40% or 60% — That is the Question

By Paul Fröhlich

THE situation is best characterized by Stinnes’ utterance in the State Economic Council: “We cannot form a concern with Loucheur in which Loucheur would have 60 per cent and Stinnes 40 per cent.”

(Rhenish Westphalian Periodical, January 20, 1923.)

In Germany the nationalists are shrieking themselves hoarse: The Fatherland is in danger! Forward to the national united front!

In France there is the same uproar: For the only just and sacred cause! To gau with the communists!

It is true that the Ruhr occupation means the strangulation of the masses of the German people. And the arrest of the communists in France aggravates the dangers threatening us as long as the French people through Poincaré’s imperialist policy: the abolition of civil liberties to the end that the French proletariat may be the better exploited.

It is also true: the German government has presented the great industrial magnates with gifts of milliards, and has failed to fulfill the Versailles treaty.

But is it a question of preserving unattained morality and eternal justice, of saving the peoples? No! It is a question of business. As in 1914! As always!

Almost simultaneously with the sending of troops into the Ruhr area, there came an invitation from Paris to Essen. The Comité des Forges (the organization of the French iron works), invited the Stinnes concern to a conference regarding closer relations between German and French heavy industries. Mr. Stinnes refused to accept this invitation so long as there were French troops in the Ruhr. The organ of heavy industry Rhenish Westphalian, gave the authentic explanation of Stinnes’ attitude in the quotation given above: The Essen-Briey, Westphalian coke and Lorraine ore Trust, will come to nothing, if Loucheur is to receive 60 per cent of the booty and Stinnes only 40 per cent.

Halves first, colleague, and then let us embrace!—thus cries Stinnes, and thus the voice of justice. Halves, and then the prices may rise, the Europe may feel our power. And the Fatherland can go to the Devil!

60 per cent! Loucheur bellows back. Show your claws, Poincaré!

And in fact, this is the sole point in question. This is the real essence of the political struggles between Germany and France preceding and following 1918.
place credits at the disposal of heavy industry. The result of this last step is not yet known. But Cuno’s government is undoubtedly brilliant. The four acts of 1924 ensures for himself the business in English coal. And the natural result of all this is: The price of labor power sinks and sinks: God’s blessing on us, the profits rise.

And the Exchange! It is dancing the cancan for the fatherland is in danger. It speculates à la baisse in marks: 22,000 marks are already being paid for the dollar. But the most important is the existence of large industrial firms. The major shares of the Ruhr district mount higher than all others. Between January 12 and 22 the shares of Deutsch-Luxemburg (Stines) rose from 25,900 to 55,000; Gelsenkirchen Mining Joint Stock Co. (Thysen) from 26,600 to 61,500; Harpener Mine (Hambach) from 59,600 to 132,000; Phönix (Wolfs) from 26,500 to 51,000; Rhine steel from 21,250 to 50,000; Bochum cast steel (Stines) from 23,600 to 53,000. The dance is so wild that even the Deutsche Allgemeine Zeitung is dizzy, and even this Stines crocodile is beginning to preach morality. But the Exchange does not care. Business first, then the fatherland.

How can the Temps assume such an air of morality and justice, and proclaim with calm self-confidence: “France’s cause is just. She defends the interests of all. Just! Because she is piling up the rope which hangs around the neck of the starving German people. Just! For she is piling up for Loucheur’s 60% per cent.”

But the German working class? There was perhaps a moment of uncertainty, the intoxicating lunes of national consciousness indulged an eye here and there. But now the shop stewards of the Stines and Thysen mines have decided to recall the representatives who were going to stand up for that martyr for the fatherland, Thysen jr. And they have further decided to demand an increase in pay for the Jülich, Westphalia, to resolve on a general strike. Strike against the lie of the national united front. On the basis of class war!

**POLITICS**

The Chemical War an the Franco-German Ammonia Agreement

By G. Fink.

When one speaks of the economic grounds of the reparation policy of French industrial capital and of the Ruhr occupation, one thinks mostly of iron and coal, round which centres the fight between the French and German heavy industries. But there are still other circumstances of interest. It is a question of whether the French have a great interest in the dye industry of the Rhineland. The entrance of French troops into the Eifel region, with its important dyeworks, is certainly in line with the schemes of French capital.

Since the war, Germany possesses a world monopoly in dyes. During the war, both England and America attempted to establish a dye industry. But the processes of production were the secrets of the aniline firms of Germany, and the American and English attempts had to contend against the greatest difficulties. The English industry, such as the British Dyestuffs Corporation, has not yet succeeded in overcoming these difficulties, even with the generous support of the government. Even today, Germany produces 160,000 tons of dyes, as against a production of 50,000 tons in all other chemical industries.

The Ruhr occupation then, aims not only at a French and German mining combine, but also at the appropriation of the greatest chemical production apparatus in the world. Apart from the great economic importance of the chemical industry, which is rapidly extending and enlarging, there is the enormous military importance. One still remembers the use of poison gasses by both sides during the war, and the constant discovery of new gasses as soon as the enemy had found an effective remedy against the last. Just as the American dye industry has continued to be extended, and England has discovred her dye works in the interests of her armaments, so the plans of the French militarists consist in seizing the West-German industrial district, in order to obtain for France the necessary means for the production of poison gas and the manufacture of explosives.

In the light of these plans of the French financiers and militarists, the agreement between the French Government and

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* ) Towards the end of January, the dollar reached 50,000.

the Baden Aniline and Soda Company over the concession of production secrets for synthetic ammonia, and which was recently ratified by the French Chamber, is especially significant. French heavy industry in possession of these German dyes works in West-Germany can maintain production. French militarists cannot undertake the preparation of poison gas unless the German dyestuff capitalists furnish them with information as to the production of dyes. And immediately before the ratification of the agreement by the French Chamber, Dr. Luscin, official of the important dye-stuff company of Luscin and Brüning were in Hoechst on-Main, the details of the French agreement with the Baden Aniline and Soda factory were already known.

According to this agreement, the Baden Aniline and Soda Factory, independent of all rights conceded by the Treaty of Versailles, offers France her voluntary help in establishing the production of synthetic ammonia. The company pledges itself to deliver one million tons of ammonia per year and, in case of war, up to 300,000 tons a year, for the employment and control of which is necessary for the upkeep of the best results. All patents and licences concerning production are to be transferred to the French Government, which will also have the right, to install engineers and other technical experts at it. The French engineers are to be granted free access to all parts of the Baden Aniline and Soda Factory. The company shall not attempt any competition against the French Government either in France or in the French colonies, and procurators. In return, the French Government pays to the Baden Aniline and Soda Company 5 million francs (about 1 million of German marks) and assigns it a share of profits varying between 2 and 4 per cent.

This agreement of the Baden Aniline and Soda Factory, which is one of the biggest and most important of the aniline factories, and in which, only a few weeks ago, there took place the great strike in the Westphalia, is a possibility the success of the French militarist plans. While the capitalists of Germany are striving to arouse the workers against their “sworn enemy”, and while in France the Comité des Forges is struggling to stifle the Westphalia, the German aniline capitalists convey the secrets of the production of war chemicals to the French Government.

This analogy illustrates the real meaning of the national united front in Germany as well as in France. As the Krupp firm used to deliver cannon and other war materials to “enemy” states, as Schneider-Creusot and the German-American capitalists, in spite of nationalistic gestures, were the best purveyors of war materials to the Entente, so the Baden Aniline Factory, which, during the war produced Gold Cross Gas, from the newest invention of Frydman of Leningrad and the holder of the Nobel prize, Nerst, is today turning over its patents and licences to the French Government. The Baden Aniline and Soda Factory and the entire aniline production, is closely allied with the West-German heavy industry, as for instance, with the Lorraine industry.

And so the first agreement, the first business deal between the German and French capitalists, still pursuing their war for profits, has been concluded. Both this agreement and the plans of the French militarists and the French General Staff constitute a serious menace to the working class in France. The revolutionary proletariat of both countries must combine under the leadership of the Communist parties of France and Germany for the common fight against this danger.

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**The Lausanne Conference**

By M. N. Roy.

The Near East problem still remains unsolved. The rivalry between France and England renders the solution impossible. At the eleventh hour, when everyone was afraid of a final agreement, the Lausanne Conference broke down. And the diplomats assembled there had nothing else to do but to return home. The mysterious Poincaré Note, to which is attributed the responsibility for this breakdown, indicated that over and above the international rivalry there is a very serious conflict of interests within the Lausanne Conference from another angle. It seriously bold upon upon the attitude of the Turkish delegation along one hand side the Angora Delegation, caught in the mazes of this conflict as well as of the rivalry between the two groups of Imperialists, greatly
weakened the position conquered by the might of the Turkish people, and thus failed to impose its terms upon Allied Imperialism which was otherwise in a tight hole. Most of what had been won so heroically on the battle fields of the Allied Powers was surrendered in the conflagration of the saloons of Lausanne. The liberation of the Turkish people still remains an unrealistic goal, and a bitter struggle has to be carried on before the direct and indirect domination of Imperialism is finally overthrown.

A fierce struggle was waged at Lausanne; it was between the English and the French on the one hand; between the Turks and all the imperialist powers, including the “speculator” America, on the other. The Turkish Delegation had very little to say when the real decisions were taken affecting the fate of the Turkish people. Their delegates were only “duly instructed” by the Powers and finally placed before the Turks either to accept them, or to reject them at the risk of forfeiting the “support” of a certain group of French Capitalists, on whose questionable friendship the Angora Government staked its all. If there was difficulty and delay in determining the terms which would be conceded to Turkey, it was not so much due to the resistance of Ismet Pasha as to the need for settling the conflict of interests among the Allied Powers themselves. It is true that the Angora Government, while depending upon its own resources in deriving benefit from this conflict, but in fact, it was the Angora Government that proved all along to be the most helpless victim of this imperialist rivalry. Every time the Anglo-French conflict became sharp, the Turkish Delegation was encouraged by the imperialists to stretch out its hand to one or the other as to threaten the British with a rupture in the Near East. The whole show at Lausanne was run, not to sign a peace-treaty with the Sovereign State of Turkey, at it was ostensibly declared, but to strike a bargain between French and British Imperialism for the partition in the Near East. Turkey, which is supposed to be the principal factor in the struggle, was used only as a pawn in the game. Nothing better was to be expected of the imperialist rulers.

It was no use to expect a compromise or compromise of the Angora Government. This was the strategy of the imperialists, and at least the faction dominating it at present deliberately assumed this unwelcome rôle after having conquered an otherwise almost invincibility position.

Why did the Angora Government start on a road which led to such a tragic end? The answer is simple. It is to be looked for in the fact that this national independence was not quite bourgeois nationalism in the strictest sense of the term, at that. In the course of its evolution the Turkish national struggle arrived at a point where it had to choose between two ways. It was between the traditional leadership of the Party of compromise, meant to preserve the social status quo. The element of the leaders leading the struggle naturally made them prefer the latter way, and thus handed them over to the mercy of French finance under the pretext of a “friendlier alliance”.

The growing antagonism between different groups of Imperialism is undoubtedly an opportunity for the subject peoples to free themselves; and to take advantage of this antagonism is indeed a very powerful tactic. But it requires a thoroughly revolutionary outlook and purpose to pursue these tactics without getting caught in the treacherous snares of Imperialism. The Angora rulers chose this method of fighting the enemy; but lacking the required revolutionary outlook they succumbed to imperialist intrigues. For the time being they have compromised the cause of Turkish Independence. They have played out their role. History will give them proper credit. But the final liberation of the Turkish people demands more revolutionary leadership.

That day, when, with the victorious National Army standing at their head, they would receive the deceptively hand of French finance extended through its crafty envoy Franklin Bouillon, to the unconditional aid of Revolutionary Russia, the Angora Government started a career whose logical conclusion is the disgraceful defeat at Lausanne. It is a day when the whole abolition of all Turkish Independence, as an historic necessity and thus will be attained eventually; it is a defeat for a certain brand of Nationalism and the compromising tactics failed in all. It is the same as that day when the Turkish people were forced to the exploitation of French finance which permitted the Turkish people to surge forward in the channel of revolution, aided by Soviet Russia. Fear of revolution drove the Angora rulers into the embrace of French capital which either alone or in conjunction with the British would reduce Turkish Independence to a fiction. French finance will employ the Turkish ruling class at least as its slave-driver in Angora, whereas a joint struggle with Soviet Russia might lure the Turkish peasantry dangerously far on the road of freedom,—this was the consideration that tied the hands of the Turkish generals at Mudania, and those of the Turkish diplomats at Lausanne.

The sudden breakdown of the Lausanne conference appears to have disturbed the Anglo-French agreement, reached between France and England over the Near East. It is thought that Turkish ultranationalism is responsible for this rupture. Nothing of the kind. Turkey has as much to do with the rupture as she had to do with the agreement. Lausanne is a defeat for Turkey because she was consciously and immensely increased by the addition of Ruhr coal. The group of capitalists, which stood behind the Agreement of San Remo, were represented by Lord Curzon from the English side, and M. Barrère from the French. Therefore, so long as the Anglo-French relations were normal, France and England could go hand in hand in the process of ramming one biter pill after another down the throat of the helpless Ismet Pasha. But M. Lauchez does not see eye to eye with Lord Curzon. Franklin Bouillon has come up another aspect of Anglo-French conflict. Under the tremendous pressure of Ruhr coal deposits, the delicate oil veins burst, and the spirit of Poincaré appeared on the scene to sabotage the Lausanne Conference on the very eve of its successful conclusion.

Mr. Lloyd George, representing the commercial and industrial interests of Britain, stoutly opposed France’s wild dream of Twentieth Century Napoleonism which rendered all hopes of reconstructing Europe impossible. After a feverish struggle all directed to fulfill his heart’s ambition of the treaty was thwarted by Lloyd George, turned towards the Near East, and by concluding the Angora Agreement, stole a march upon England. When the agreement was made, no serious opposition was put up in the British Parliament. But Sir John Hope had soon convinced France that she could not very well afford to step on the toes of England. The result was the growing criticism of the agreement and the united front put up against the Turks in Lausanne.

The overthrow of Lloyd George brought into power the pro-French party in England. The interests represented by Bonar Law thought it wise to connive at France’s adventure in Europe, in order to disturb her menacing orientation towards America, in return for a free hand in Euro. France agreed to abandon her保护 of Turkey in the Near East. Hence we found the French Delegation at Lausanne faithfully supporting all the methods of Curzon for bullying the Turks. This policy of consolidating the undermined Anglo-French bloc was quite so that it became positively dangerous for the financial interests, represented by Franklin Bouillon, having a big stake in the Ottoman Debt. A few days before the final draft treaty was presented to the Turkish Delegation in the form of the Curzon Ultimatum, the alarm was sounded by the bistrots of Trade and Political interests. The Écho National of Jan. 23, André Tardieu wrote: “I quite understand that we have given in so much at Lausanne in order to have a free hand in Essen.” On the authority of M. Barrère, he terrified the French bondholders in these terms: “The final text of the treaty will be much shorter than that of the Eynard Treaty. In the matter of the Ottoman Debt, the French bondholders have been scandalously deserted.” Thus was started the financial wire-pulling which broke up the Lausanne Conference.

Big finance, with a firm hold on Turkey through the Ottoman Debt, revolted against the policy which meant the betrayal of its interest in favor of the industrial magnates of Lorraine. Caught between these two fires, M. Poincaré had to tax all his diplomatic genius. Such was the genesis of the mysterious note, which was caught at by the Turks just as a drowning man catches at a rope, which was handed to them by the French. The mystery which enveloped the interchange of notes during the days preceding the final break up of the Conference, is not yet cleared. But enough of it is already known to draw the main lines of conclusion.

It is feared not to alienate the support of the interests behind the Franklin Bouillon Agreement, Poincaré made a gesture to show that Lausanne would not be permitted to end in a complete victory for England. This was interpreted by the Turkish Delegation to mean that, in spite of Barre’s and even M. Bonnard’s (the President of the Council) protest, the Curzon methods, French “support” was still there. Poincaré intended to kill two birds with one stone, and it seems that he has succeeded, at least for the time being. On the other hand, France can still claim to be the disinterested friend of Turkey and, on the other, England is threatened with a new war in the Near East if she will not leave France alone in the Ruhr.

So, the Lausanne Conference has ended precisely where it started. This is specially true in so far as the Turks are concerned. They came to Lausanne elated with the hope of playing
one imperialist against another, but they only played the part of a pawn. They are returning without signing the Treaty, not that they are convinced that the National Independence of the Turkish people cannot be won except through a revolutionary struggle, but again hoping to consolidate their diplomatic position while Eng-
land and France are engaged in a new dispute. But the latter will
prove as hopeless as the former. The internal conflict of
Imperialism can never be over. It will grow sharper in propor-
tion as the process of capitalist decay goes on. But in so far as
the colonial peoples of the world, that now live in the so-called
superior civilization, dislike Imperialism and will put u.

The matter of the experience
at Lausanne would be of the greatest benefit for the Angora
Government. The spirit of the refusal to sign the treaty will
be tested by the latter's attitude towards Soviet Russia, whose un-
conditional help the Turkish rulers have so far rejected, if not in
words still in deeds. The sinister design to perpetuate imperia-
list domination in Turkey can only be frustrated by a resolute
struggle along revolutionary lines.

ECONOMICS

Survey of the World Economic Situation in the 4th Quarter of 1922

By E. Varga.

What is the position of the American farmer?

The value of this year's crop amounts to 7½ milliard dollars. To this must be added the profits of cattle raising, or a quarter of a milliard. Roughly estimated: an income of 7½ milliard dollars. From this sum must be deducted the workers' wages. These amounted to in 1916 ¾ milliard, and for 1922 may be estimated at one milliard. Outlay for machinery, tools, tractors, and artificial fertilizer can be estimated at 1¾ milliards. There thus remains a total income of 5½ milliard

Building trade 800,000
Craftsmen 945
Factory workers 1022
Miners 1025

The farmers are less, but the workers and his earnings are further reduced by the depreciation of the soil. There is no extensive tract of country where a considerable number of the farmers — probably the majority — do not deteriorate. More fertility is drawn out of the land than is returned to it. Around these cities expanding, and the capital invested, about $10,000 per farm, is to be deducted at 3 per cent, $300 yearly, from the income of the farmer. The farmer's family is thus left with a wage income of $700.

The rise in price of agricultural goods has been pointed out. But this is entirely incorrect. A great part of the land is going down in price, or, where the price is maintained, the land cannot be sold. The whole family of the farmer earns less annually than the man alone would earn in the city. This is the slow evil of the farmers, and has been in every age.

But the farmers of America will not tolerate this. An extensive emigration into the cities is on. The development of the railroad and the motor car has so far absorbed the young generation of farmers.

The price of coffee, tea, and tobacco lead to a world-wide famine. The virgin districts have already been conquered, and the consumers multiply mightily. If the disparity between the monopoly prices of industrial goods and the fluctuating prices of farming products, which to-day, are even 25% lower than in pre-war times, is not removed, the future of the American farmers will be in great peril.

We have elaborated upon this study, because it treats of a question which will decide Europe's fate in the next few years. In our opinion the question of whether the United States will adopt a socialistic or a European solution will depend upon the American farmers. The farmers of the United States — where there is no more virgin land, as in Canada, Argentina, or Siberia —must receive better prices for their products. This will only be possible if the buying capacity of Europe is enhanced. This implies the reconstruction of Central Europe, above all of Ger-

Along these lines the interests of the farmers and of
the American bourgeoisie coincide. Germany, as an industrial
 colony of America, supplies cheap labor for the capitalists, cheap
industrial articles for the farmers, and at the same time a better
market for farming products. The sufferers would be the American workers. The farmers are easier to enslave by the high
prices of industrial goods. They propose that the farmers form an alliance against the workers. The cheap labor of Germany is one point against the workers in this fight.

The conflict between the pro-European and anti-European
forces in American politics continues during the last quarter
of 1922. But though the struggle is not yet at an end, it seems as if the pro-European policy gains in strength, despite the acceptance of the high protective duties. The demand of the Chamber of commerce, that the United States send representatives to the Reparations Commission, the demand of the Senate should agree to a settlement of the English debt on some other
basis than that of payment of 4% interest and principal;
America's offer to send a commission to ascertain Germany's
paying capacity; all this proves that the American bourgeoisie
is preparing to interfere decisively, on the side of England, in
European affairs, and to incorporate Germany in its imperialist
world system. America is only waiting until France has suffered
economic shipwreck in the attempt to subjugate Germany by
force.

II. Special section. Germany.

Germany's economic position during the last quarter of 1922 can be characterized by the following main points:

1. Despite the breathing space afforded by capital reparations payments, the age of the Ruble is over. Before the fall of the mark continues. All suggestions and attempts towards stabilization of the currency have been in vain.

2. The "favorable" state of the market running parallel with the high prices for farm crops at the end of the last quarter of 1922. December there were already 2½% of unemployed in the trade unions, a percentage almost as high as the average pre-war unemployment.

3. During the 3 months of which this report covers, the money market remained on the same level as in the previous quarter. In the period of this report, 7% credits from the Reichsbank. Thus the increased requirements of the capitalists were added to the increase of circulating mediums required by the state. When several milliards of marks were taken from the Reichsbank by the capitalists, this signifies that on the general public — despite the increase of the bank rate to 10% — for these credits are paid with marks worth half as much as before. The profits thus gained by the capitalists are naturally at the expense of the great mass of consumers.

4. The disparity between higher and higher wages became more acute than ever during the last three months, and led to a growing impoverishment of the working masses.

The depreciation of the mark and the attempts at stabilization.

During the period of this report, the depreciation of the mark has become catastrophic. Within 3 months, the mark, compared with the dollar, has fallen to about a quarter of its value.

The Berlin quotations for a dollar were:
16 Dec. 6,000 M., 4 Jan. 1923 8,000 M., 10 Jan. 1923 over 10,000 M."

As this continuous depreciation of the mark now lasting over 1½ years, and assuming ever acuter dimensions, ruins German industry, the German economists rapidly realized that fresh plans for the stabilization of the mark are continually being made. It is not our task to survey ourselves with all these suggestions and plans. We shall only make mention of those having political significance. Of these there are three:

1. The plan of the Social Democrats and the trade unions.
2. The plan of the Social Democrats and the trade unions.
3. The plans of the foreign experts called by the government.

*) At the end of January 1923, the dollar was quoted on the Berlin Bourse at 50,000 M.
The Socialization Commission confirmed in principle its standpoint that stabilizing the mark is only possible if the reparations demands are cut down to Germany's paying capacity and the finances of the Reich consolidated. The Socialization Commission deviated from its original standpoint only in its opinion that immediate steps are necessary to prevent current economic conditions which might force the Reichsbank to utilise its gold reserves for the payment of reparations and that the required securities should be secured for actual economic purposes. "The sole means available at the present time for this purpose, is the utilization of the gold reserves of the Reichsbank. These reserves are dead at the moment. It is in principle at its disposal, if necessary, to force the Reichsbank to utilise its gold reserves for the payment of reparations." The utilization of the gold reserves of the Reichsbank can be carried out without necessarily spending the gold itself, in the sense of the traditional method of payments in kind. The gold reserves obtained by the banking negotiations, to an extent enabling the Reichsbank to obtain a stabilizing influence on the payments balance, is only under such circumstances that it is possible to regulate the rate of exchange by a bank policy. (The Austro-Hungarian Bank kept the Austrian crown constantly at par before the war, with a very small amount of gold in the market without its balance of Germany, especially when the payments reparations are calculated, is passive to a very high degree, the idea of stopping the depreciation of the mark by the aid of a trifling amount of gold is simply-ridiculous. This is sufficiently proved by the experience of the Reichsbank last summer, when such an attempt was made. At the present time conditions are much less favorable for such an attempt. The fact that the depreciation of the mark is such that the gold value of all the notes in circulation does not amount to a whole gold milliard, does not make it less ridiculous, that the highest demand of the whole circulation could be put on a gold basis at once by utilizing the Reichsbank's reserves. But when judgment is pronounced on such a question, the sphere of circulation should never be taken statistically into consideration, but only the application of the product produced. There is no doubt whatever that if the attempt were made to utilize the gold reserves of the Reichsbank, the gold would vanish in no time, without affecting any permanent stabilization of the mark. That the United Social Democratic Party of Germany could officially lay claim to such a plan is a proof that it had done its work on the class war theory, but even Marx's economic theories.

The foreign experts gave two different awards. The first is signed by Brand, Cassel, Jenks, and Keynes. Its essential terms are as follows:

The stabilization of the mark is necessary, but under the present circumstances impossible. The first premise is that "Germany be freed for a time from the payments demanded by the Versailles treaty." Without this, every attempt at stabilizing the mark is bound to fail, and will only waste Germany's last reserves.... The most essential point is that payments should not be resumed until they can be made from a real surplus, and not from fresh inflation. We are of the opinion that the present postponement should be for at least two years. The moratorium should include payments in cash and in kind alike.

In this opinion it is pointed out that the success of a stabilization plan does not depend on an internal loan, but on the state of production and of the state economies in Germany, and on the size and rapidity of the reparations problem. We shall not go into the details of the reparations plan to be executed after the above premises have been fulfilled.

The second award, signed by Vissering, Dubois, and Kamenko, considers—so far as can be seen from the extremely scanty extract which has been published—a stabilization action to be impossible, if the banks in countries with higher rates of exchange would participate. It proposes the founding of a foreign syndicate, with a capital of at least 500 million gold marks. A further 500 million gold marks are to be furnished by the Reichsbank for the same purpose.

A comparison of the two opinions shows that while the first of them explicitly refers to the economic policy, lays the most stress on placing Germany's economic structure on a sound basis, the second one regards the problem from the financial technical standpoint.

In accordance with the latter expert opinion, the German government addressed, on the 4th, December, a communication to the governments of the other compensating states expressing its conviction that the reparations to be paid by Germany be finally settled, in accordance with Germany's paying capacity, within the shortest possible time, and proposing that an international syndicate be formed, granting Germany a gold credit of 500 million gold marks.

Therefore, to sum up all these plans have had no definite result, with the sole exception of the French, which in the French reparations plans recognize the necessity of stabilizing the mark.

In the meanwhile the German mark is making catastrophic downward plunges.
THE LABOR MOVEMENT

A Year of the Trade Union Educational League

By Charles Krumbein.

Although the Trade Union Educational League was organized in November, 1920, it is only really a year old, because prior to the launching of The Labor Herald in March, 1922, it consisted of little more than a few scattered groups throughout the country. But in the past year it has taken on a truly wonderful growth. Not for many years past, if ever, in this country has there been an organization operating upon the industrial field which has created such a stir in the labor movement and made so much genuine progress.

When the League began its operations a twelve-month ago, the situation was anything but promising. On the one hand there was the reactionary bureaucracy leading the trade unions, unprogressive and tyrannical, and having behind it a demoralized, discouraged, and defeated labor movement. And on the other hand there were the militants, confused and beggared by dual unionism, inexperienced in the trade union movement, and overwhelmed with contempt for the old mass unions.

Attacking the Problem.

But despite this double difficulty of a reactionary leadership to contend against, and a very inexperienced body of militants to draw upon for support, the Trade Union Educational League has nevertheless made most substantial progress in the twelve months of its activity. It has become a real force in the labor movement, and one which even the most powerfully situated reactionaries have to reckon with.

Its operations directly upon the mass organizations of the League has real results to show. It has popularized various planks of its program among groups of workers hostile to untouched by radical propaganda. Its agitation for the formation of a Labor Party has struck home in many organizations and is bound to bear fruit in the near future. Likewise its advocacy of the Red International of Labor Unions. But the one brilliant success of the League’s work was in connection with the campaigns for the creation of organized workers with its message of solidarity and got an overwhelming response, a reaction which has not only shocked and frightened the reactionaries but heartened the reactionaries that anything else that has happened in the United States for decades. How the initiative to the local unions, central labor councils, state federations, and international organizations have been won over to declare for industrial unionism through amalgamation, in spite of the bitter opposition of the reactionaries in their ranks, is an old story now to all who follow the course of the labor movement. It is not too much to say that in the short period it has been in the field, the League has already got the majority of the organized masses to accept in principle, at least, the highly important proposition of industrial unionism. Without this accomplishment, the definite re-organization of the craft unions on an industrial basis will inevitably and unyieldingly follow.

But far more important than the effective work done among the broad masses were the educational results secured among the militants themselves. The one thing that is needed to the American labor movement on its feet and to make a real fighting body of it is a clear-thinking, self-confident, and well-organized body of militants. Substantial headway has been made by the League in creating such an organization. By their experience of the past twelve months the militants are learning that the workers making up the trade unions are eager and willing to accept a militant program, once it is put up to them in a way that they can understand. And the way they are recouping the infantile sickness of dual unionism constitutes a remarkable romantic chapter in the history of the labor movement. The change that has taken place in this respect due to the League, is nothing short of an intellectual revolution.

The Opposition Defeated.

As few organizations in the labor movement have achieved so much success in so short a time as the Trade Union Educational League, likewise few have had such heavy opposition to contend with. Hardy was the announcement of the organization of the League made than a general rallying of the reactionary forces to protest and to use all possible means to_BB the organizers forth on all sides in an attempt to discredit the League in the eyes of the masses and file by painting it red and denouncing it as a Russian conspiracy against the labor movement. No less a person than Mr. Gompers himself took the lead in this virulent campaign of attack and when he broke a few last bounds, he did it upon his faithful lackeys, Matthew Woll, Chester Wright, etc.

But the opposition, reckless though it was, did not break up the advance of the League. This is primarily because of the soundness of the latter’s policies. When its militants went to the masses with propaganda and of industrial unionism, for example, they received such wide-spread support that the old guard were unable to fight back successfully. A case in point was the National Railroad Amalgamation Convention in Denver where the League was condemned in bitterest terms by Stone, Johnston, and many other high officials of the railroad trade unions, it was a glowing success. For once the rank and file, acting in intelligent opposition, took the bit between their teeth and made a determined move for progress. Grable, in the Detroit convention of his organization, tried to step in front of the amalgamation movement and to bring it to a halt, but what happened to him is now a classic in labor history. The League has demonstrated beyond all cliche, that it is possible to have progressive movements among the mass unions in spite of the most aggressive of the reactionary bureaucracy. This in itself is an achievement of the first magnitude.

The Tasks Before Us.

Although the League has already made its influence felt in the labor movement it is only an infinitesimal size and experience. There is still a world to do to give it the necessary volume and power to achieve the great task before it. This work is of a manifold nature. First we must see to it that all militant workers throughout the length and breadth of the country, become members of the trade unions and unloosen the activities of these organizations. We must organize local general groups in every city and town in the United States and Canada. These in turn must be subdivided into industrial sections, which shall work ceaselessly to educate the members of their respective organizations locally. There must be National Committees set up to co-ordinate the work of the local industrial groups throughout the entire labor movement. Especially is this latter task very essential, because without national organization the work of the local groups is fruitless.

Besides building the structure of the League, we must also see to it that it has a powerful weapon wherewith to reach the minds of the masses. The Labor Herald must be developed. Its circulation must be quadrupled in the coming year. This can readily be accomplished if all the individuals and groups in the League will do its; a little towards developing its circle of readers. When The Labor Herald reaches a circulation of 50,000, and this should be in a year’s time if the militants realize their opportunity, it will have power and influence that will astound both reactionaries and revolutionaries.

The Year to Come.

The Trade Union Educational League looks forward with confidence to the coming year. The experience of the past twelve months shows it that its methods and policies are fundamentally correct and that the workers of America are ready for the change. The reactionary bureaucracy is bankrupt. It has absolutely nothing constructive to offer the workers. Industrial evolution proceeds with ever increasing speed, but the Gompers crowd, learning and forgetting nothing, clings desperately to the little that they can hold. The Trade Union Educational League, despite its youth, has a practical monopoly upon the advocacy of progressive policies in the mass organizations of the workers. It is the only organization, radical or otherwise, in the field today which has any message of real instruction and inspiration for the masses. Its policies of industrial unionism through amalgamation, organization of a Labor Party, affiliation of the trade unions to the Red International of Labor Unions, the Workers’ Republic, etc., correspond to the needs and aspirations of the American working class. Educationalism is today the key to the industrial situation in this country and Canada.
E. C. C. I.

War against Italian Fascism!

To the workers and peasants of all countries!

After two years of looting, arson, and murder, against the working class, the Fascists have seized the state power in Italy. The parliamenary regime has been set aside; the freedom of the press, even that of the semi-liberal bourgeois press, has been destroyed; the executive, legislative and judicial power has been transformed into a single Fascist autocracy. Mussolini sits at its head, calling itself the "Great Council," and supported by a Pretorian guard of one hundred thousand men.

Civil rights no longer exist for the workers and peasants, while the Fascists are immune from all penalties. All rights of the working class, of citizenship and political freedom, have been done away with. The right to hold meetings, to form societies, to enter into international relations, all have been abolished. The goods and chattels of the workers are given over to destruction and plunder. The dwellings of the proletariat are devastated, the buildings of their cooperative societies, trade unions, and political organizations, are burnt down or occupied by armed forces.

The best elements of the working class are beaten, arrested, and killed; the women violated, old people and children murdered, but no one is punished. To all this is added, the frightful verdict pronounced against workers who have dared to defend themselves. The Fascists, on the other hand, are allowed to commit the most atrocious crimes, the cruellest acts of violence. Their sole law is their own judgment. The Terror knows no limits.

This is the arbitrary and murderous regime now prevailing in Italy.

Comrades, fellow-workers! The present situation in Italy shows you what may happen to-morrow in your own country, if you do not prevent Fascism from spreading, and fail to exterminate it where it has already found a foothold.

The special conditions obtaining in Italy impart special power to the Fascists there. But the original causes and resultant phenomena of Fascism are not peculiar to Italy; they are common to all countries.

The world crisis of capitalism brings the germ which threatens the spread of Fascism all over the world.

In every country there is a disappointed petty bourgeoisie, suffering from the effects of the war, and hoping, even fearing, that Fascism will order and improve its uncertain conditions of existence. And in every country there is a large agrarian and industrial bourgeoisie lending Fascist discipline support, and furnishing its ends with the aid of the state apparatus. It is precisely on this basis that Fascism has developed and conquered in Italy.

In order to re-establish the capitalist economy destroyed by the imperialist war, the international bourgeoisie not only reduces the standard of living of the working class, but has also increased the limit of misery and starvation. It attempts to crush out of the working class all consciousness and will to arise out of its misery. It attempts to do this through Fascism, a phenomenon closely related to the anti-proletarian offensive of capital, and constituting its final phase. Violence and murder, starvation and want, these are the means used by Fascism to terrorize the working masses, to destroy their class organizations, and to reduce them to complete slavery.

Fascism does not fight merely against this or that political tendency in the working class, but against the class as a whole, for the bourgeoisie sees the sole possibility of a capitalist reconstruction only in intensified exploitation and absolute political subjugation of all workers.

Fascism also permits the nationalization of the bourgeoisie as the basis of Fascism, Fascism institutes a Nation's armament, supports imperialist adventures and provokes political conflicts everywhere. Imperialist war is one of the most important items in the Fascist program, and its rule must thus necessarily lead to renewed massacres of human beings, to be carried out by Fascist militarists, and not by the proletariat.

Fascism is endeavoring to spread itself over a number of countries, with the object of solving the world crisis at the expense of the working class. Fascist phenomena are already observable in Hungary, Germany, Poland, etc. The European governments fraternize with Fascism. This shows the danger to be bearded and urgent; immediate action of the international proletarian is necessary.

Comrades, workers, and peasants! In order to exterminate this pest and to emancipate the Italian proletariat from the bloody Fascist oppression, an immediate action of defence and solidarity is imperative. Your own ruling classes and your governments share the responsibility for the crimes of Fascism. Without their approval the dictatorship of the Fascist bands would not have been able to develop and to seize power. You must absolutely secure all sincere elements to your side, and form a solid moral blockade against Fascist Italy. You must show your bourgeois and your governments that you will be the first to isolate the Fascist state. Until the Italian working class is emancipated from the despotism, the atavism, and the criminal acts of the executioners appointed by the bourgeoisie, the workers of all countries must regard themselves as mobilized, and directly and indirectly, carry on ruthless war against the leaders responsible for the Fascist terror.

Great demonstrations must be mustered in the towns and villages of all countries, and all workers and peasants must be summoned to take part. The foreign supporters of the Fascist state must be met with the same demand and blow everywhere. Working masses for the executioners of their brothers. Every "deed commissary" by the Fascist state, every official step taken, must be answered with demonstrations of sardonic and fury. The émigrés from Italy, the Italian refugees abroad, must be concentrated in fighting groups by all organizations; they will certainly lead the fight against the cruel tyranny reigning in the country which they have had to leave in order to escape starvation and the dangers of the Black Shirts.

The Communist International and the Red International of Labor Unions has undertaken to give their divided political, moral, and material support to this action of the world proletariat against Fascism. For this object an International Fighting Fund against Fascism has already been formed, and the necessary organs created. In aid of this fund the Red International of Labor Unions has already extended to Fascist Italy the solidarity of the working class. This solidarity must be extended to all Fascist countries as well.

Workers of France, Germany, England, America, and other countries! In fighting against Italian Fascism, you are fighting for your own liberty, and are showing the ruling classes that you will not submit to the rule of despotism and terror which, in Italy, is spreading to other countries. Exert all your strength to crush the vanguard of International Fascism—Italian Fascism! Long live the heroic Italian working class! Long live the solidarity of the workers of all countries against the Fascist monopoly of power. The solidarity of the workers against Fascism must be carried far beyond the boundaries of Italy.

Moscow, January 7, 1923.

The Executive Committee of the Communist International.

The Executive Bureau of the Red International of Labor Unions.

Circular addressed to the Comintern to its affiliated Sections:

Dear Comrades!

The joint appeal of the Comintern and the Proletintern on the fight against Fascism is being sent you by to-day's post.

The fundamental questions are dealt with in the appeal. Here we shall only emphasize the necessity of collectivizing and concentrating the struggle against Fascism. (Demonstrations, mass meetings, systematic press campaigns, etc.) The labor organizations in Italy's neighbour states have a special responsibility. Thanks to their proximity, these labor organizations can do much for the struggle against Fascism, and for their Italian comrades.

In addition to this, it is imperative that every possible material aid be lent to the Italian workers in their fight against their oppressors. The Comintern and the Proletintern have decided to create an International Fighting Fund against Fascism. Every organization affiliated to the Comintern is called upon to devote a lump sum to this purpose, and to organize continuous collections of money for this fund. The money will be given to those organizations which are carrying on revolutionary work against Fascism.

The Committee of Action of the Comintern and Proletintern will issue further instructions as to how and to whom the money collected is to be delivered.

With communist greetings,

Secretary of the

Executive Committee of the Communist International.

O. W. Kuusinen.

Moscow, January 18, 1923.
Statutes for the collection and administration of the International Fighting Fund against Fascism

1. In accordance with resolutions passed at a joint session of the executives of the Communist International and the Red International of Labor Unions, an international fighting fund against Fascism is formed.

2. The object of the fighting fund is to raise the means for energetically fighting Fascism, and to lend pecuniary support to all proletarian organizations and revolutionary groups engaged in direct combat with Fascism. At present, only the Italian A.F. organizations are involved in the active fight against Fascism.

3. Money for the fighting fund is to be raised:
   - by grants from the central treasuries of the various organizations;
   - by the collection of money, among the proletariat of all countries, through subscription lists.

4. All proletarian organizations, in all countries, are to be appealed to, to take part in the collection.

5. A committee is to be formed in every country to organize the collection of money, on which every labor organization of whatever political tendency participating in the collection shall have at least one representative.

6. Only these national committees have the right to issue collection forms, which must be numbered and provided with a stamp. All monies and subscription forms must be delivered up to the national committee in each country. The receipt of the money collected on the collection lists is to be publicly acknowledged.

7. The headquarters of the international fighting fund are in Berlin. The Executive Committee consists of one representative each from the various political and trade unions internationally affiliated, for every country. The Executive Committee appoints two general treasurers and the auditors, and assumes the duty of administering the fund and of publishing periodical accounts of the monies received.

8. The national committees have to pay over all their monies to the central committee.

9. The central committee decides on the expenditure and distribution of the monies.

The R.I.L.U. has already opened the fund with a contribution of 10,000 gold roubles (about 5,000 dollars).

Declaration of the Communist International regarding the alleged “Section of the Comintern” in Memel

A so-called “United German-Lithuanian Socialist Labor Party for the Memel district, III International!” has made its appearance in Memel, and has instigated an uprising for the purpose of affiliating the Memel district to Lithuania.

The Executive Committee of the Communist International proclaims to the general public, and especially to the workers of the Memel district in Lithuania, that there exists no such organization of the Third International in the Memel district. It is a despicable provocation on the part of the Lithuanian nationalists, who do not venture to come forward in their own names, but hope to serve their purpose better by acting under the cloak of the Third International, whose followers are persecuted in Lithuania with greater severity than in Tsarist times, and who are tortured in the prisons.

The Executive Committee of the Communist International.

O. W. Kuusinen (Secretary).

IN SOVIET RUSSIA

The Moscow Demonstrations against the Occupation of the Ruhr

By F. Rubiner.

Moscow, January 18, 1923.

During three days, January 15–17, the Moscow proletariat expressed its solidarity with the proletariat of Germany and the whole world. January 15, the Liebknecht-Luxemburg memorial day, is in any event a day of profound significance for the Russian workers; in addition to this, news came of the occupation of the Ruhr basin, which at once aroused the Russian workers.

Immediately after the news arrived that French troops had marched into the Ruhr area, meetings were held in all factories and workshops of Moscow. Work was suspended on January 15, huge contingents of workers streamed from every corner of the city, and gathered before the building of the executive committee of the C.L., in the Akhoyava. The gathering began at about 4 o'clock, and lasted until late in the night. The same was repeated on January 16 and 17.

These masses of Russian workers presented a most impressive spectacle; after a full day's work, with the grime and dirt of their work still on their hands, without having rest or refreshment they marched through the streets, in many cases without shoes. The most depressing picture was the feverish pace of work, for the purpose of demonstrating their protest against the danger threatening the proletariat of Western Europe.

It was an example of practical proletarian solidarity, and readiness to follow up words with deeds. It was no long-prepared demonstration: within 24 hours, in many places within 12 hours, all preparations for the demonstration were made. The masses came into the street almost spontaneously. And not communists alone, but thousands upon thousands of non-partisan workers, seized the demonstration as a prize which they felt that the working class is being thrust upon them gratuitously than ever; they understood that the occupation of the Ruhr district signifies the danger of a new imperialist war, and they took immediate action. They acted in dead earnest.

The spontaneous feeling of solidarity prevailing among the demonstrators. The P r a v d a reports that, in front of the Moscow Soviet in the Soviet Square, a workman suddenly knelt down below one of his comrades and cried: "Forgive me, Aloisia, in 1914 I struck you because you spoke against the war. Now I kneel before the Soviet and think of that time, I see how right you were!"

The processions of demonstrators assembled before the Moscow Soviet, before the building of the Executive of the C.L., and before the Hotel "Lux", where the delegates of the Communist International are residing. This demonstration proved the ties binding the Russian workers to the fighting proletariat of the whole world, and proclaimed that the Soviet of the workers' and peasants' delegates alone is capable of finding a way out of the bloodshed which the capitalist world has brought.

The columns of workers, with their red flags and torches, delved through the streets for many hours in the chill winter air, some accompanied by bands of music. The foreign delegates spoke from the balcony of the Executive of the C.L., comrade Khruschev, from the German C.P., and comrade Hun from the Czechian C.P., and comrades from England, France, etc. The effective speech of comrade Serrati from the United C.P. of Italy was greeted with the utmost enthusiasm. But it was not only foreign comrades who spoke; special mention must be made of the words which delievered the Moscow欧. He, and the representative of the Russian working masses through him, said: May the working class of Germany, and the whole world, know that we are ready to come to their aid!

A huge number of resolutions has been received by the Executive of the C.L.; these have been passed in the various factories and institutions. We may cite a few extracts from these resolutions. Thus in a resolution passed by a group of factories in the Rogoschsko Simonov district, in memory of the murder of Karl Liebknecht and Rosa Luxembourg, we find the words: "We are consoled by the thought that during the four years a real leader has grown up for the German proletariat—the mighty Communist Party of Germany, capable of combat, steeded by fighting, strengthened by the struggles it has gone through."

In a resolution passed by the factories Sulfet, Electro, and the factories Sulfet, Electro, we read: "We promise that at difficult moments we shall lend our aid, to the utmost of our power, for the overthrow of the world bourgeoisie." The resolution of the Gosaviasovad addresses the, C.L. as the army staff of the revolutionary movement of the world, and appeals to it to mobilize the world proletariat and to take all measures to prevent a fresh imperialist war. In this, as in all resolutions, we find the same promise: We shall come to your aid, workers of Western Europe.

These demonstrations are not only a proof of the strong feeling of international solidarity among the Russian workers; they further prove that the Russian workers have by no means become indifferent and apathetic, as is asserted by their enemies; on the contrary, they are now ready—after so many struggles and privations—to enthrone a new internationalism. It is a question of triumph or defeat for the revolution.

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