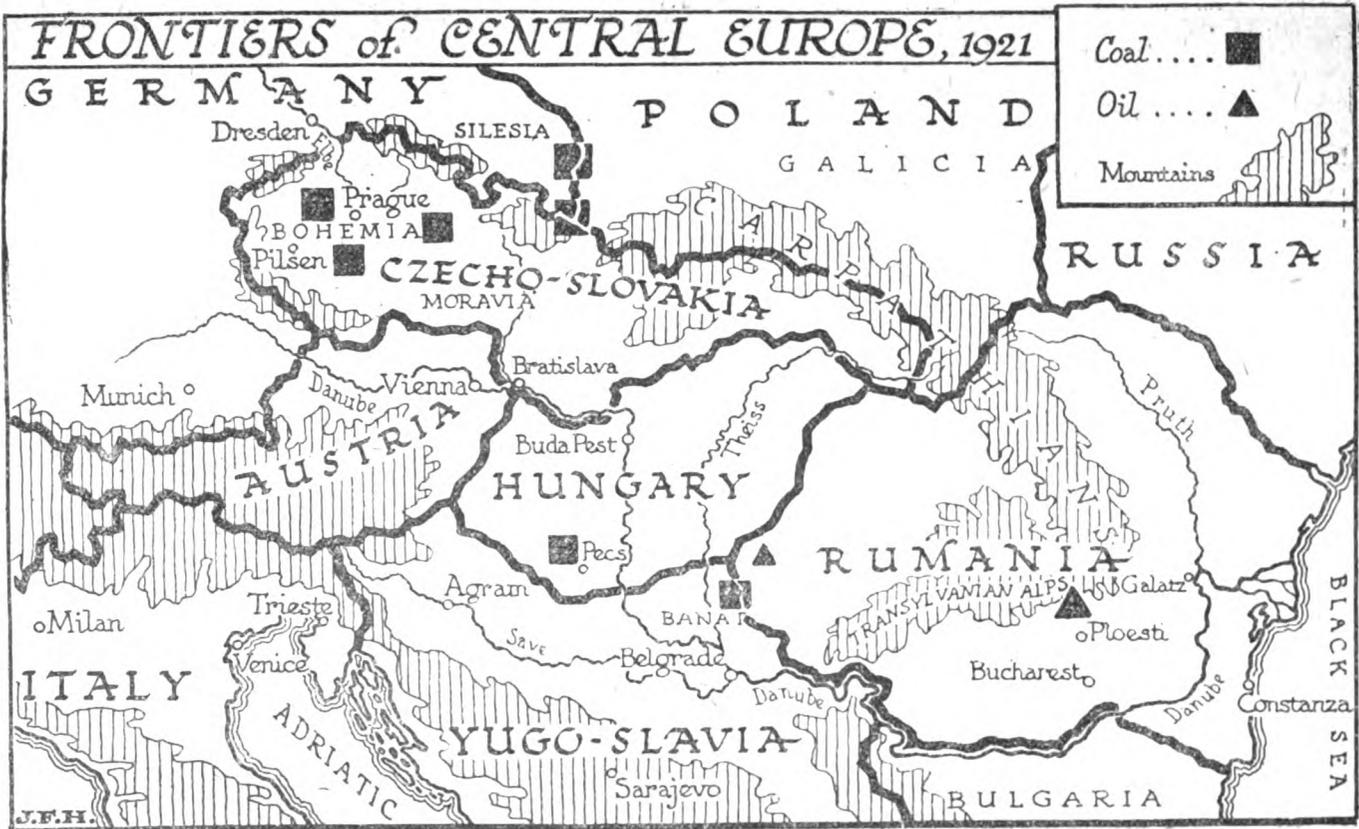
The *World Salesman* (Feb., 1921), says of the British and Hungarian Bank:—

"Behind the establishment of this Bank there is to be found an authority of no less standing than the Imperial and Foreign Corporation. . . . In this transaction of the International Marconi House, Lord Reading and the Churchill family have taken part."

Now, the *Imperial and Foreign Corporation, Ltd.*, was, in its origin, a British company to develop concessions from the Czar, and it stands back of the *Russo-Asiatic Consolidated*—Leslie Urquhart's little packet

One of the largest shareholders in the Marconi Company is Sir E. Hambro, whose concern, Hambro's Bank of Northern Commerce, has in its share list a galaxy of names formerly connected with banking and trade at Petrograd and Moscow.

The presence in Hungary of Armande de Saint Sauveur, of Schneider, and late of Poutiloff; of directors of Franco-Russian banks; of capitalists of cosmopolitan interest having claims to forfeited properties and hopes of new concessions in Russia; of the Isaacs, Guedallas and Castiglioni; of, if rumour is correct, the great Lord Reading and the Churchill family to supplement the employers of Mr. Lloyd George's son, the Pearsons, and their colleagues the Rothschilds suggests grave danger to the Soviet Republic and the cause of Communism. True, these gentry hate each other only a little less than the rulers of the several countries they batten on. They are all ready to cut each other's throats and to make a bloody shambles of the thieves' kitchen wherein they squabble over the spoil. Yet we must remember that they have got



what they already hold by the enforcement of the pitiless hunger blockade of Central Europe, over the tiny coffins and the rickety frames of millions of Austrian and Hungarian babies and thanks to a nightmare of floggings, hangings and fiendish mutilations of working class men and women, the pictures of whose sufferings and whose disfigurements once seen will remain the memory of a lifetime. They have no consciences to stir, no bowels of compassions to move, no sentiments but those of cupidity, class cunning and class terror.

They may—and good riddance—mutually annihilate each other, or they may temporarily compose their differences and agree to settle first of all their account with the Communist International.

It is up to us to expose their activities and their aspirations; to rescue the masses from the blind leadership of such dolts as, in Vienna and Amsterdam and Geneva, under the very façades of these capitalist houses, babble the insufferable nonsense that escapes from the gaping mouths of the MacDonaldis, Kautskys, and Thomases, and to direct them along the road to Revolution.

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INTERNATIONAL REVIEW



Communist International Manifesto

TOWARDS UNITY OF THE WORLD PROLETARIAT
AGAINST THE UNITY OF THE SOCIAL TRAITORS.

WORKING-MEN and women! unite from below, without paying attention to the machinations from above of the social traitors.

Proletarians, men and women!

The International of those who during the war assisted the bourgeoisie in subjecting the proletariat to the interests of the capitalist assassin of the peoples; the International of those who since the war have been the principal support of the exploiters, and have by every means, from frank trickery to open murder, helped capital to render the revolution impossible, this International has addressed itself to the Two-and-a-Half International (the International of all the half-and-half's, all the poltroons, the International of those who dared not fight against imperialism and who, confronted with the choice between revolution and counter-revolution, after a long hesitation between the two, have constantly returned to the side of counter-revolution)—proposing that they shall unite their forces. The hypocrites of the Two-and-a-Half International replied to this proposal declaring that union was only possible on the basis of the class-struggle and demanding the abandonment of the policy of *waerts* declared that its Party was not at all disposed to abjure coalition with the bourgeoisie. After this proud response, however, the Two-and-a-Half International *sotto voce*, declared itself ready to gather together with its learned colleagues of the other faculty to see what there was to be done. The Second International was not deceived by this grandiloquent bluff of the centrists. *Vorwaerts*, and besides one could not tell how far Ledebour, Adler, and all these other gentlemen were serious in their aversion to the coalition. In the course of their conversation behind closed doors with the declared social patriots it is very possible that it would transpire that they were merely dealing in radical phraseology. And the *Vorwaerts* men were a thousand times right. These same F. Adlers, Otto Bauers, and their companions, who to day blethered against coalition with the bourgeoisie, were they not yesterday, still members of the Austrian government and stained with the most disgusting "christian and social" counter revolution? And the valiant Dittmans, these knights without fear

and without reproach of the class struggle, did they not sit side by side with the Scheidemanns in a government of which the Minister of War was General Groemer and the Minister for Foreign Affairs, Herr von Wolf, in a government which not only defended the interests of capital but which entered into coalition with the "professional ministers" representing the bourgeoisie?

With disdain and irony the Second International people ask where then in this case is the Dictatorship of the Proletariat which figures on the programme of the Two-and-a-Half International? On paper, Dictatorship of the Proletariat, and in practice, helping and taking part in the capitalist government of Germany which drained the German proletariat to satisfy the demands of the Entente! Dictatorship of the Proletariat on paper, and in England, these gentlemen of the I.L.P. who refuse to combat the Trade Union bureaucracy in spite of its treason at the time of the Miners' strike! Dictatorship of the Proletariat on paper, and in practice, a campaign of calumny against the only country which withstood the world dictatorship of capital, Russia of the Soviets!

Vorwaerts is perfectly right when it says straight out that there is nothing but a phrase still separating the Second and the Two-and-a-Half International. And what is that phrase worth when it is borne in mind that the men of the Two-and-a-Half International have not ceased to remain hand in hand with those of the Second International on the ground of the Amsterdam Trade Union International being opposed to the transformation of Trade Unions from their status of last entrenchments of the bourgeoisie, as they are at present, into advance guards of the militant proletariat.

The Two-and-a-Half international, the International of the heroes of revolutionary phrases and of dishonest opportunist policy, is from now in fact intimately allied to the foul purveyors of undiluted reformism. Moreover, it will be nothing new even if supple demagogues such as Grimm, Bauer, Crispin, Longuet and Wallhead prefer to begin corrupting and sterilising the life force of the proletariat under the auspices of their own firm. In any case capitalism will gather the fruits. Capital, which a long business experience has made wily, understands very well how to charge two different firms with the same work, and start a dummy battle between them, in order the better to delude the masses and fleece them all the more. *The proletariat must not let itself be deceived by this mummery of disputes between two Siamese twins. On the contrary they must not cease to consider them as one soul in one body.* But it is not sufficient to unmask the dummies in this farce of reformists against semi-reformists. It is not sufficient that the proletariat should be aware that if they unite it will be fatally *against the revolutionary proletariat.* It is not sufficient to ridicule the treachery and inconsistency of the heroes of the Second and Two-and-a-Half Internationals. Above all it is necessary to understand why it is now, and precisely now, that this propaganda in favour of unity has taken rise. The reasons are as follows:—

Imperialism triumphed in 1914 over the world proletariat because the working class was divided. The social democrats who later became social-partiots and independents never ceased to

divide the working class and take part with the bourgeoisie. Before the war this treason was "virtually" and "spiritually" ready to declare itself. When the war broke out, all the Scheidemanns, Adlers, Renaudels, Tcheidzes, Plehanoffs hastened to place themselves at the side of "their" bourgeoisie and dragged after them numerous crowds of workers whom they had duped. The world proletariat was discouraged, deceived, betrayed, and above all *divided*. The social traitors and the independents *desired* this division and by *them* it was accomplished. When in 1918 the revolution broke out in Germany, in Austria and Bulgaria, the proletariat was anxious for unity. This desire found expression in the revolutionary workers' councils which arose spontaneously. And then in order to save their dear bourgeoisie, the social democrats and the independents again did everything possible to sow discord in the ranks of the proletariat in order to dissolve the workers' councils. The working class was thus frustrated of the fruits of revolution, and the bourgeoisie with the aid of those who are now the leaders of the Second and Two-and-a-Half Internationals, triumphed once again. The proletariat remained divided.

Nearly three years have passed, three years of misery and privation during which numbers of workers' tribunes have been assassinated, simple revolutionary combattants who never saw victory crown their brows.

The proletariat now perceives that it has been spoiled. The proletariat sees at last that in order really to triumph over the bourgeoisie, it is necessary for the great masses to unite and devote themselves to a truly revolutionary fight. The proletariat thirsts for such a revolutionary unity. The proletariat feels the organic need of an organisation of the vast revolutionary mass, solid and one. The proletariat wants to put an end to the spirit of discord nursed by the social patriots and independents. In the lowest strata of the working masses this important and healthy fermentation is now taking place. And the traitors of the Second and Two-and-a-Half Internationals feel it. They know, they have sold the masses, that if the world proletariat really unites, they and their capitalist patrons are lost. But they do not abandon hope of making profit out of this situation as they have out of others. They want this desire for union to provide water for their social patriotic mills also. They adroitly exploit the best and most noble sentiments of the workers. They want to use this tendency of the workers towards unity for their own little ends, to use it for a dishonest alliance of social patriots and independents. The Noskes and Vanderveldes, the Dittmanns and Renaudels, prophets of proletarian unity, of this same proletariat that they have a hundred times betrayed, sold and divided! It is too much to believe!

We must show up this bad joke of the chiefs of the Second and Two-and-a-Half Internationals. We must not forget that the slogan of unity in the mouths of these heroes is merely a mockery; on the part of these leaders it is merely one of their dishonest shibboleths, whereas on the part of the working masses, it is a healthy tendency towards the real unity of the proletariat.

You, workingmen, you wish for unity? Let it be so! Unite from below for the *struggle against the bourgeoisie*. This is our

slogan, it is yours also. Come to us! Only the Communists wish for the real unity of the revolutionary masses. Long live the unity of the workers, but against Noske, against Scheidemann and Ebert, against Jouhaux and Renaudel, against Renner and Vandervelde, against all the Dittmans and other props of the bourgeoisie! The task of the Communist Parties of all countries consists in contributing all their forces towards making the workers of all countries unite under the direction of the Communist Parties to fight against the international capitalist offensive; against the attempts made by world capital to throw on to the shoulders of the proletariat alone the burden of the reconstitution of capitalism; to make them unite to pass from the defence of their interests against the oppressive tendencies of capital to a decisive battle against capitalist domination, to overthrow the capitalist system and establish the International Soviet Republic. The struggle for unity of the working masses resisting the assaults of capitalism, the struggle at the head of the working masses united to free themselves, this is our duty, and it is only in strictly fulfilling it that we shall be able to gather the working masses round the Communist International, *which is the only living and active International*, the only International capable of snatching the proletariat from the clutches of bourgeois influence, to inspire it with ideas of proletarian brotherhood, and to face the bourgeois as a great force. Reformism and semi-reformism both signify the subjection of the proletarian masses to their national bourgeoisie of each country and to world capital. Down with the nummery and sycophancy of the Second and Two-and-a-Half Internationals.

Down with their unity against the revolutionary struggle of the proletariat!

Long live the Communist International which is the bond of steel of the proletariat of all countries!

(Translated by Madeline Wertheim).

Australia

By W. P. EARSMAN

Growth of Communism

THE Island Continent to-day, like all other countries, is in the throes of the class struggle. Not that this is anything new, but to-day it is so clear that it is recognised by all classes in the community. The history of the country is one which may contain lessons for the workers in many lands, and in particular for the workers of Britain.

The pioneers of Australia were not of the ordinary emigrant class, but were men who had been banished from their native land, Britain, because they dared question the authority of the then ruling class. It was in 1788 that Britain decided to try and make something of this new land, and the first settlers arrived in this year. But in 1793 the Government, having lost the American colony, where they had been sending all their undesirable elements, decided to put the practise of deportation into operation, with the object of opening up Australia, and hoping that the deportees

would become useful and loyal subjects to a kind and benevolent Government. This means that the first white emigrants to Australia were men who had dared to make a stand for freedom, in questioning the rights of the ruling class. This is worth while remembering when one thinks of Australia and its future.

THE AUSTRALIAN ABORIGINES.

Little is known of the Aborigines of Australia, and no authority has ever taken sufficient interest in them, to make a detailed study of their habits or laws. Several people have been interested and have made raids on them, at different times, thinking that by that method they might be able to glean something of interest to the world. The Aborigines are not included in any of the Government returns, not even the census. This, I suspect, because of their lack of value in the labour market, and their preference for their own mode of existence instead of ours. It has been stated by some who have a slight knowledge of the natives that they are the least developed of the human family, but whether this is true or not, they have not yet been railroaded into civilisation. The different State Governments have established camps for them, where they are provided with food, clothing, and shelter. The majority of them prefer to live their own nomadic life, wandering about in tribes in the back country away from capitalist exploitation.

The numbers of Aborigines are very difficult to give. According to the Commonwealth Statistician, Mr. Knibbs, he says that there are great numbers of them still "in a savage state." What he means by that is difficult to say, except that they will not tolerate the white man's "gentle ways," but prefer to keep away from them. Occasionally we hear of a white man being killed by them, but in such cases it can always be taken for granted that he must have been unduly provoking the natives. As a race they are not warlike, and desire to be left alone. They are found mostly in Queensland, the Northern Territory, and Western Australia. In 1911 the approximate numbers were 150,000, but in 1915 there were only supposed to be about 80,000. One thing is certain: they are fast dying out, mainly because of their precarious mode of living, which they prefer to the economic slavery of the white man.

As already stated, the early population of Australia were people whom the British Government thought were undesirable to the welfare of the Mother country, but whom they thought might be useful in opening up the vast island colony in the south. Those early years of Australian history are of little importance for the readers of the COMMUNIST REVIEW. The convicts and the early settlers worked mainly around the coast, slowly extending into the back country. In 1804, and in 1830, there were revolts of the convicts, but they were easily suppressed by the armed forces of the State. It was not until 1850 that the country began to attract attention owing to the discovery of goldfields in different parts. Gold was found as early as 1839, but the news did not reach the outer world until 1850. Then the rush came which meant an increase in the population of almost a million people in twenty years.

With the coming of people from all parts of the world, looking for wealth; with their intermingling with the early settlers, and with the quick development of the country, things were soon out of gear. It was natural that, in the rough and tumble of life of the period, conflicts would arise. No one ever dream't that the rights of the miners, or of the people of the new country, would be so ruthlessly trampled under foot by the despots of the time. In 1854 serious trouble broke out between the miners and the Government on the Ballarat goldfields, which terminated in a trial of force between the workers and the armed power of the State. The miners raised their barricades in a huge place known as the Eureka Stockade, and decided to test their strength against the Government troops. Many stories are told of the heroic deeds of those miners, who dared to challenge the authority of an autocratic government. After several days' skirmishing, the Government troops attacked the miners' fort with guns and bayonets, and destroyed the stronghold, leaving many dead. Thus, on December 3rd, 1854, the first battle for working class freedom was decided and the workers were routed. After this things went smoothly, and by 1859 the country had become divided, politically, into its present form of states. These are New South Wales, Victoria, Queensland, South Australia, West Australia, and Tasmania, an island off the mainland.

With this form of Government it was not long before there was trouble, because each state was, strictly speaking, a law unto itself, and the race for trade with the opposing groups of capitalists, in the different states, was soon the order of the day. The battle was fierce and furious while it lasted, especially between N.S.W. and Victoria. On the borders of these states there were custom offices and officers, because one state carried on business by free trade, and the other by protection, each claiming that, under this system they could best develop the resources of their particular state. Slowly, but surely, it began to dawn on them that this was a suicidal policy, and a movement arose which demanded a federation of all the states with one constitution.

In 1900, the people of New South Wales, Victoria, Queensland, South Australia, and Tasmania, agreed to the setting up of a Federal Constitution. Western Australia came in later. The first Commonwealth Parliament was opened under the administration of a Liberal Ministry in 1901.

The federal constitution provides for two houses of parliament, a House of Representatives and a House of Senators, with a Governor-General representing the King. The parliament is elected for not more than three years; each state has the right to nominate six representatives to the Senate. The representation in the House of Representatives is on a pro rata basis of the population of each state, and the combined number should be double that of the Senate.

In 1902, universal suffrage for all over twenty-one years of age was adopted for the federal elections. The constitution permits the federal parliament to legislate in all matters of Trade, Commerce, Taxation, Postal affairs, Naval and Military defence

forces, Currency, Census, and in Industrial matters. This last is mainly in connection with industrial disputes. Provision is also made for the consulting of the people by referendum on the alteration of the constitution. This has been exercised on four occasions, and each time the people have said No.

Four years after the setting up of the federal constitution, the Labour Party got into power, and had the reins of government in their hands. Since then, and up to the present time, there has been no less than five Labour Governments, and their record may be of interest to the workers of this country. It will throw some light on the actions and lip service of the MacDonaldis, Thomas's, and Hendersons, who are busy doping those who are compulsory idle, and promising them a paradise if only they are returned to parliament with a majority. How often I used to hear that story in Australia, but to-day no Labourist dare mention it. This experience is a valuable one to all, and I trust the members of the I.L.P. and the Labourists will take note of our Australian experiences.

Looking back over those seventeen years, it would seem that the workers of Australia, under successive Labour Governments, would have some modicum of economic freedom, but, alas! only now are they beginning to realise what a blind alley they have been led into. To-day, with an army of compulsory idlers, unknown in the history of the country, with Labour Governments in power in at least two states, there are people dying of starvation in all the capital cities.

The Federal Labour Party, during its term of office, have placed several laws on the statute book, the object of which was to assist the workers. Arbitration and Conciliation Acts to enforce industrial peace have been passed and are enforced by a High Court Judge at £7,000 per year. These acts have been amended from time to time with the object of making them perfect. To-day they are on the scrap heap, because the workers have seen through them, and have realised how, in practise, they were so reactionary that even the workers in Britain and elsewhere would revolt against them. The Labour Governments, however, acting on the instructions of Big Business, are still anxious to enforce them.

Nationalisation was next tried. This has been accomplished in many industries, including Shipbuilding, Woollen Mills, Clothing Factories, Saddlery and Leather factories, etc. Sufficient to say these have failed.

Then comes the great cause know as the White Australian Policy, which has for its purpose the protecting of the white man's standard of living against any of the coloured races, in particular against the Japanese and the Chinese. This also failed. You can see in the streets of any of the large towns as many Chinese or Japanese as you will see in this country. The Labour Party persist in holding up this law as one of the instruments of working class emancipation. Our I.L.P. friends in England may now understand the "white" internationalism of MacDonaldis' Second International.

Compulsory military training for all youths between the ages of 18 and 26 years of age is in operation. In 1911 the Australian Navy was established. In 1912 the Labour Government rose to the occasion, and passed a law known as the Maternity Allowance, in which every white woman who gave birth to a child received the sum of £5. In reality they have only given the middle class medical profession a guarantee that they will be paid for all births they attend. The final achievement was in 1914, when Britain declared war on Germany. The Labour Prime Minister, Mr. Fisher (once a coal miner), summed up the Labour Party's policy in the following words: "We will give to the Mother country our last man and our last shilling." These people, like Mr. J. H. Thomas and Mr. Snowden, do not believe in "force."

Before closing this inglorious record, let me say that there is one thing to their credit. In 1916, when Mr. Hughes, the Labour Prime Minister, returned to Australia from the perfumed company of the British Duchesses in London, he carried with him the proposal that the manhood of the country should be conscripted for service abroad. The Labour Party opposed the proposition, and on Mr. Hughes taking the question to the people by referendum they expelled him from the party.

In case it should be said that the Australian Labour Party's programme is not as advanced as the I.L.P., or the Labour Party's of this country, let me say that if anyone will take the trouble to examine all of them, they will find very little difference in them.

As already stated, the present states were set up in 1859. There are two Houses of Parliament in each state. The Legislative Assembly is elected by the people, but the Legislative Council in two states, Queensland and New South Wales, are nominated by the Governor in Council. In the other states the Council is elected and the franchise is based on a property qualification. In each state, except Victoria, the Labour Party have at different times within the last twenty years, held the reins of Government. At the present time, in New South Wales and Queensland, they are in power, and still there are many hungry people in the streets. Unlike Russia, these states have not been blockaded, nor have capitalist states flung gigantic armies against them. The Labour Governments have tried to ease the lot of the unemployed by starting relief works, but the important fact is, that a Labour Ministry in control of a government in a capitalist state cannot wipe out the basic evils of that system unless their methods are revolutionary to the extent of destroying the capitalist mode of production. In other words, unless the Labour Government's first act is the disarming of the bourgeoisie and the arming of the workers, there can be no hope for it.

For many years the panacea held up to the working class of all countries by the Labour Parties, and the I.L.P., has been that of Nationalisation, the cure for all misery and degradation. Even to-day in Britain we have these parties holding out this exploded theory, in spite of the great failures in Australia and Germany. Many people to-day, where Labour Governments hold power without attempting to first break the monopoly held by the capitalist classes, believe those stories.

Beginning with the Commonwealth administration of nationalised factories we find, that since the federation was set up in 1900, that the Government have had under their control Railways, Shipbuilding yards, Woollen Mills, Clothing Factories, manufacture of explosives, manufacture of wireless apparatus, hotels, etc. These are absolutely controlled by the Federal Government, and this Government, during that period, has been no less than five times in the hands of the Labour Party. At least, we would expect that those workers who are employed in the service of the Government in industries would be on the way to emancipation. Are they? No, emphatically no! They are the same old wage slaves, as employed by the private capitalists, only the exploiter is the Government and not an individual. They receive no more wages, because they too are engaged to make surplus value, and when they cease to do that, or when their master fails to dispose of the surplus they have made, there is only one thing for them—the street—even under a benevolent Labour Government. In March of this year, before I left Sydney, there were close on 3,000 ironworkers sacked from the Commonwealth Shipbuilding yards, and since that the same thing has happened in the State yards. Did not Mr. J. Ramsay MacDonald tell the Woolwich workers that a Labour Government would keep the Arsenal going full time! Look at Australia.

It is true that the workers in the Government service, in some cases, get paid for holidays, but that is not an alteration in their status as wage earners, and many workers are better off with private employers. Further evidence can be given that in no other way is the wage worker any different when employed by a Labour Government. In 1912 or '13, when the clothing workers threatened to go on strike, the Assistant Minister for Defence, Mr. Gardiner, threatened to fill their places with blacklegs, and only the force of the Trade Unions prevented him from carrying out the threat. In the munition strike in 1915 the Government, and the same gentleman, employed blacklegs to try and defeat the engineers who were on strike. We can imagine some British labour leaders doing the same thing in this country under a Labour Government.

Many other charges could be laid against the administration of Labour Governments as the protectors or emancipators of the working class. They have acted exactly in the same way as all Governments who administer the capitalist state. They have used the armed force of the State against the workers, in the defence of capital and profit, in different states. Only this year the police were used to baton the defenceless unemployed, in Sydney, for demanding bread, and the same fate awaits the unemployed in this country, under a Labour Government.

The Trade Unions of Australia are similar to those of Britain. Though there were a few established in the early days, it was not till 1859 that we found them making headway, and with the development of industry so grew the workers' organisations. The pioneers of these unions were men who had seen the weakness of similar organisations in Britain, and in Australia they sought to shape the economic organisations upon a more solid basis. They

had the same fights to put up as in Britain, even in the protection of the eight hour day, which was the recognised custom of the country. In 1890, when the Maritime strike took place in Victoria and New South Wales, and extended to all industries, it was seen how frail the structure of the unions were. After several weeks' strike, the workers had to return to work, having failed to gain their objective. The lesson they were taught assisted very much in bringing into being the Australian Labour Party. But industrial weakness cannot produce political strength.

Since those days many fights have taken place, most of them of a sectional character. In Brisbane, however, in 1912, a general strike took place to assist the tramwaymen in their struggle against an autocratic government, which refused to permit their workers to wear a union badge on their uniforms. Again, in 1917, the greatest strike which has yet taken place in the country was between the engineers and other ironworkers in the employment of the Government. This struggle, though starting in the Government service, soon spread to private establishments in Victoria, Queensland, and New South Wales. Again, be it noted, that this, as in Queensland, was in a nationalised industry. The attempt to introduce a modified Taylor System was the cause of this struggle, and is one of the dark pages of working class history, because of the complete bankruptcy of the craft unions and their leaders. This struggle also failed, and after eight weeks of a magnificent display of working class solidarity, the workers once more had to return, defeated. If ever there was a time when the words of Napoleon, "Lions led by Asses," rang true, it was on that occasion. Many reasons have been put forward for this defeat, but the chief one, without doubt, was the failure of the leaders to understand the situation. Still, we have learned, as will be shown.

The outstanding lesson we were taught from the 1917 struggle was the weakness of the structure of our organisations. As soon as the slaughtered were buried and the wounded in work again, the Sydney Trades and Labour Council set to work to try and remedy the Trade Union machinery. After some time they adopted the proposal of Industrial Unionism in the form of The One Big Union. This work they have gone at steadily, with the result that to-day, in every state, it is recognised that Industrial Unionism is the only form the economic organisation can take. In February of this year a conference was held between Coal Miners, Seamen, Dockers, Railwaymen, and Australian Workers' Union, representing in all over 200,000 unionists. They agreed to accept Industrial Unionism, and drafted proposals to submit to their members. Everything has been fixed, excepting a few minor details, which should be easily disposed of, and in 1922 we will be well on the way of seeing Industrial Unionism established.

There is one other important factor that I must record. In this important work the activity of the I.W.W. and their propaganda work on behalf of Industrial Unionism was of supreme value. They were the real pioneers of the advanced movement during 1916 and 1917, and also in the fight against Conscription. Their reward was a frame up by the police, at the instigation of the Government,

resulting in twelve of their leaders being sent to gaol for periods of 10 to 15 years. Ten have since been released after four years' imprisonment.

In 1920 it was recognised that the time had arrived when the workers of Australia must have a revolutionary party, and fall into line with the world's workers. October, 1920, saw the birth of the Communist Party in Australia. In the beginning the progress was slow, due to the presence of certain unstable elements. Now, however, the organisation has been re-invigorated, and strength is being added daily. The party has now established itself in all states, and according to the latest reports is making good, particularly in the Trade Unions. Still, our task is a big one, and the immediate future has many difficulties. The Executive Committee is endeavouring to link up all the revolutionary elements in the country. In Australia we have still the S.L.P. and the Australian Socialist Party, and our task is to bring together those parties with the object of having one Revolutionary Party to face the common enemy and prepare for battle. The Australian Communist Party faces the future without fear. We know what the Labour Party is, and we know what Labour Governments are. To that extent the political situation is much less complex than in Britain.

Germany

The Present Situation

By WILHELM STRAUS

GERMANY is still standing in the centre of important international events. Upon the reorganisation of German capitalism—in spite of the Versailles stipulations—depends the fate of the European imperialist and propertied class. There is always the possibility of a revolutionary crisis which may result in the co-operation of the German industrial masses with the Russian peasants. The mere thought of such an invulnerable union haunts European capitalism both day and night. Against such a danger the financiers of the West have a tremendous weapon. The Allies back up their economic intervention in Germany by military force. The economic weapon is directed against the German capitalists, but the military instrument is meant to intimidate the German masses should they rise against their masters. Thus the workers of Germany have to face both their own capitalists and the master class of the Allied nations. It may be remembered how the Ruhr Valley was occupied by an Allied army just at the moment when the Westphalian miners rose against the industrial magnates of their own country. The rush of the French army to save the "hun" employing class—the people who were the driving force in the war, according to Allied historians—is an eloquent testimony to the Communist International, which declares that all imperialist wars are struggles for profits and profitable areas.

Of equal intensity is the economic burden which the German workers are compelled to bear. Having conquered Germany in war the Allies now intend to dominate her economically and bleed her

white. By means of indemnities and reparations, the German masses are reduced to the level of helots. They are exploited by the German and Allied capitalists. The main quarrel at present between the German and Allied capitalists is over the division of the plunder wrested from the enslaved proletariat of industrial Germany. Not only are the capitalists involved in this. But we read in the COMMUNIST REVIEW that the British Labour Party backed up their imperialists and assisted them to deepen the economic degradation of the working class of Germany. Do not the Ramsay MacDonalds and the other imperialist champions of the Second International and do not the members of the British I.L.P. recognise that in demanding indemnities they are actually undermining and endangering the livelihood of their own working class? Apart from all questions of international principles, which the Labour Party and the I.L.P. have betrayed by permitting their members to advocate indemnities, it ought to be the duty of every trade unionist to denounce indemnities because these transform the German masses into international blacklegs—blacklegs forced to work by the threat of an armed terror.

The reality of the conditions in Germany has compelled the Majority Socialist Party, which is identical with the British Labour Party, to drop its false mask. At its recent congress it threw aside the famous Erfurt programme. This caused a great deal of indignation in the ranks of the Independent Socialist Party, which does not seem to worry how the Majority Party *acts* so long as it does not repudiate its pretentious socialist programme. One must admit that in this case the Majority acted consistently in dropping a socialist platform which has been violated ever since Noske, Ebert and Schiedemann ascended to power.

A few weeks ago there was some talk of the Independents joining forces with the Majority Socialists. The tendency of the moment is for the Independents and the Majority to gradually come together. This tendency may be witnessed internationally by the attempts being made to unite the Two-and-a-Half with the Second International. The growing power of the Communist International must pull out the best fighters from the Centrists and send the weaklings and compromisers headlong into the Second International wearing the Longuet-Adler label.

Events are moving rapidly in the ranks of the German masses. The ever-increasing poverty of the workers is forcing them to see in the dictatorship of the masses the only solution to their terrible conditions. Fear of the armed Terror of the Allies is the one thing that is holding the German workers down. Even this will have to be resolutely faced—and overcome. The workers are realising that whatever may have been the errors of the Communists in their heroic rising last March, they at least have the courage to fight—and to die, if need be—on behalf of the emancipation of Labour. During the next few months a great sweep towards the Left is expected. Great internal organisation is going on in the ranks of the Communist Party, which is settling down to new tasks and new combats. The C.P. of Germany has settled its account with its critics and grows in power every day. The present boom in trade is going on side by side with a rapidly falling currency, which

increases the poverty of the masses. At any moment a terrific crisis may ensue. Very carefully and critically the C.P. has examined its shortcomings in the past, and has realised that several opportunities were missed. Now the party is vigorous and stands prepared and ready. To quote the opening and concluding passages in an article by Clara Zetkin, which recently appeared in the evening edition of the Berlin *Rote Fahne* (Red Flag):—

“The enemies of the communists are exulting. Adolph Hoffman and Ernst Daüning have left the party and the Communist Parliamentary Group. In addition to this, a small communist faction has been formed under the leadership of Paul Levi. These two facts are served up by the antagonistic press, including *Freiheit*, with prophecies regarding the immediate decomposition of the Communist Party. Our enemies prophesy too early; they chuckle at our coming death too soon. As so often in similar cases, desire is parent to the thought..”

The serious political crisis and internal differences are now over. The process of improvement and new strength has commenced. This, of course, is not seen by outsiders, particularly by our enemies, and by our socialist critics, who do not want, because they do not like, to see it. But a political party, needed by history, cannot die. It is not a mechanism that, when broken, is useless; it is a living organism responding to the needs of the masses and vibrating to the call of history. Because it is an organism, and does not operate by pressing a button or pulling a lever, it feels internal shocks such as took place after the March action. This also applies to the discussions of theory and practice regarding our early policy. We must be prepared to face isolated instances of these discussions being revived. The party will easily overcome these if it clearly, decidedly and strictly places itself in all its activities upon the decisions of the International Congress held at Moscow and which were accepted by the party conference when it met recently at Jena.

The situation demands a united proletarian front. It demands a carefully considered policy of bold deeds under a daring Communist leadership. Only by maintaining the closest contact with the masses in all their struggles can the Communists win the proletarian leadership. Only in such struggles can we acquire the experience and ability requisite for such leadership. The Communist ship must be steered out into the stormy sea of mass struggles. She must be safely steered past the rock of putschistic revolutionary romanticism and the sands of compromise. She must never refuse battle. What does it matter if cowardly members of the crew desert in face of the threats of the enemy? We have a good compass—the decisions of the Moscow Congress. We know our chart—as approved at Jena. We know the enemy—Capitalism. We know our way; we have courage and confidence. We have but one watchword—*full steam ahead!*”

Czecho-Slovakia

The United Communist Party of Czecho-Slovakia

ON 29th October, at Prague, will begin the negotiations of the founding Congress of the United Communist Party of Czecho-Slovakia. The different national sections of the Communist Party will fulfil on this day the demand of the third world Congress of the Comintern. The history of the Communist movement in Czecho-Slovakia is very significant and the comrades of other countries can learn much by studying its development. The Czech republic has arisen from the struggle between the Czech and the German bourgeoisie of the old Austrian monarchy. The defeat of the German and Austrian imperialism brought about the victory of the national (bourgeois) revolution in Austria. For generations the Czech people were oppressed by the German bourgeoisie, the then ruling class in Austria-Hungary. Therefore it seemed to many Czech workers that the national revolution should become a social one. On 14th October, a few days before the victory of the bourgeois revolution at Prague (28th October), representatives of the Czech and Slovakian working-class assembled and constituted the "Council of the Socialists." This Council declared that the new founded republic must be immediately transformed into a Socialist one. The leaders of the Social Democratic Party entered the government and the masses of the Czech proletariat stood behind them, awaiting the immediate accomplishment of their social demands. They expected their liberation by "our republic (*nase republika*); their whole ideology was a *nationalistic* one. But the *German workers had a national ideology at that time, too*. The German proletariat saw the establishment of the dictatorship of the Czech bourgeoisie. The Czech bourgeoisie used the same tactics against national minorities as the German bourgeoisie had used in the old Austrian monarchy. Instead of entering into the international class struggle against *both the Czech and the German capitalists*, the German workers believed in their social democratic leaders, who stood for the "*self-determination of the German nation*" and guided the national combat against the Czech bourgeoisie, hand-in-hand with the German capitalists. Two years of the new republic completely changed the ideology of both the Czech and the German workers. The development of this so-called "social republic" opened the eyes of many workers. The Czech workers felt, more and more, that the Social Democratic Party was going the false way by helping the bourgeoisie to build up a new capitalist state. The German workers also began to understand that social liberation cannot be reached by an opportunist-national struggle for "the self-determination of any nation" but only by the *international* combat of the united proletariat. *During the spring, 1920, both the Czech and the German left wings within the Social Democratic Parties were formed and the struggle for the Third International began, a struggle which resulted in the inaugural Congress of the United Communist Party.* The development within the Czecho-Slovakian Social Democratic Party very quickly led to a rupture with the social traitors like Tusar, Bechyne

and Co. The Congress of the Party in September, 1920, at Prague, showed that the great majority of the workers stood for the Left Wing, and were against the minister-socialists. The result of this Congress was a split in the Party; the majority went over to the leaders of the Left, Muna, Zapotocki, Smeral; the minority followed the old reformist and chauvinist leaders. Within the German Social Democratic Party of Czecho-Slovakia the development was slower. The Congress of the German Party at Karlsbad, October, 1920, ended with a compromise resolution, permitting both the Right and the Left Wing freedom of propaganda within the Party. The German Left Wingers came to the Communist conviction by theoretic discussions, *whilst the Czech Socialists reached Communism by the practical experience of the treachery of the reformists*. After the great battle of December, 1920, the German comrades immediately founded the Communist Party (German Section). The Czech Party, under the leadership of comrade Smeral, believed that the time had not arrived officially to form the Communist Party. Comrade Smeral thought it unwise to help to *build up a "Centrist" Party in the Czecho-Slovakian workers' movement*. The Czech comrades came to the unity Congress with the whole party which accepted the 21 conditions of the Comintern without any reservations. The Czecho section of the Communist Party has 350,000 members; 200,000 of them are also members of the Trade Unions in Slovakia, where every member of the Trade Union must also be a member of the Communist Party. The German section numbers 40,000 party members, and is the most advanced and class conscious part of the German working class. Also the Hungarian and Polish Communists of Czecho-Slovakia and the Socialists of "Podkarpatsky Rusinske" decided to join the United Communist Party.

The Congress of 29th October will signify a milestone in the history of the Comintern! Long live the United Communist Party of Czecho-Slovakia! Workers of the world, unite!

LEOPOLD GRUNWALD.

Italy

The Socialist Congress

THE predictions which the Italian Communists had made concerning the results of the Milan Congress, came true with admirable precision: no expulsion, no split, an enormous majority for the Serrati group, for the unity-maximalists, an actual triumph for the avowed reformists. The evolution of the Italian Socialist party towards the right is proceeding in accelerating tempo, while the working masses, after having crossed the border of deepest depression, are beginning to reorganise their ranks in order to find their bearings.

Let us establish this characteristic fact: until very recently the Socialist Party was incapable of giving direction to and leading the proletariat; it was always towed by the masses whose spontaneity alone was the deciding factor in every situation.

To-day, when conditions in general have fundamentally changed, and the revolutionary flame is almost extinguished, to-day the Socialist Party actually begins to function as a political party in that it assumes the initiative to action. But its action at present tends completely toward the creation of a situation which would favour a coalition with the bourgeois parties. The spokesman of the unity-maximalists in Milan was the deputy Baratonos, who, shortly before the Third Congress of Moscow, withdrew from the party executive, because his proposal to exclude the leaders of the right wing was rejected. In Milan he sponsored the unity of all factions, and absolutely declined to consider the possibility of excluding the reformists, whom he considered necessary for the party.

On their arguments he and the other Maximalists took great pains not to repel or insult the "Rights," who succeeded in making the Left give up its revolutionary programme, by constantly threatening to secede and form its own political group.

The reformists, on the other hand, found in Milan that freedom of self-expression, which for ten years was denied them, that is, since 1912, when the Socialist Party, in Reggio Emilia, made a complete break with the coalitionists. So it happened that in Bologna, Turati had to break off his speech when one of his witty allusions to the Russian revolution fired the delegates with indignation. In Leghorn he alluded with ironic glee to the fall of the Maximalists, his audience remaining quiet and silent. In Milan Turati was unanimously appointed leader of the entire party, accompanied by storms of applause and enthusiastic embraces.

The main topic under discussion was collaboration with the bourgeoisie. While the Maximalists theoretically rejected it, although they recognised the necessity for concessions and compromises, the coalition found spirited advocates in the reformist group. Deputy Modigliani, for instance, a very clever and polished speaker, took up a whole session of the congress, in developing the plan for a possible alliance with the most compliant bourgeois parties. This he did so precisely, that his speech may be taken as the beginning of a definite decision. When Serrati, however, fearing that he had miscalculated, attempted to erase the deep impression which Modigliani had made, with a garrulous speech of his, Turati tore the Maximalists to shreds with his biting irony, amid jokes and laughter.

The centrists, whose only programme was Unity at any price, swung to the right, and supported the coalitionists with all their speakers, as soon as they saw that, due to the convulsive fears which hovered over both of the extreme wings lest a split take place, unity was no longer endangered.

The small band which returned from Moscow, Maffi, Lazzari and Riboldi, who bitterly fought for joining the Third International, proved an easy target for all sides, since its members, who only a few months before were fighting in the centrist ranks, lacked all knowledge of Communist doctrines.

The Milan Congress was of a wholly anti-communistic character; the delegates of foreign Communist parties were received

with deafening shouts and their speeches with the most disgraceful insults. Unworthy interruptions continually met Klara Zetkin's words, and the most shameful disturbances interrupted the delegate of the Third International, Valetzki, against whom the same scandal was brought into play as against Kabachieff in Leghorn.

Fredrich Adler, the President of the Two-and-a-Half International, on the other hand, was a guest of honour, received with enthusiasm and regarded with admiration, except by a small radical group. The Maximalists, Centrists and Reformists came unanimously to his defence.

At the end of six long sessions, after the voting over the various resolutions had taken place, and with the other questions that come before it still hanging fire, the Milan Congress adjourned; a Maximalist victory and withdrawal from the Third International.

These two results are absolutely contradictory to each other. The Maximalist movement had obtained its great influence in the past only because it had acted as the standard-bearer of the Third International, and because it represented the latter's Theses and Resolutions.

The break with Moscow thus discloses the deception of revolutionary gestures which were to hide Reformist reality.

The Maximalist victory has this significance: that the daily counter-revolutionary activities of the Italian Socialist Party will be continued behind a barrage of demagoguery and intransigence; that open collaboration with the bourgeoisie and entrance into the government will be postponed for a few months. Besides, the Reformists, in their resolution, had not asked for an immediate forming of a cabinet in which Socialists would be represented. Scinting such a possibility in the near future, however, they wished the congress to give the Parliamentary group a free hand. The fact that the Reformist resolution was voted down does not necessarily mean that the party has thus blocked this scheme. Besides, at the very time that the majority of the Socialist Congress decided for intransigence the union leaders, in full accord with the party leaders, took a friendly attitude toward coalition in the question of wage-reductions. The union leadership proposed the appointment of committees, in which the employers, the workers and the government would be represented. These committees, avoiding all conflicts, would fix the conditions in a particular industry, and order wage-reductions where the employer's income warranted such action.

As is clearly to be seen, it is the triumph of the idea of reconstruction of the ruined economic situation, in fullest accord with the capitalist class. That idea has been advocated by Turati since 1918, when at the end of the war the workers' parties were confronted with the question: Capitalist or Communist Reconstruction?

The Italian Socialist party is definitely lost to the revolutionary cause and the Third International; neither can the Lazzari-Maffi group, which remains in the party, be trusted. Without really differing from the Maximalists as far as their programme is concerned, they feel their ties with the party too strongly for them to take a clear militant stand.

To have heard the disgraceful insults which were thrown at Constantin Lazzari during the sessions of the congress (the mildest one being: "Old fool!"), all because of his demand for the exclusion of the reformists, and then, a few days after the adjournment of the same Congress to have read the announcement in *Avanti* of a meeting which was to celebrate the Unity of the party, and then to have seen Constantin Lazzari appear as the official speaker of the party, to know this episode is to appreciate the value of the Left Opposition in the Socialist party.

Due to the numerical victory of the Maximalists, the entrance of the Socialist party into the government will be postponed for some time to come. It was thus shown that the Socialist party still hesitates to play its new rôle on the political stage. However, the Maximalists were unable to meet Turati's and Modigliani's programme of action with anything but a rejection, which is devoid of any practical value. Since the present situation demands of every political party clear decision, and not passivity and irresolution, it is certain that the entire Socialist movement will fall under the direction of the Reformists.

A note of interest: Paul Levi arrived in Italy at the beginning of the Milan Congress.

UMBERTO TERRICINI.

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