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## CONTENTS

### Politics

J. B.: The New Coup d'Etat in Egypt . . . . .

555

Karl Radek: Problems of the Revolution in India. 560

Kaarlo Teräs: Finland Facing Fascist Dictatorship

556

Against Colonial Oppression

Ludwig Freund: The Conference of the Little Entente . . . . .

556

El-Souri: The Fresh Aggression of French Imperialism against the Syrian People . . . . . 562

### Economics

A. Bousse: The Economic Crisis in the U.S.A. . . . .

557

Perragut: The Cuban Nationalists as Instruments of Yankee Imperialism . . . . . 562

P. Ch.: The Egyptian Economic Crisis . . . . .

558

Hands off the Soviet Union

### India

V. Chattopadhyaya: The Strengthening of Imperialist Rule in India. . . . .

559

The Authors of Western Europe and America . . . . . 563

### Trade Union Movement

The Disruptive Activities of the Finnish Social Democracy in the Trade Union Movement . . . . . 564

## The Political Report of the Central Committee to the XVI. Party Congress of the C.P.S.U. Comrade J. Stalin's Address on 27th June 1930.

### I. The Growing Crisis of International Capitalism and the Foreign Political Position of the Soviet Union.

Comrades, two and a half years have passed since the XV. Party Congress. Apparently no very long period. But during this time a very serious change has taken place in the life of the peoples and states. If we characterise this period just elapsed in two words, we may designate it as a period of transformation. The transformation has been not only for us, the Soviet Union, but for the capitalist countries of the whole earth. But there is a fundamental difference between these two transformations. Whilst in the Soviet Union the transformation is a transformation in the direction of an even greater economic uplift, in the capitalist countries the change is in the direction of economic decay. In our country, in the Soviet Union, the increasing uplift of socialist construction in industry and agriculture. On the other side, among the capitalists, the growing crisis in economic life, in industry and agriculture. This is, in a few words, the situation to-day.

Remember the state of affairs in the capitalist countries 2½ years ago: Growth of industrial production and trade in almost all capitalist countries, growth of the production of raw materials and food stuffs in almost all agrarian countries. Over the U.S.A. hung the aureola of capitalism in full bloom. Victorious hymns of "prosperity". Genuflexions to the dollar. Songs in praise of the latest technics, and in honour of capitalist

rationalisation. Proclamation of the era of the "recovery" of capitalism and the unshakeable firmness of the capitalist stabilisation. "General" shrieks and outcries about the "inevitable decay" of the Soviet country, the "irrevocable collapse of the Soviet Union".

This was the state of affairs yesterday.

And how are things to-day?

To-day: an economic crisis in almost every industrial country of capitalism; to-day: an agrarian crisis in almost every agrarian country. In place of "prosperity"—mass misery and a frightful increase of unemployment. In place of an uplift in agriculture—the impoverishment of the million masses of the peasantry. The illusions of the impotence of capitalism in general, and of North American capitalism in particular, are crumbling to pieces. The hymns of victory in honour of the dollar and capitalist rationalisation are becoming considerably fainter. Ever louder resound the pessimistic lamentations on the "errors" of capitalism. And the "general" outcry on the "inevitable decay" of the Soviet Union is being replaced by a "general" enraged shrieking on the necessity of punishing "this country", which dares to develop its economics whilst all around crisis prevails.

This is what we see to-day.

Precisely what the Bolsheviks foresaw two to three years ago has come about.

The Bolsheviks maintained that the development of technics in the capitalist countries, the growth of the forces of production and of capitalist rationalisation, under the conditions given by the restricted standard of living of the million masses of workers and peasants, was bound to lead to an economic crisis of the utmost cruelty. The bourgeois press found these "original prophecies" of the Bolsheviks an excellent joke. The Right drew a dividing line between themselves and the Bolshevik prognosis, and replaced Marxist analysis by Liberal chatter on "organised capitalism". And what really happened? Just what the Bolsheviks said would happen.

These are the facts.

Let us pass to an examination of the data of the economic crisis in the capitalist countries.

## 1. The World Economic Crisis.

a) When the crisis is examined, the following facts become at once conspicuous:

1. To-day's economic crisis is a crisis of **over-production**. That is, more goods are being produced than the market can absorb—more fabrics, fuel, factory articles, and food are being produced than the main consumers, that is, the masses of the people whose incomes remain on a low level, can buy for cash. Since in a capitalist state the buying powers of the masses of the people remain at a minimum level, the capitalists store the "surplus" goods, fabrics, grain, etc. in their warehouses, or even destroy them, in order to maintain prices; they limit production, discharge workers, and the masses of the people are forced to live in want and misery because too many goods are produced.

2. The present crisis is the first **world** economic crisis since the war. It is a world crisis not only in the sense that it affects all, or almost all, the **industrial countries** of the world, even France not being able to avoid a certain depression evincing all the signs of an inevitable crisis, in spite of the systematic injection into its organism of milliards of marks from the German reparation payments. It is at the same time a **world crisis** in the sense that the **industrial crisis** coincides with the **agrarian** crisis affecting the production of every description of raw materials and foodstuffs in the leading agrarian countries of the world.

3. The present world crisis is developing **unequally**, in spite of its **general** character, and seizes this or that country at different times and in varying degrees. The industrial crisis commenced in Poland, Roumania, the Balkans. Here it developed during the course of the past year. By the end of 1928 distinct signs of the beginning agrarian crisis were observable in Canada, in the U.S.A., in the Argentine Republic, in Brazil, in Australia. During the whole of this period the industry of the U.S.A. has been declining. Towards the middle of 1929 industrial production in the U.S.A. reached almost a record height. It was not until the second half of 1929 that the change began to be felt, developing rapidly into the acute crisis of industrial throwing the U.S.A. back of the level of 1927. This was immediately followed by industrial crises in Canada and Japan. Next came the bankruptcies and crisis in China and the colonial countries, where the crisis has been aggravated by the fall in the price of silver, and the crisis of over-production is closely interwoven with the ruin of peasant farming brought about by the utter exhaustion resultant on feudal exploitation and unbearable taxation. With regard to Western Europe, the crisis did not make itself felt till the beginning of this year, and then not with equal intensity everywhere. France has even continued, during this period, to increase its industrial production.

I believe that it is needless to enter into the statistics demonstrating the existence of the crisis. No-one disputes to-day that there is a crisis. Therefore I confine myself to the mention of a small but characteristic table recently published by the German "Institute for the Investigation of Economic Tendencies". This table shows the development of mining, and of the main branches of the great manufacturing industries, in the U.S.A., Great Britain, Germany, France, Poland, and the Soviet Union, beginning with 1927, the production level of 1928 being taken at 100.

This is the table:

	Soviet Union	United States of America	Great Britain	Germany	France	Poland
1927	82.4	95.5	105.5	100.1	86.6	88.5
1928	100.0	100.0	100.0	100.0	100.0	100.0
1929	123.5	106.3	107.9	101.8	109.4	99.8
1930 (First quarter)	155.5	95.5	107.4	93.4	113.1	84.6

What does this table show?

Above all it shows that the U.S.A., Germany, and Poland are passing through an **exceedingly acute economic crisis** of industrial production, in the course of which the production level in the U.S.A., after the **upsurge** in the first half of 1929, fell off by 10.8 per cent in the first quarter of 1930 as compared with 1929, and returned to the level of 1927. In Germany the level of production, after three years stagnation, sank by 8.4 per cent as compared with the previous year, bringing it to a level 6.7 per cent than 1927. In Poland the production level, after last year's crisis, sank by 15.2 per cent as compared with the year before, and therewith to 3.9 per cent beneath the level of 1927.

The table further shows that Great Britain has made no progress whatever for three years, does not rise beyond the level of 1927, and is suffering from a severe **economic stagnation**, culminating in a decline of production by 0.5 per cent in the first quarter of 1930 as compared with the previous year, therewith entering the initial phase of the crisis.

Thirdly, it permits us to recognise that it is solely in France, of the great capitalist countries that a certain **growth** of heavy industry may be recorded, the level of production in the first quarter of 1930 being about the double that of 1927, whereby the percentage of increase has risen from 17.6 per cent in 1928 to 23.5 per cent in 1929 and to 32 per cent in the first quarter of 1930, thus showing a curve of growth rising from year to year.

It may be said that if this is the status towards the end of the first quarter of this year, it is not impossible that matters may change for the better in the second quarter. But the data for the second quarter definitely confute any such assumption. On the contrary, they go to show that conditions will worsen in the second quarter. From these data we see the renewed fall of prices at the New York Exchange, a fresh wave of insolvencies in the U.S.A., a continued falling off of production, a reduction of the workers' wages, and an increase of unemployment in the U.S.A., Germany, Great Britain, Italy, Japan, South America, Poland, Czechoslovakia, etc., and we see the beginning of **stagnation** in a number of branches of French industry—a sign of impending crisis in the present international economic situation. To-day there are more than six million unemployed in the U.S.A., in Germany about five millions, in Great Britain over two millions, in Italy, South America, and Japan each one million, and in Poland, Czechoslovakia, and Austria each 500,000. I need not emphasise the acute aggravation of the agrarian crisis, plunging millions of farmers and working peasants into poverty. The crisis of over-production in agriculture has reached such a point that in Brazil two million sacks of coffee have been thrown into the sea in order to maintain high prices, and to ensure the profits of the bourgeoisie. In America maize is being used as fuel instead of coal, in Germany millions of sacks of rye are being fed to pigs; and in the matter of cotton and wheat, all measures are being taken to reduce the area cultivated by 10 to 15 per cent.

This is a general survey of the developing world economic crisis.

b) To-day, now that the world economic crisis is developing with annihilating effect, ruining whole strata of middle and small capitalists, impoverishing whole groups of the labour aristocracy and peasantry, and damning the million masses of the workers to starvation, the question arises everywhere: What are the causes of the crisis, where are its bases, how are they to be combated, how destroyed? The most multifarious "crisis theories" are elaborated. Whole projects are proposed for the "alleviation", "prevention", or "liquidation" of the crisis. The bourgeois oppositions rail at the bourgeoisie

governments, which appear to have "failed to take the necessary measures" to prevent the crisis. The "Democrats" throw the blame on the "Republicans", the "Republicans" on the "Democrats", and all join against the Hoover group with its Federal Reserve Bank system, which has proved unable to "cope with the crisis". Indeed, there are some wise heads who observe the causes of the world economic crisis in the "intrigues of Bolshevism". I refer here to the well known "industrialist" Rechberg for instance, who has little resemblance to an industrialist as such, but rather resembles an "industrialist" among the literates and a "literate" among the industrialists. (Laughter.)

It is obvious that all these theories and projects have nothing to do with science. It must be admitted that the bourgeois scientists have collapsed utterly in the face of this crisis; and even more than this, they show themselves lacking in even that minimum of insight into life which their predecessors must be granted to have possessed. These gentlemen forget that the crisis cannot be estimated as an accidental phenomenon in the system of capitalist economics. These gentlemen forget that the economic crisis is the compulsory result of capitalism. These Gentlemen forget that these crises came into world simultaneously with the birth of capitalism. In the course of more than one hundred years periodical economic crises have occurred, returning every 12 to 10 to 8 years. During this period the bourgeois governments have tried every shade and variety of device, bourgeois brains of every degree of capacity have exerted their utmost efforts, all to solve the problem of "preventing" these crises. But they have one and all suffered defeat for the reason that within the confines of capitalism economic crises can be neither prevented nor removed. Is it then a matter of surprise that the bourgeois brains of to-day again fail to find a solution? Is it any matter of wonder that the measures of the bourgeois governments are in actual fact accomplishing nothing towards an alleviation of the crisis, towards the workers, but lead to fresh epidemics of bankruptcy, to fresh waves of unemployment, and to the absorption of the weaker capitalist associations by the stronger capitalist associations?

The bases of the over-production crisis of economics and their cause lie in the system of capitalist economy itself. The basis of the crisis lies in the antagonism between the social nature of production and the capitalist form of appropriation of the products of this production. One expression of this fundamental contradiction of capitalism is the contradiction between the colossal growth of the possibilities of production, calculated on the winning of a maximum of capitalist profit, and the relative limitation of the solvent demand on the part of the masses of the workers, whose standard of living the capitalists are constantly endeavouring to press down to the utmost minimum limit. In order to gain the upper hand in competition, and to press out fresh profits, the capitalists are obliged to develop techniques, to carry out rationalisation, to increase the exploitation of the workers, and to intensify the productive capacity of their undertakings to the uttermost. In order not to fall behind one another, all capitalists are forced to strike along one path or another of blind haste in the development of the possibilities of production. But the purchasing powers of the million masses of the workers and peasants, at bottom the chief buyers, remain at a low level in both home and foreign markets. Hence the over-production crises. Hence the well-known consequences, repeating themselves more or less periodically, causing the goods to remain unsold, production to decline, unemployment to increase, wages to fall, and the contradiction between the level of production and the level of solvent demand to increase. An over-production crisis is the appearance of these contradictions in tempestuous and destructive forms. If capitalism were able to adapt production, not to the achievement of a maximum of profit, but to the systematic improvement of the material situation of the masses of the people; if it were to apply the profits, not to the satisfaction of the desires of the parasitic classes, not to the perfecting of the methods of exploitation, not to the export of capital, but to the systematic betterment of the material position of the workers and peasants, then there would be no crisis. But then capitalism would not be capitalism. In order to exterminate the crisis, we must exterminate capitalism.

This is the whole basis of the over-production crises of economy.

An examination of the present crisis cannot however confine itself to these considerations. The present crisis is not a simple repetition of the old crises. It is growing and developing under new conditions, which must be made fully clear before a complete idea of the crisis can be obtained. It is complicated and deepened by a series of special circumstances, and until clear light is thrown upon these, there is no possibility of forming a real conception of the present economic crisis.

### What are these special circumstances?

These special circumstances consist of the following characteristic facts:

1. The crisis has seized most acutely the chief land of capitalism, its citadel, the U.S.A., which holds in its hands no less than one-half of the total production and of the total consumption of all the countries of the earth. It is easily comprehensible that this circumstance is bound to involve an enormous extension of the sphere of influence, an aggravation of the crisis, and the accumulation of extreme difficulties for world capitalism.

2. In the course of the development of the economic crisis, the industrial crisis in the most important capitalist countries has not simply coincided with the agrarian crisis in the agricultural countries, but the two are interwoven, greatly intensifying the difficulties, and determining beforehand the inevitability of a general retrogression in economic activity. It cannot be otherwise; the industrial crisis is bound to intensify the agrarian and the agrarian crisis the industrial, necessary leading to an aggravation of the economic crisis in its totality.

3. Capitalism to-day differs from the old capitalism in being monopolist capitalism, and this determines in advance the inevitability of the struggle of the capitalist associations for the maintenance of the high monopolist prices for goods in spite of over-production. It need not be said that this circumstance, which renders the crisis especially tormenting to the masses of the people forming the main consumers of the goods, and reduces these to want and misery, necessarily leads to a prolongation of the crisis, and hampers its absorption.

4. The present economic crisis is developing on the basis of that general crisis of capitalism which originated during the period of the imperialist war, which undermined the pillars of capitalism, and facilitated the bringing about of an economic crisis.

What does this mean? It means above all that the imperialist war and its consequences have accelerated the process of decay of capitalism and shaken its equilibrium, that to-day we live in the epoch of wars and revolutions, that capitalism no longer represents a uniform and comprehensive system of international economics, that side by side with the capitalist economic system there exists the socialist system, and that this is growing, maturing, opposing the capitalist system, exposing by the mere fact of its existence the rottenness of capitalism, and shaking its foundations. It means further that the imperialist war and the victory of the revolution in the Soviet Union have shaken the pillars of imperialism in the colonial and dependent countries, that the authority of imperialism is becoming very brittle in these countries, that it no longer possesses the power to pursue its customary methods in these countries.

It means further that during the war, and after the war, a young capitalism sprang up in the colonial and capitalist countries, and that this has competed successfully in the markets against the old capitalist countries, thereby intensifying and aggravating the struggle for the markets.

And it means, finally, that the war has bequeathed to the majority of the capitalist countries a disastrous legacy of chronic non-utilisation of the producing capacity of the undertakings, of an army of unemployed which has become transformed from a reserve army into a standing army of unemployment, a factor which confronted capitalism with a multitude of difficulties even before the present crisis, and has been bound to complicate matters further during the crisis.

These are the circumstances deepening and aggravating the world economic crisis. It must be admitted that the present economic crisis is the most serious and profound of all the world economic crises hitherto experienced.

## 2. The Intensification of the Antagonisms of Capitalism.

The most important result of the world economic crisis is the exposure and intensification of the antagonisms inherent in world capitalism.

a) The antagonisms among the most important imperialist countries are being revealed and intensified: the struggles for the markets, the struggles for the raw materials, the struggles for the export of capital. None of the capitalist states are any longer satisfied with the old distribution of the spheres of influence and colonies. They see that the comparative forces have shifted, and that the markets, the sources of raw materials, the spheres of influence, etc. must be redistributed. The most important of these antagonisms is the antagonism between the U.S.A. and England. Both in the field of the export of manufactured goods and in the sphere of capital export the chief struggle is between the U.S.A. and England. It suffices to glance at any economic newspaper, at any document relating to the export of goods and capital, to receive convincing proof of this. The main arena of this struggle is South America, China, the colonies and dominions of the old imperialist states. The preponderance of forces in this struggle—even the express preponderance—is on the side of the U.S.A. This main antagonism is followed by others, which, though not decisive, are still very important: between Germany and France, between France and Italy, between England and France, etc.

There can be no doubt that the struggle for the markets, for raw materials and fields for the export of capital, will be intensified from day to day, and from month to month, by the developing crisis.

The means used in this struggle are: tariff policy, cheap goods, cheap credit, regrouping of forces and new military and political alliances, increased armaments, preparations for fresh imperialist wars, and finally, war. I have referred to the crisis which has seized upon every branch of industry. But there is one industry which is not affected by the crisis, and that is the war industry. This is growing steadily, in spite of the crisis. The bourgeois states are arming wildly, arming ever more and more. Why? Certainly not for amusement, but for war. And the imperialists need war, for it is the sole means of redistributing the world, and to re-divide the markets, the sources of raw materials, and the spheres of capitalist investment.

It is easily comprehensible that under these circumstances so-called pacifism is at its last gasp, that the League of Nations is rotting away while still alive, that the "disarmament proposals" vanish into the abyss, and the conference for the reduction of naval armaments is converted into a conference on the renewal and extension of the navies.

This means that the danger of war will grow more rapidly than before. Let the Social Democrats chatter of pacifism, of peace, of the peaceful development of capitalism etc., the experience gained during the governmental reign of the Social Democrats in Germany and England proves this pacifism to be a mere mask hiding fresh preparations for war.

b) The antagonisms between the conquering and the conquered states are being revealed, and will increase in acuteness. Here I refer especially to Germany. The crisis, and the sharper struggle for the markets, will indubitably increase the pressure on Germany, which is not only a debtor, but one of the largest export countries. The remarkable relations which have come to pass between the victorious states and Germany might be represented as a pyramid upon whose apex there stand America, France, England, etc., with the Young Plan in their hands, with the inscription: "Pay!"; whilst underneath ~~the~~ Germany, exhausting its powers, forced to exert its last forces to pay the milliards demanded as tribute. Do you want to know what this is? It is the "spirit of Locarno". To believe that such a situation will entail no consequences for international capitalism is to understand nothing whatever about life. To believe that the German bourgeoisie will be in a position to pay 20 milliard marks within the next ten years, and that the German proletariat living under the double yoke of its "own" and "foreign" bourgeoisie will permit these 20 milliards to be squeezed from its veins without serious struggles and convulsions, is to take "U.S." The appearance of believing in this miracle. We Soviet Union not believe in miracles.

c) The antagonisms between the imperialist states and the colonial and dependent countries are being revealed and intensified. The growing economic crisis is bound to increase the pressure of the imperialists on the colonies and dependent countries forming the most important selling and raw material markets. It is a fact that the European bourgeoisie is at the present time at war with "its" colonies in India, Indochina, East Indies, and North Africa. It is a fact that "independent" China is in reality divided up into spheres of influence, and that the clique of the generals, and the counter-revolutionary Kuomintang, mutually at conflict with one another and ruining the Chinese people, are fulfilling the will of their lords in the imperialist camp.

The lying tale that employees of the Russian embassies in China are responsible for the disturbances of "peace and order" in China has at last been exploded. For a long time there have been no Russian embassies in either South or Central China. But there are English, Japanese, German, American, and other embassies. Neither in South or Central China are there Russian embassies. But there are German, English, and Japanese military advisors for the warring Chinese generals. For long enough there have been no Russian embassies here. But there are English, American, German, Czechoslovakian, and other guns, rifles, airplanes, tanks, and poison gases. And what do we see? Instead of "peace and order" we see in South and Central China an unbridled and disastrous generals' war in full swing financed by the "civilised" states of Europe and America, and aided by their instructions. A truly striking picture of the "civilising" activities of the capitalist states. Only, nobody knows what the Russian Bolsheviks have to do with it.

It would be ridiculous to believe that these brutalities on the part of the imperialists will be borne in silence. The Chinese workers and peasants have already replied by forming Soviets and Red Armies. It is reported that Soviet Governments are being formed. If this is true, I do not find any cause for wonder. There can be no doubt that nothing but the Soviets can save China from final ruin and impoverishment.

With respect to India, Indochina, the East Indies, Africa, etc. it is an undoubted fact that the revolutionary movement in these countries, which sometimes takes the form of war for national liberation, is growing. The gentlemen of the bourgeoisie are anxious to drown these countries in blood; they depend on the support of the police bayonets, and look to people like Gandhi for aid. There is no doubt that police bayonets are but weak supports. Tsarism too in its time sought to support itself on police bayonets, and we all know what sort of support that turned out to be. With regard to helpers of the Gandhi type, Tsarism possessed whole flocks of them in the form of Liberal compromise-mongers of every kind, but these succeeded in nothing more than in adding to the confusion.

d) The antagonisms between the bourgeoisie and the proletariat of the capitalist countries too have been brought to light and are becoming acuter. The crisis has already increased the pressure put by the capitalists on the working class. The crisis has already called forth a fresh wave of capitalist rationalisation, a fresh worsening of the situation of the working class an increase of unemployment, a growth of the army of permanent unemployed, and a reduction of wages. It is not to be wondered at that these circumstances revolutionise the situation, strengthen the class war, and drive the workers into renewed class struggles.

The consequence is that among the working masses the Social Democratic illusions are crumbling and collapsing. After the experience gained during the participation of Social Democrats in the governments, which have done scab service, organised lockouts, and shot down workers, the lying promises of "production democracy" of "industrial peace", and "peaceful methods" in the struggle, sound in the ears of the workers like utter derision. Are there still many workers to be found who believe the lying sermons of the Social Democrats? The workers' demonstrations of 1st August 1929 (against war), and of 6th March 1930 (against unemployment), show that the best elements of the working class are already turning their backs on the Social Democrats. The economic crisis will deal a fresh blow at the Social Democratic illusions among the workers. After the bankruptcy and impoverishment following the crisis, there will be but few workers willing to believe in the possibility that "every worker" may "enrich himself by

taking part in "democratic" joint stock companies. Whatever may be said—the crisis deals an annihilating blow at such and similar illusions.

But when the workers turn their backs on Social Democracy, this means that they turn to Communism. The growth of the trade union movement working on the side of the Communist Parties; the election successes of the Communist Parties, the strike wave going on under the leading participation of the Communists, the merging of the economic struggles in political protests organised by the Communists; the mass demonstrations of the workers sympathising with Communism, awakening wide echoes in the working class—all this bears witness to the fact that the working masses recognise in the Communist Parties the sole party capable of fighting against capitalism, the sole party worthy of the faith of the working people, the sole party which it is worth while to join in the struggle for liberation from capitalism. This is the turn taken by the working masses in the direction of Communism. This is the guarantee that our brother parties of the Comintern will become great mass parties of the working class. All that is necessary is that the Communists estimate the situation properly, and make full use of it. The Communist Parties, which carry on an irreconcilable struggle against Social Democracy, this agent of capital among the working class, and which utterly exterminate those deviations from Leninism which bring grist to the mill of Social Democracy, have shown that they are on the right path. They must continue firmly on this path. For it is only by doing so that they can reckon on winning over the majority of the working class, and of successfully preparing the proletariat for the coming class struggles. For it is only by doing so that we can reckon upon a further increase of the influence and the authority of the Communist International.

This is the status of the fundamental contradictions of world capitalism, now intensified to the utmost by the world economic crisis.

What do these facts show?

They show that the stabilisation of capitalism is approaching its end.

They show that the upsurge of the revolutionary mass movement will rush forward with fresh impetus.

They show that the world economic crisis will merge into a political crisis in many countries.

This means that in the first place the bourgeoisie will seek a means of escape from the situation in the further Fascisation of home politics, and will utilise for this purpose every reactionary force, including Social Democracy.

It means further that the bourgeoisie, in the sphere of foreign policy, will seek a means of escape in fresh imperialist wars and in intervention.

And it means, finally, that the proletariat, in the struggle against capitalist exploitation and war danger, will seek the remedy in revolution.

### 3. The Relations between the Soviet Union and the Capitalist States.

a) I have dealt above with the antagonisms of world capitalism. But besides these antagonisms still another antagonism exists. I speak of the antagonism between the capitalist world and the Soviet Union. It is true that this antagonism is not of an inner-capitalist nature. It is the antagonism between capitalism as a totality and the country in which socialism is in course of construction. This does not however prevent it from disrupting and shaking the very foundations of capitalism. And more than this. It exposes the roots of the contradictions inherent in capitalism and binds them in one knot: it converts them into one question of the life or death of the whole capitalist order. Therefore the bourgeoisie turns its eyes towards the Soviet Union every time when the capitalist antagonisms begin to become acute; would it not be possible to solve this or that capitalist antagonism, or all antagonisms at once, at the expense of the Soviet Union, at the expense of this land of the Soviets, this stronghold of revolution, which from the first moment of its existence has been revolutionising the working class and the colonies, preventing fresh wars, disturbing the redistribution

of the world, ad refusing to permit capitalism to spread itself broadly over the extensive markets of the Soviet Union although it needs these so bitterly at this juncture of economic crisis. Hence the tendency towards adventurous attacks on the Soviet Union and towards intervention. This tendency is bound to increase with the growing crisis.

The most conspicuous bearer of this tendency at the present time is the bourgeois France of to-day, the home of the profound love of the "Pan-Europe", the "cradle" of the Kellogg Pact, the most aggressive and most military country among all the aggressive and military countries of the earth.

But intervention is a two-edged sword. The bourgeoisie is thoroughly aware of this. It would be an excellent thing—it thinks—if the intervention would pass off smoothly and end in the defeat of the Soviet Union. But what if it ends in a defeat of the capitalists? One intervention has already suffered lamentable shipwreck. The first intervention broke down at a time when the Bolsheviks were weak. What guarantee is there that the second will not crash as lamentably? Everybody can see that the Bolsheviks are incomparably stronger now than at that time, both economically and politically, and with respect to the defensive powers of the country. And what of the workers of the capitalist countries, who will not tolerate the intervention against the Soviet Union, who will fight against the intervention, and will if necessary be able to attack the capitalists from behind? Would it not be better to adopt the course of developing trade relations with the Soviet Union, a course to which the Bolsheviks raise no objection? This is the source of the tendency towards the continuation of friendly relations with the Soviet Union.

Hence we have two series of factors and two different tendencies, working in different directions:

1) The policy of undermining the economic relations of the Soviet Union to the capitalist countries, the policy of provocative attacks on the Soviet Union, open and concealed work in preparation of an intervention against the Soviet Union. These are factors endangering the international position of the Soviet Union. It is to the effect of these factors that such facts are to be attributed as the rupture of the Conservative English cabinet with the Soviet Union, the seizure of the Chinese Eastern Railway by the Chinese militarists, the financial blockade of the Soviet Union, the "crusade" of the clergy, headed by the Pope, against the Soviet Union, the organisation of acts of sabotage on the part of our specialists by the agents of foreign stations, the organisation of arson and explosions such as those committed by some of the employees of the "Lena Goldfields", the assassination of representatives of the Soviet Union (Poland), the chicanery employed against our exports (USA., Poland, etc.).

2) The sympathy and support given to the Soviet Union by the workers of the capitalist countries, the growing economic and political strength and the growing defensive powers of the Soviet Union, and the peace policy steadily adhered to by the Soviet power. These are factors consolidating the international situation of the Soviet Union. It is to the effect of these factors that such facts are to be attributed as the successful liquidation of the Chinese Eastern Railway conflict, the reassertion of relations with Great Britain, the development of economic relations with the capitalist countries, etc.

The international position of the Soviet Union is determined by the conflict of these two factors.

b) It has been said that the stumbling block preventing the betterment of economic relations with the bourgeois states is the debt question. I believe that this is not an argument for the payment of the debts, but a pretext in the hands of the aggressive elements in favour of the intervention propaganda. Our policy in this matter is clear and perfectly substantiated. On the condition that credit is granted to us we are prepared to pay a small part of the pre-war debts, regarding this as additional interest for the credit. Without this condition we cannot and may not pay. Is more demanded of us? With what right? Is it perhaps not known that these debts were incurred by the Tsarist government, which was overthrown by the revolution, and for whose obligations the Soviet government can undertake no responsibility? Much is said about international law and international obligations. But where is the international law permitting the "allies" to tear Bessarabia

from the Soviet Union, and to enslave it to the Roumanian boyars? Where is the international law permitting the governments of France, Great Britain, America, and Japan, to take up the intervention action, to raid the Soviet Union, to rob it for three years and to ruin its inhabitants? If this is international law and international obligations, what word are we to find for robbery? (Laughter. Applause.) Is it not perfectly clear that those "allies" who permitted these acts of banditry have forfeited all right to appeal to international law and international obligations?

It has further been said that the propaganda of the Russian Bolsheviks hinders the taking up of "normal" relations. In order to prevent the damaging effect of the propaganda the gentlemen of the bourgeoisie entrench themselves behind "safety cordons" and "barbed wire", graciously leaving the protection of these barriers to Poland, Roumania, Finland, etc. It has been said that Germany is envious because the safeguarding of the "safety cordons" and "barbed wire" has not been entrusted to it. Do we need any further proof that the chatter about propaganda is no argument against the restoration of "normal" relations, but a pretext for intervention propaganda? How can people who do not want to make themselves ridiculous think of "barricading" themselves against Bolshevik ideas, when in their own country the soil is favourable for these ideas? Tsarism in its day too tried to "barricade" itself against Bolshevism. As we know, it did not succeed. It failed because Bolshevism is everywhere and all over, not coming in from outside, but growing from within. It would seem that no countries could be better "barricaded" against the Russian Bolsheviks than China, India, and Indochina? And what do we see? Bolshevism is growing there, and will continue to grow, in spite of all "safety cordons", for the reason that the conditions there obviously favour the growth of Bolshevism. What has this to do with the propaganda of the Russian Bolsheviks? It would be a different matter if these capitalist gentlemen could "barricade" themselves in some way against the economic crisis, the poverty of the masses, the unemployment, the low wages, the exploitation of the workers, — then matters would be different, and there would be no Bolshevik movement in their countries. But this is just the point: Every rogue would like to excuse his weakness or incapacity by a reference to the propaganda of the Russian Bolsheviks.

It has further been said that the stumbling block is our Soviet order, the collectivisation, the struggle against the kulaks, the antireligious propaganda, the combating of the saboteurs and counter-revolutionists among the "scientists", the expulsion of Bessedovsky, Solomon, Dimitrievsky, and their like. This is truly curious. The Soviet order does not please them. But on the other hand the capitalist order does not please

us. (Laughter. Applause.) It does not please us that in those countries dozens of millions of unemployed are abandoned to starvation, whilst a small handful of capitalists possess millions. But since we have agreed not to interfere in the affairs of other countries, it is not worth while to refer to this question. The collectivisation, the struggle against the kulaks, the combating of sabotage, the anti-religious propaganda, etc., these are the incontestable rights of the workers and peasants of the Soviet Union, laid down in our constitution. We must and will adhere perfectly consistently to the constitution of the Soviet Union. It is therefore comprehensible that anyone who will not respect our constitution must leave us and go wherever he likes. The Bessedovskys, Solomons, Dimitrievskys, etc. we shall continue to sweep out of the country, as rubbish, useless and detrimental to the revolution. Anyone fond of such waste goods may sweep them up again. (Laughter.) The millstones of our revolution work well. They let every useful element through, but reject the waste. We hear that in France, among the Parisian bourgeoisie, there is a great demand for these waste goods. Good: they may import as many as they want. To be sure they will influence France's trade balance unfavourably, and this is something against which the gentlemen of the bourgeoisie generally raise objections. But that is their own affair. We shall not, if you please, interfere in the internal affairs of France. (Laughter. Applause.)

This is the truth about the "obstacles" in the way of the resumption of "normal" relations to other countries.

It turns out that these "obstacles" are merely presumptive ones, adduced to form a pretext for anti-Soviet propaganda.

Our policy is the policy of peace and of the development of economic relations with all countries. The result of this policy is the improvement of our relations with a number of countries and the conclusion of a number of trade agreements, of contracts for technical aid, etc. A further result is our joining in the Kellogg Pact with Poland, Roumania, Lithuania, etc., the signing of the protocol on the prolongation of the validity of the friendship and neutrality with Turkey. And a final result of this policy is the fact that we have succeeded in keeping the peace, and that we have not allowed ourselves to be involved in any conflict by our foes, in spite of the many provocative actions and adventurous assaults of the war-mongers. We shall continue to pursue this policy of peace to the utmost of our power and with all the means at our disposal. We do not want one hand's breadth of foreign soil. But we shall not grant one inch of our land to anyone. (Applause.)

This is our foreign policy.

It is our task to continue to pursue this policy, with all the tenacity peculiar to the Bolsheviks.

(To be continued.)

## Opening of the XVI. Party Congress of the C.P.S.U.

Moscow, 26th June 1930.

The XVI. Congress of the Communist Party of the Soviet Union was opened at 5 o'clock this afternoon in the Big Theatre here by Comrade Kalinin who made a short speech reviewing the most important stages in the development of the Communist Party. The Congress then elected a Presidium consisting of 40 members including Comrades Stalin, Molotov, Kaganovich, Rudzutak and Voroshilov. Comrades Kuusinen, Thaelmann, Thorez, Ercoll, Pollitt, Gottwald, Lenski, San Chui-fa, Kolarov and other international communist leaders were elected honorary members of the Presidium.

Numerous workers, peasants and Red Army delegations brought greetings to the Congress, reported briefly on the progress being made on their sectors of the front and demanded from the Congress that stern measures should be taken against the right-wingers on the lines of the measures taken against the Trotzkyists by the XV. Party Congress. A delegation of sailors from the Baltic Fleet and a delegation of workers from the new tractor

factory in Stalingrad were received with special applause. Comrade Blücher, the commandant of the Special Far Eastern Army, came in for an enthusiastic welcome. After the speeches of greeting the Congress was adjourned until to-morrow morning when its work proper will begin. About 2,000 delegates are present representing two million members and candidates.

The opening proceedings were broadcasted by wireless throughout the country, and special loud-speakers were set up at the street corners to enable the masses to hear the speeches. Whilst the Congress was being opened in the Big Theatre, the masses were gathering in the Theatre Square and in the surrounding streets. Despite the pouring rain the streets were blocked with great masses, and the traffic had to be diverted. Tens of thousands of leaflets were distributed and pamphlets sold dealing with the Congress.

Telegrams of greetings have arrived at the Congress from all parts of the world, from Czechoslovakia, from Ireland, from the Sheffield district of the Communist Party of Great Britain etc. etc.

**Politics**

# The New Coup d'Etat in Egypt.

By J. B. (Jerusalem).

If any proof is necessary that Egypt which is nominally independent is in reality nothing but a plaything in the hands of British imperialism, and that a normal development of the country is impossible until the British forces of occupation have been driven out of the country with revolutionary means, then this proof is supplied again and again by the fate of the so-called Egyptian parliament and of the leading party of the Egyptian bourgeoisie, the Wafd.

In 1922 the "independence" of Egypt was proclaimed and the Egyptian constitution made the basis of this new "independence". According to this constitution the legislative power was the Egyptian parliament. Since then four parliamentary elections have taken place. The first parliament — in 1924 — was dissolved by decree. The second parliament was dissolved on the first day it met (1925). The third parliament met with a sudden end as a result of the Coup d'Etat carried out by *Mahomed Mahmud* exactly two years ago. And now the fourth parliament, which like all its predecessors has an overwhelming Wafd majority, has met with the same fate. After the "parliamentary" government of *Nehas Pasha* had been deposed, and the ominous imperialist agent *Ismail Sidky Pasha* had been entrusted with the formation of the government, the latter's first act was to "adjourn" parliament.

During the last governmental period of the Wafd which lasted six months, the Wafd leaders were able to show clearly that the periodically recurring "Coups d'Etat" which take place officially under the aegis of the Egyptian King and which abolish constitution and parliament, and thus the power of the Wafd, can only be carried out when the necessary instructions have been given by the British High Commissioner. Still more, the British Foreign Minister *Henderson* was compelled to admit that the whole swindle of Mahmud's dictatorship in 1928/29 was based solely on the power of Lord *Lloyd* who was a Diehard man. At the same time *Henderson* declared in the name of the Labour Party that the MacDonald Cabinet would never carry out any such interference in Egyptian affairs.

These assurances however, were made when *Henderson* thought he had the agreement with *Nehas Pasha* in his pocket, i. e. with the representative of the Egyptian bourgeoisie which has the peasants masses in hand. The British Labour government hoped to make an alliance with the native bourgeoisie for British imperialism, an alliance of especial significance in view of the preparations for war and the rising revolutionary wave in Egypt.

But it was just the speedy development of the revolution in India and the rapidly developing economic crisis (and the radicalisation of the Egyptian masses caused by this) in Egypt which spoiled *Henderson's* calculations. *Henderson* failed at the last moment in his negotiations with *Nehas Pasha*, just as his predecessor *Chamberlain* failed in his negotiations with *Sarvat Pasha*.

The Wafd which was under the pressure of the growing opposition to the Anglo-Egyptian draft treaty in Egypt, and which also had to represent the vital interests of the Egyptian bourgeoisie in the Sudan, refused to sign the agreement in the last moment. The Egyptian bourgeoisie hoped that a "left-wing" government sympathetic with the Wafd like the Labour government would never follow in the footsteps of the Conservative government. The Wafd hoped, as could be seen in the speeches of *Nehas Pasha* when he returned from London to Cairo, to kill two birds with one stone: to appear as national

heroes to the Egyptian masses, heroes who refused to sacrifice Egyptian interests to British imperialism (whereby the fact that the only difference was the question of the price to be paid, was carefully concealed in an ocean of anti-imperialist phrases by the Wafd agitation), and at the same time to retain the Ministerial positions and the State apparatus in order to defend the economic interests and political power of the Egyptian bourgeoisie.

Here however the Egyptian bourgeoisie had miscalculated. It forgot that the friendly phrases used by *MacDonald* and *Henderson* were only intended to induce the Wafd to enter the trap represented by the Anglo-Egyptian agreement, and that in fact behind these phrases was an imperialist Cabinet of lackeys of the City prepared to go as far as the Diehard Conservatives ever went in brutality and cruelty (as proved by the bloody war of suppression against the Indian people, the suppression of the revolts in Palestine, Arabia, Nigeria, South Africa etc.). *Henderson* needed the Egyptian bourgeoisie for a cunning imperialist manoeuvre. So long as he could use it he was prepared to make friendly compliments. When the Egyptian bourgeoisie showed itself fractious however, it received boot of British imperialism, just as under the Conservatives from Lord *Lloyd*.

The fact that King *Fuad* of Egypt is carrying out the instructions of Sir *Percy Loraine*, the British High Commissioner in Egypt and official of *MacDonald*, as willingly as he formerly carried out the instructions of the ultra-imperialist Lord *Lloyd* the agent of the *Baldwin-Churchill* government, is not surprising, for *Fuad* was made King by the British for no other purpose than that he should perform them such little services from time to time. But the fact that the Wafd has not contented itself with passive protest as it did during earlier Coups d'Etat, and that Wafd deputies plucked up enough to break through the cordon placed around the parliamentary buildings by the *Ismail Sidky Pasha* government, hold a session in parliament and pass a vote of no-confidence in the government, is a sign that the bitterness of the population (and thus the mass pressure on the Wafd) is greater to-day than it was in 1928.

The corrupt and treacherous Wafd is unable to go any farther even this time than an oppositional gesture, because it knows very well what it would have to fear from a mass movement of the Egyptian population. It knows that such a movement would inevitably turn against the large landowners and the bourgeoisie (who play the leading role in the Wafd). The example of other colonial revolutions, and particularly India recently, shows that in moments of intense excitement embracing the enslaved masses, even an oppositional gesture on the part of the native bourgeoisie is often sufficient to release a mass movement of the people with a definitely revolution character.

The present Coup d'Etat in Egypt carried out by the *MacDonald*'s Cabinet along the tried and trusted lines used by the Diehards, and aiming at consolidating British imperialist dominance in Egypt after the failure of the alliance attempts between the British and native bourgeoisie, with the support of British bayonets and with the assistance of a number of venal agents, is dangerous to the British bourgeoisie although it lies in the interests of the general imperialist police carried out by the British Cabinet. If the Egyptian masses enter the arena, then Egypt will become an arena of the anti-imperialist struggle. The further progress of events in Egypt therefore deserves close attention.

# Finland Facing Fascist Dictatorship.

By Kaarlo Teras (Helsingfors).

Finland is threatened by a Fascist regime which is even partly erected already. The Fascist elements who committed a series of acts of violence last autumn against the radical working class movement, and in particular against the young workers organisation, are now going farther and terrorising working class leaders and destroying the property of working class organisations.

The Fascist movement, which is now known as the Lappo Movement from the village of **Lappo** which is the headquarters of the movement, attacked the workers printing shop in **Vasa** a little while ago, destroying it. When the authorities took proceedings for the sake of appearances against the Fascist criminals, a great Fascist demonstration was held during the trial. 2,000 Fascist rich farmers and bourgeois took part, forced their way into the court room, beat up a number of radical workers before the eyes of the passive police and kidnapped the lawyer **Asper Salo**, who had represented the workers printing shop in court. Under the pressure of these demonstrating bands the government shortly afterwards prohibited all radical working class newspapers throughout the country **for an indefinite period**. The organs of the Social Democrats and the right-wing opportunists are, however, not affected by this prohibition.

Under the pressure of the demonstrating Fascists the Parliament is to be compelled to confirm the anti-constitutional act of the government. The government will also demand the adoption of a "Law for the Protection of the Republic" which will permit the suppression of all radical working class organisations at the discretion of the authorities. According to the reports of the bourgeois press in Finland the government used the draft of the law prepared by the former Reichs Minister of the Interior for Germany, the Social Democrat **Carl Severing**, as the basis for the new law. The Fascist organisations, however, intend to present their own draft in the Parliament and compel its acceptance under the pressure of their demonstrations. For this purpose they have decided to organise a mass march on to the capital in which from 50,000 to 60,000 Fascists are to take part.

The leaders of the Social Democratic Party have already declared that they are prepared to agree with the demands of the Fascists. Already in last December the coalition law in Finland was considerably worsened under Fascist pressure. With the additions and amendments to the Coalition Law the police were able to suppress 150 branches of the radical young workers organisations this year. The leader of the Social Democratic Party, the former Prime Minister **Tanner**, declared in an interview that his party would co-operate without reservation with the bourgeois parties in the struggle against communism. The right-wing opportunists who have been flung out of the ranks of the radical working class movement are doing their utmost to depress the workers and produce defeatist spirits in the difficult struggle against Fascism. The right-wing opportunists, however, have very little influence on the class-conscious workers. Protest meetings have been held in Helsingfors and in the large industrial towns in the provinces, and tens of thousands of workers took part in them. In Helsingfors alone 5,000 workers took part in one of these meetings. Since the Fascists have sharpened the situation by their ruthless brutalities, the police authorities have also done everything possible to break up the protest meetings of the workers. However, they have done nothing whatever to prevent the violence of the Fascists or to secure and punish the persons responsible for them.

Despite all the difficulties and dangers the class-conscious workers are continuing their protest campaign and in various towns **defence organisations** of the radical working class have been founded in order to protect the property of the working class organisations, the offices and printing shops from Fascist attacks. These elementary attempts on the part of the workers to provide themselves with the defence the police refuse to give them, are denounced in the bourgeois press as attempts to found Red Guards etc. The whole country is suffering at the moment from complete lawlessness. With the silent acquiescence of the police the Fascist organisations are continuing their criminal activities. They attack the working

class organisations continually and kidnap and mishandle working class leaders and organisers.

In a short space of time several Parliamentary deputies of the Socialist Workers and Peasants, and the chairman of the Trade Union Federation, **Heikkila**, have been kidnapped by the Fascists. It is possible that the Fascists have already murdered some of these men.

The events at present happening in Finland must be examined in connection with the preparations being made by the imperialists for a new war against the Soviet Union. The preparations of the Anglo-French wire-pullers have already reached a stage where **all the capitalist States along the western frontier of the Soviet Union are Fascist**. **Finland was the last link in this fascist chain**.

It must, however, not be forgotten that the crisis of international capitalism also affects Finland where unemployment at the moment is greater than ever before. The crisis makes itself felt most acutely in the trades working for export and in the timber and food industries. The crisis is, however, not limited to industry, it affects agriculture also. All over the country thousands of poor and even middle peasants are being ruined by the crisis and their property is being put up for auction. This is the case particularly in those parts of the country where the Fascist influence is strongest. In these parts, and particularly in **Osterbotten**, the economic situation of the poor peasants is extremely difficult. The Fascists succeeded in winning temporarily most of the ruined and desperate peasants for their movement by clever demagogic propaganda supported by ruthless terror.

## The Conference of the Little Entente.

By Ludwig Freund (Prague).

The Eleventh conference of the Little Entente took place in **Tchirmsee** in the Upper Tatra in **Slovakia**. The Foreign Ministers of the States of the Little Entente, **Czechoslovakia**, **Rumania** and **Yugoslavia**, **Benes**, **Mironescu** and **Marinkovich**, took part in the Conference together with a great number of diplomats. The Conference has justly been termed the most important held by the Little Entente.

The circumstances in which the Conference met were characterised not only by the preparations for war against the Soviet Union, an accompanying factor of all other conferences, but also by the intensification of the antagonism between France and Italy, and in this connection also between the Little Entente and Hungary. This latter question was brought once again into the foreground immediately prior to the opening of the conference, by the approaching attainment of his majority by Otto Habsburg and the persistent rumour that he intends to organise a Coup d'Etat with his supporters in Hungary in autumn and have himself proclaimed King of Hungary with Italian assistance. The fait-accompli of Carol's accession in Rumania also made the Conference of especial interest and at least the Italian press prophesied that it would affect Rumanian foreign policy to the benefit of Italy as against France.

Perhaps before the Conference, and in any case, on the first day of the conference, it was generally expected that the three Foreign Ministers would publish a statement on the Hungarian question. However, the fact that no such declaration was made, a fact which caused extreme surprise to superficial observers, gives us the key to an understanding of the whole situation, for it is perfectly clear that this declaration was withheld at the request of the French Foreign Minister.

France is at present at the head of the anti-Soviet combination and is unwilling to aggravate the inner-imperialist contradictions for the moment, and secondly French foreign policy aims at bringing about a certain rapprochement between Czechoslovakia and Hungary in order to narrow down Italian influence in Central Europe.

The joint preparations for war against the **Soviet Union** contributed much to securing a "peaceful" conclusion of the conference, and then the special interests of France in Central Europe as against Italy. The Czech Foreign Minister **Benes**

was very insistent on the necessity of a rapprochement between Czechoslovakia and Hungary, and in an interview given to the correspondent of the Budapest "Az Est" he even declared that he could very well understand the policy of Hungary (i. e. directed to the revision of the peace treaties in Hungary's favour) because, "I as a patriot can understand the feelings of other patriots". He concluded however, that politics should not be conducted with feelings only. He was in favour of a modus vivendi which would recognise the value of all peoples, respect their national consciousness, and maintain their prestige.

There are two other factors which play an important rôle in this French manoeuvre against Italy: The first is the unexpectedly speedy conclusion of the Czech-Rumanian trade agreement, and the second is the attempt to bring Poland closer to the Little Entente. With regard to the first factor, even the governmental press in Czechoslovakia admits that "political considerations influenced the material stipulations". ("Prager Presse" of the 29th June.) And in fact in this agreement Czechoslovakia makes considerable concessions to Rumania with regard to the import into Czechoslovakia of maize, pigs and mineral oils which represent the staple articles of the Rumanian export trade.

There is no doubt that the speedy conclusion of this trade agreement and the favourable terms granted to Rumania in it, represent the answer of France to Italy's attempts to extend its sphere of influence in Rumania.

As far as Poland is concerned, an attempt was made, as admitted by Mironescu in an interview, to persuade the Polish government to send a joint answer together with the States of the Little Entente to the Briand Memorandum. Poland, however, rejected the proposal, so that the States of the Little Entente will also send separate answers.

Although no official statement was made with regard to the Habsburg question by the Conference, there is no doubt that the subject came in for exhaustive discussion. In his interview given to the correspondent of the "Az Est", Benes also left no doubt about the attitude of the Little Entente when he declared positively, "any attempt at a Habsburg restoration in Hungary would be settled in three days". He thus associates himself completely with his colleague and ally Mironescu who declared on former occasions that the restoration of the Habsburgs in Hungary would represent a *casus belli*.

The Conference dealt with the question of the preparations for war against the Soviet Union. It is no fortuitous circumstance that the French Marshal d'Esperay is at present on a military mission in Czechoslovakia where he was received by the Czech Minister for National Defence, the Chief of the Czech General Staff and the General Inspector of the Czech army. d'Esperay was the Commander-in-Chief of the allied forces at the time of the overthrow of the Hungarian Soviet Republic, and afterwards organised the Rumanian army.

d'Esperay's presence in Czechoslovakia at the moment may be considered as the flourish set by French imperialism under the Conference of the Little Entente, and it behoves the working masses of the countries of the Little Entente, and indeed, of the whole world to be on their guard more carefully than ever.

## ECONOMICS

### The Crisis in the U.S.A. Deepens.

#### The Crisis in the Steel Industry.

By A. Bosse (New York).

The economic crisis in the United States is sharpening and, contrary to the hopeful verbiage of most bourgeois economists, will continue to worsen in the months to come. It is typical of the inevitable contradictions of capitalism that just at this time the highest tariff in American history should have been passed — to invoke bitter retaliation when the U.S. bourgeoisie needs increased foreign trade more than ever before. Hoover and his cohorts still bellow about improvement in sixty days, but their pronunciamentos are beginning to become the butt of the more serious journals.

The battle cry of the bosses is wage cuts, just as in Germany and elsewhere. Unemployment rages at between 1 and 8 millions, profits and dividends diminish, the bottom is falling out of prices, and all efforts to improve conditions are as in quicksand.

In the present study we shall make a detailed analysis of the steel industry, the basic industry of the country, which will illuminate the entire economic situation. What is true of this industry characterises all others, and in a later article, these, as well as trade and transportation, finance and agriculture, and the condition of the workers will be discussed.

Steel production in the chief European countries shows the same trend as in the U.S. In Great Britain it was 692,800 tons in May, as against 840,000 in May, 1929. German pig iron production totaled 859,675 tons, as compared with 1,150,986 the year before. In France, the steel output amounted to 791,000 tons in April, a decline of 58,000 tons from March, and its pig iron production dropped 40 per cent during the former month.

The great increase in world steel production since the war is evidence of the degree to which production can still fall. Since 1913 it has risen 60 per cent: in the U.S. 80 per cent, in France and Germany 45 per cent, and in Great Britain 25 per cent.

In May steel ingot production in the United States totaled 4,024,788 tons — a decline of 6.7 per cent from April (though it had one working day more) and of 24 per cent from May 1929 and more than three times the normal seasonal drop.

The outpour of the first five months of the year (20,352,960 tons) was 16 per cent less than in the same period of the previous year. In March the decrease was 2.7 per cent, in April 3.4 and in May 6.7.

Production during the first week of June was at the rate of 71 per cent of capacity (75 per cent for U.S. Steel and 67½ for the so-called independents, who are in reality controlled in large measure by the trust). This was a drop of 10 points from the high week of the year (February) and of 24 points from the first week in June, 1929. During the second week of June, production was at the rate of 69 per cent, and in the third week it had dropped still lower.

There are only a couple of branches of the steel industry which are bolstering it up in part. One of these is fabricated structural steel, used for heavy construction work and large building, such as skyscrapers, orders for which totaled 112,000 tons in the second week of June, the largest amount in 1½ years. The other branch is pipe lines, used for natural gas, crude oil and gasoline. Every day the press is full of accounts of the phenomenal growth of this branch, comparing it with the expansion of railways after the civil war of 1865. Many of the mills, especially those making electrically-welded line pipe, are booked for four months to come, with a number of orders for 1,000 miles of pipe each, costing up to \$ 15,000,000 per line.

If we analyse this a bit more closely, however, we find that the line pipe capacity of the country amounts to less than 10 per cent of that of the entire industry. More concretely, the capacity of mills making the larger diameters of pipe is about 10,000 tons daily, while the capacity of the whole industry is 200,000 tons per working day. Despite all the noise, therefore, this branch is in no position to make up for the rapid decline in practically all others. Also the construction of so many pipe lines will deal a severe blow to the largest user of steel, the railways, which will lose a very important source of profits in the carrying of oil and gas. When pipe line activity slows down, as it shows signs of doing, the blow will be the harder, just as rail road equipment, which was the chief supporter of the steel industry toward the end of last year, as well as at the beginning of this year, has become negligible.

The prospects for the industry (and therefore for the economic situation as a whole) for the immediate future and for the rest of the year are rather black. Unfilled orders of the U.S. Steel Corporation on May 31 totaled 4,059,222 tons, declining 294,993 tons during May, or more than the usual seasonal amount, and May showed the smallest backlog for eight months. The composite steel demand index of the "Iron Age" for April was 102, the lowest point since April, 1922, while its ingot production index was 125, with the scissors widening steadily. Consumers of pig iron and steel are showing little interest in requirements for the third quarter of the year and are carrying large stocks over into the second half of the year, which always shows a smaller production of steel.

Rails are usually bought during the first half, and their production began to decline months ago, as a result of the

completion of some orders and the postponements of others. The latter will not now be placed until next year or late this year. Orders for freight cars fell sharply in March and April, earlier than usual, domestic orders for locomotives have been poor and unfilled orders for them have been dropping steadily since the beginning of the year. Net operating income of the railways in April was one-third less than in 1929, and car loadings continue to decline.

Regarding automobiles, the second of the two largest consumers of steel, the same is true. Their orders for steel are decreasing steadily, with June to be worse, and the largest companies to shut down completely in July.

The building industry's demand for steel is poor, though the season is well advanced. Except for structural steel, construction is light, in cities as well as on farms, as may be seen from orders for radiators, sanitary ware and pipes and sheets for building, offering "convincing proof" of the situation of the building industry in general.

Orders from machine tool manufacturers are poor, with the prospects for the next few months worse. For the past six months each month has shown a progressive decline.

Farm implement orders are declining, with the end of the season for fall implements on July 1, and that for spring implements only later in the year. It is regarded as an "ominous sign" that cancellations are being made for the first time in years.

Prices of iron and steel products, as of all products, are going to pieces. With the passage of the new tariff by Congress, stocks broke in the worst crash, on June 17, since the October smash.

Orders for steel for shipbuilding have been fairly large, 40,000 tons having been placed in the first week of June. Military purposes will provide the industry with large orders, since a bill is now before Congress, and will undoubtedly pass, to complete the modernisation of all American battleships by reconditioning the last three old ones old ones, at a cost of \$ 7,000,000 each. Eight new cruisers of 10,000 tons each have just been or are now being completed.

## The Egyptian Economic Crisis and Egyptian-Russian Trade Relations.

By P. Ch. (Cairo).

### I.

The increasing acuteness of the world economic crisis is being felt in Egypt, leading to the aggravation of the economic crisis which has been latent here for years. The international agrarian crisis, in particular, is beginning to take a catastrophic effect in Egypt. Egypt is an expressly agrarian country; one, however, whose production is confined almost exclusively to cotton, owing to the conditions of climate and irrigation. The economic position of the country depends chiefly on its ability to sell its cotton. This has been made more and more difficult of late years by the enormous increase of the cotton output in America, India, and above all in the Sudan.

The results of these developments may be plainly read in the Egyptian trade balance of the last few years. Official statistics show Egypt to have imported grain, flour, and other agricultural products, to the value of 5,073,354 pounds in 1929, as compared with 3,894,733 pounds in 1928. This increase of imports to the value of 1.2 million pounds is opposed by decreased exports to the amount of 1,120,000 pounds. In 1929 Egypt exported to the value of 3,130,745 pounds, in 1928 of 4,259,565 pounds. Present developments go to show that in 1930 this difference between exports and imports will increase further.

The attempt to counteract these developments by means of a new tariff may be regarded as a complete failure. The sole result of the higher duties is the higher prices of the imported articles, accompanied by a drop in the prices of the home products, whose protection from foreign competition is supposed to be ensured by the new tariff. The Egyptian producers, especially the poor peasantry, are forced to sell their goods at ruinous prices, for they lack the income from

the sale of their cotton, and they must raise both the money for the high rents and for the taxes, if they are not to lose the last of their livestock.

Up to the present the Egyptian government has denied that the economic crisis has become acute, but now it finds itself obliged to take up the question of alleviating its worst effects. The motive power behind its measures is however not the frightful distress among the Egyptian workers and fellahs, who constitute almost 90 per cent of the population, but the fact that the governmental coffers are empty. Hitherto the Egyptian government has confined itself to developing commercial relations with almost all European states and with North America. New economic contracts have been made with almost all important states.

The government is now endeavouring to improve the economic situation by means of "inner reforms". It strives to counteract usurious prices by fixing maximum prices, by reducing transport service tariffs, by founding trade exchanges and central selling halls. To judge by the experience of the last few years, these reforms too will not get beyond the paper they are written on. The masses of the workers and fellahs will continue to be, as they have always been, the sole victims of the economic crisis.

### II.

A few months ago, on the occasion of a parliamentary debate on the economic situation, a deputy belonging to the left Wafd circles proposed that a trade agreement be made with the Soviet Union, pointing out that although the government had already done commercial business with the Soviet Union, it resolutely refused to regulate commercial relations by a trade agreement. This proposal was warmly welcomed by the working population, especially the fellahs, but the European commercial world, led by the Anglo-Egyptian Chamber of Commerce, immediately adopted a most determined attitude against it.

As is now being made known through the informed English press, the Soviet government, in an official communication to the Egyptian minister for foreign affairs, proposed negotiations for the conclusion of a trade agreement and the establishment of a permanent trade bureau. Up to the present both the government and the Wafd have preserved silence. The informed English press, on the other hand, protests energetically against any attempt at an understanding between Egypt and the Soviet Union, and demands from the government an unequivocal repulsion of the "Soviet Russian advance".

The "Liberté", for instance, writes that the fact of the Soviet government making its proposal at precisely this juncture shows that the Soviet Union aims solely at utilising the difficult situation into which Egypt is plunged by the economic crisis, and is chiefly anxious to make political headway. The paper considers that the Soviet Russian advance reveals a "clever psychology", but thinks that Egypt too will be clever enough to recognise and parry this "Bolshevist agitational measure". The paper closes with an appeal to the government to give a definitely declinatory reply.

The day before this same newspaper reported on Egyptian-Russian trade relations, stating that according to the official trade statistics the Soviet Union had bought goods to the value of 3,190,000 pounds in Egypt in 1928. The greatest share of the sum falls to the purchase of cotton. In 1920 Egypt exported goods to the value of 2,215,000 pounds to the Soviet Union (2,212,000 pounds for cotton).

Whatever the attitude of the Egyptian government towards the proposal of the Soviet government, it will not be able to prevent the growth of sympathy for Soviet Russia among the Egyptian workers and fellahs. The heroic example set by the Russian workers and peasants to the working class and peasantry of the whole world in its struggle against imperialism is beginning to bear its first fruits in Egypt. The Egyptian workers and poor peasantry are beginning to recognise that the struggle against their common impoverishment, threatened by the economic crisis, and the struggle against the exploitation of Egypt by British imperialism, can only be carried through successfully when they oppose to the front of native and foreign exploiters the closed ranks of the front of the workers and peasants!

India

# The Strengthening of Imperialist Rule in India.

## The Simon Commission's Proposals.

By V. Chatto padhyaya.

The Second Volume of the Simon Commission's Report was punctually issued on the date that had been fixed for its publication, June 25th. The First Volume purported to contain "the facts" relating to India, and tens of thousands of copies were immediately sold out in Great Britain, India and the United States so as to prepare the "public mind" for the proposals contained in the Second Volume. The British Government attached the very greatest importance to giving the Simon Report wide publicity in America, because of the anti-British and pro-Indian attitude that had been taken up by a powerful section of the commercial and industrial bourgeoisie. The "Manchester Guardian" reports that important American papers devoted very considerable space to the Simon Report and that "this publication has helped and strengthened many good friends of Great Britain in the United States".

The recommendations for "constitutional changes" embodied in the Second Volume constitute an enormous strengthening of imperialist domination, and there is not a word in the proposals to indicate that India will ever arrive at "Dominion Status within the Empire" which the Congress leaders declare to be the irreducible minimum for their participation.

The book is divided into twelve parts. In Part I general constitutional principles are enunciated which contain the usual phrases that all British Governments have used in connection with subject peoples. The ultimate constitution of India, it is declared, must be federal, that is, there is to be some day, "however distant that day may be", when the provinces of British India together with the States autocratically ruled by feudal Indian Princes are to be united into a Federation "under the aegis of the King-Emperor"—but only insofar as the Indian Princes of their own free will wish to "come into closer relationship with British India". In the meantime of course, it is "a paramount necessity" that "while India is progressing on the road to complete self-government there must be full provision made for the maintenance and efficiency of the fundamentals of government". What that means will become clear in the subsequent chapters.

In Part II the provinces are dealt with. Under the Montagn-Chelmsford Reform Scheme of 1919 provincial government was carried on by the Governor of the province with an Executive Council divided into two parts. There were Indian "ministers" with portfolios for the so-called transferred subjects (education, sanitation, etc.), who were responsible to the Provincial Legislative Council while the reserved subjects were in the hands of executive officers, all Englishmen, not responsible to the Council. This system of dyarchy is now to be abolished, the Provincial Councils are to be enlarged, the "Cabinet" of the Province is to be responsible to the Legislature which is to be returned by an electorate about as great as at present (the franchise is to be gradually raised to include about 10 per cent of the population). This new system is called Provincial Autonomy, but the Governor is to have special powers of over-riding the advice of his Ministers and of governing the province autocratically in cases of "emergency".

As regards the franchise, it is specially provided for that the great landholders will receive the guarantee that if members of their class are not returned to the Council in as large a proportion as they now enjoy, the Governor shall be empowered to nominate a sufficient number of landholders. The question of labour representation is to be reserved to be decided upon by each province under rules drawn up by the Governor, "if suitable members are available". (Suitable members are of course meant of the type of Joshi and Shiva Rao.) Above all, the system of communal electorates is to be retained, the Mohammedans and the Hindus each having a

separate electorate, as also the Sikhs in the Punjab and all "Europeans", by which is meant of course only Englishmen, while the so-called depressed caste and other communities are to be represented by members nominated by the Governor.

Part IV deals with the central government. The present Legislative Assembly is to be replaced by a "Federal Assembly" of between 250 and 280 members who will not be directly elected by constituencies, but elected by the Provincial Councils by the method of proportional representation. The Viceroy will be the head of the Government and will be responsible directly to the Secretary of State for India and to the British Parliament. He will be helped by an Executive Council not responsible to the Federal Assembly. And in order to push through imperialist policy, a special member of the Cabinet is to be appointed known as "Leader of the Assembly". Further, the Commander-in-Chief of the Army is not to be a member of the Viceroy's Council.

Part VI advocates the immediate separation of Burma from India, the Governor of Burma being not subordinate to the Viceroy of India but probably to the Secretary for the Colonies in the British Cabinet. The Commission hope that the "new Constitution of a separated Burma would, like that of India, be a stage on the journey to more complete self-government". (It should be here noted that in the language of British imperialism "complete" is really not complete, and that there is such a thing as "more complete" and "most complete".) We shall deal with the new imperialist policy in Burma in a subsequent article, but we must here point out the significance of the statement made in the report regarding "the vital importance of Indian labour to Burma" which will need special protection in the new Constitution.

Part VII deals with the Indian feudal States which are to be some day in the distant future members of the Indian Federation, but which are for the present to be drawn into constant consultation in regard to "matters of common concern to British India and the States". For this purpose there is to be created a "Council for Greater India" of some thirty members ten of whom will represent the States. The Council is to have only consultative and deliberative functions.

Part VIII deals with finance, and a number of new taxes have been invented so as to increase the central and provincial revenues, one of the proposals being the abolition of the exemption of agricultural incomes from income tax.

Part IX deals with the so-called "Security Services" that is, the Indian Civil Service and the Police Service which are to continue on an All-India basis, and the rights and privileges of which are to be "carefully safeguarded".

Part X provides for the administrative control of the all the High Courts of Justice by the Central Government and not as hitherto by the Provincial Governments. The object of this is to bring about a uniformity in the administering of imperialist justice.

Among the most important parts are those dealing with the North-West Frontier (Part III) and Defense and Security (Part V). The British Army and British officers are considered indispensable to the safety of India, and the Army will therefore be not under the Government of India but "under an Imperial authority which would naturally be the Viceroy acting in concert with the Commander-in-Chief". The expenses of maintenance which even now amount to £ 41,000,000 a year are to be paid from the Indian revenues and will not be voted by the Central Legislature but appropriated by certificate of the Governor-General.

The North-West Frontier Province is to have a Consultative Council both for the control of the Province itself as

well as for the tribal area beyond the frontier, but both the North-West Frontier as well as the North-East Frontier are to be regarded as special areas of Imperial importance. There is a very plain indication that new strategic railways are to be built on the North-East Frontier, which borders on Siam and China and that the military preparations are to be enormously increased. With regard to the danger of "disorder" in India the report provides for the use of British troops to quell disturbances. The provinces that demand the use of military forces for suppressing "disturbances of the peace and maintaining order" will pay for the troops out of the provincial revenues.

To sum up. The Imperial Government has vastly increased its power and capacity of creating internal strife. By the maintenance of the communal electorates the religious riots that Imperialist intrigue has hitherto provoked will now be multiplied by the enlarging of the Provincial Councils and the extension of the franchise. By the introduction of the so-called Provincial Autonomy the inhabitants of each province will be more intensively interested in provincial affairs, and provincial antagonisms will arise and lead to such slogans as "Bengal for the Bengalees", "Punjab for the Punjabis", etc. The election of the members of the Central Legislature by the Provincial Councils will cut them off from direct contact with the mass of electors, while the hope of being appointed from

the Federal Assembly to the Viceroy's Executive Council acts as a constant bribe leading to intrigues and to the support of imperialist policy.

The power to crush the revolutionary movement of the workers and the peasants is increased by the fact that the Provincial Legislatures will have as hitherto an overwhelming proportion of landowners and capitalists and that "law and order" will be maintained in each province by an Indian minister taken from this class, helped as he will be by the Imperial troops when the Police force proves inadequate.

Military preparations in Baluchistan, the North-West Frontier, the North-East Frontier can now be pushed on with increased irresponsibility and the States ruled by the Indian Princes, by being drawn in more closely into the whole Imperialist apparatus will not only strengthen Britain's preparation for imperialist wars, but provide an enormous reactionary force against the workers and peasants.

We shall deal with special aspects of the new proposals in subsequent articles. It is difficult to see how they can be accepted in their present form by the Indian National Congress leaders, but the wording of the Proposals leaves room for manoeuvres on both sides to enable the Congress leaders to cover their retreat under a suitable new formula that will be found.

## Problems of the Revolution in India.

By Karl Radek.

### II. The National-Reformist and National-Revolutionary Camps. (Conclusion.)

Why have the national reformists, whose class position impels them towards a compromise with English imperialism, and who fear the revolutionary movement of the workers and peasants, nevertheless adopted some fighting measures? We answered this question partly in our previous article, which pointed out that the antagonisms between the interests of English imperialism and those of young Indian capitalism do not allow English imperialism to satisfy the needs of the capitalist development of India. This forces the Indian industrial bourgeoisie into an opposition which intensifies, during certain phases, into attempts at fighting. At the present juncture such a necessity for active struggle has been brought about by the differentiation in the camp of the nationalists.

The working class, which followed the national reformists blindly in the period between 1919 and 1922, began to separate from them in the years from 1926 and 1927, and to withdraw from their influence. It began to remove the agents of the national reformists from the leading positions in the trade unions; during the enormous strike wave, which rushed far beyond the highest tide-mark of the strikes of the previous period, the working class began to form as class, for these strikes were not purely economic disputes, they were conflicts in which the working class began for the first time to feel itself as a separate power, and to oppose not only English imperialism, but the so-called Indian society. The workers who have refused the intermediation of the "holy man" Gandhi, the workers who have rejected the aid of the "sympathisers", for the reason that this aid was only intended for a part of the workers — the Mohammedans —, the workers who have now been carrying on the struggle for months, are no longer the same mass which blindly followed the national reformists. It was not for nothing that the reformists pushed forward in the trade union movement, their "very Leitest leader", the younger Nehru, who decked himself with revolutionary feathers in order to gain control of the movement. It suffices to read the speech held by the younger Nehru at the Conference of the Trade Union Central in Nagpur, in order to grasp the enormous political importance of the Indian strikes of the last three years. Jawaharlal Nehru was obliged not only to declare himself in favour of complete separation from England, but to proclaim that the working class did not need an independence in which the rule of the Eng-

lish was replaced by the rule of the Indian capitalists. The aim of the revolutionary movement can only be socialism, and this can only be realised by the seizure of power by the working class. Therefore he, Nehru, was an enemy of the II. International, the lackey of the bourgeoisie. And therefore he was filled with enthusiasm at the rise of the Soviet Union. But . . . as he is not agreed with the methods of the Comintern, he begged for a postponement of the affiliation to the Pan-Pacific Trade Union Secretariat! Nothing more.

Jawaharlal Nehru, the son of Motilal Nehru, the actual leader of the national-reformist camp, came forward with Gandhi's blessing at the Trade Union Congress as a so-called "oppositional communist", one who is merely dissatisfied with the "regime". This fact in itself shows the enormous influence exercised by the strike wave on the petty bourgeoisie. It might have been expected that after such a speech Jawaharlal Nehru would have been expelled by the national reformists as deserter to the revolutionary camp. Gandhi, who proposed his candidature as president of the National Congress, substantiated his proposal as follows:

"No-one can surpass him in his love for his country; he is brave and passionate, and at this moment these qualities are very essential. But, although passionate and resolute in the struggle, still he possesses the reason of a statesman. An adherent of discipline, he has proved in deeds his capability to submit to decisions with which he is not in agreement. He is modest and practical enough not to rush to extremes. In his hands the nation is perfectly secure."

Did Gandhi alter his attitude towards Jawaharlal Nehru after his almost communist speech? Not in the least! And young Nehru, the "almost-communist", was elected president of the Indian National Congress, to the end that with his aid and through his intermediation the workers and the democratic petty bourgeoisie might be restrained from independent action.

Gandhi's words on the growing influence of the "part of violence" are to be attributed to the fact that the example given by the struggles of the working class has awakened the democratic revolutionary tendencies of the petty bourgeoisie. Externally, this is chiefly manifested in the radicalisation of

**the Youth League**, which promotes the revolutionary mass struggle against imperialism, and in the activisation of the terrorist movement. This we have learnt from the newspaper reports on the proceeding of the Congress at Lahore, where Gandhi was at times threatened with the loss of the majority. There can be no doubt that not one hundredth part of the facts have come to our ears which signalise the beginning concentration of a national-revolutionary camp, and its opposition to the national-reformist camp.

The national reformists, through their spokesman Gandhi, tell the plain truth when they declare that it would mean the abandonment of the field to the national-revolutionary movement and to English imperialism, were they to abstain from action in this situation. In other words: they would lose the leadership of the movement. The transition of the national reformists to fighting methods is not caused solely by the imperialism, but as much by the fear of losing influence over the real fight. It need not be said that the national reformists, in taking up the struggle against English imperialism, had hoped that the English would be intimidated by the mass movement, and would make concessions before the struggle for the bourgeoisie could become dangerous. At the same time they took measures to prevent the revolutionary struggle from getting beyond their control.

When Gandhi began the salt campaign, he probably let himself be guided by the hope that he would thereby chiefly arouse the village, which suffers more than the city from the burden of the salt tax. It was to be a means of pressure upon the government. But at the same time it was to side-track the peasants from the struggle against the landowners. Gandhi intended to lead the national movement into the desert, pilgrimage from Ahmadabad to the sea. But before the news of his campaign had reached the villages of mighty India, all the cities had risen.

It is the city workers who suffer a hundred times more, for the foremen demand a month's wages from them for engaging them. They suffer a hundred times more through the system of arbitrary fines which robs them of the greater part of their wages, quite apart from the many other burdens imposed on the Indian proletariat. But the working masses and the democratic petty bourgeoisie urge on the struggle, and they realise that the salt campaign is an utterance of disobedience to the English laws, and that it represents that brick in the decaying structure of English imperialism whose removal may run a fissure from the top to the bottom of the building. The magnificent mass movement, the demonstrations, simple but taken part in by millions, converted the salt campaign into an important revolutionary fact, quite contrary to the intentions of the national reformists. A glance at the English press suffices to observe in its howls the alarm which has seized upon the English bourgeoisie. The difference between the reactionary "Morning Post" and the Liberal "Manchester Guardian", which represents the best traditions of English radicalism, is only one of tone. What is that article in the "Manchester Guardian" worth which defends Gandhi's arrest, which maintains that for such a holy ascetic prison is no punishment, and that it is excellent for his health to be removed from the scene of political excitement? Garwin, the representative of common sense among the Conservatives, who stood out against the die-hards during the Chinese revolution, and who is opposed to the rupture of relations with the Soviet Union, writes about Gandhi:

"In words the apostle of the renunciation of violence, he is however at the same time in actual practice the organiser of anarchy, an apostle of hate and a forerunner

of bloodshed". ("Observer", 4th May 1930. Retranslated from the Russian.)

The press of that "Labour" government which realises the wishes of English imperialism writes essentially the same. The common class interests of the English bourgeoisie appear to be touched on a very sore spot when the "Left" Brailsford comes forward with a despicable article in which he proves that what is going on in India is not imperialist robbery, but an antique tragedy. Both heroes — English imperialism and the Indian people — are therefore fighting for sacred rights: The people of India are striving for their independence, but England cannot simply thrust aside its responsibility in India, which would become the scene of great inner struggles after the withdrawal of the British army.

All the comic papers in world are publishing one and the same caricature which has sprung spontaneously into being with regard to the salt campaign: Gandhi strews salt on the tail of the British lion, but the lion roars, and it can be seen that its whole body is covered with sores; a handful of salt is enough to make the majestic animal roar and rear. It would be the greatest possible error to fail to grasp the objectively revolutionary importance of the situation created in India by the whole of the previous struggles of the working class, and by the policy of English imperialism, merely because the helm of the movement is outwardly in the hands of the national reformists. Had the counter-revolutionary trend of Gandhi and his intentions gained the upper hand of the objectively revolutionary importance of the movement, and had the really revolutionary elements therefore turned their backs on the movement, then they would have done the national reformists the greatest service. The masses of the workers and petty bourgeoisie, formally the followers of the national reformists, have been shown by facts to have imparted a revolutionary character to a movement which was initiated as a purely reformist one, and to have exceeded the limits drawn for the movement by the national reformists.

For those same masses who demonstrate today with a handful of salt, will tomorrow attack the salt stores and take up the fight against the soldiers of English imperialism. Under the influence of the revolutionary movement of the proletariat and of the city petty bourgeoisie, a peasant movement is beginning to develop, and the Indian army is beginning to crumble. The movement is beginning to get beyond the control of the national reformists. The national-revolutionary camp must place itself at its head. Such a camp will inevitably be formed. Every necessary social element exists. The history of the movement from 1919 till 1921 has not failed to leave its traces among the masses. The fact alone that Motilal Nehru and Gandhi have been forced to hide their policy behind Jawaharlal Nehru, the president of the Independence League, whose pseudo-radicalism has made him popular, proves in itself that even the leaders of the national reformists take into account the distrust of the masses, that is, their political experience. Every treacherous step taken by the national reformists adds to the political experience of the masses, and accelerates the separation of the national-revolutionary elements from the national reformists.

This situation sets the working class of India great tasks. It must create a proletarian mass party, it must conquer the hegemony over the peasantry and the city petty bourgeoisie. It can attain this aim by combining the social struggle of these strata with the political struggle for liberation from the yoke of English imperialism. The Indian communists are faced with the questions of an agrarian program, of the attitude to be adopted to the slogan of dominion status, the questions of the methods of revolutionary struggle, which they, aided by the experience gained in the Russian and Chinese revolutions, but taking fully into account the conditions in India, must solve. These solutions can have nothing in common with the Menshevik confusion of Roy.

## AGAINST COLONIAL OPPRESSION

### The Fresh Aggression of French Imperialism against the Syrian People.

By El-Souri (Damascus).

In 1926/28 the Syrian people arose, with their weapons in their hands, to demand their independence. French imperialism, in a difficult dilemma, resorted to the artifice of proclaiming to the Syrian people their "right" to draw up their own constitution. Ponsot, the French Commissary in Syria, repeated this promise on 15th February 1928:

"The Assembly elected at the polls will give Syria its final constitution. This will be able to be worked out in perfect freedom."

At the same time the nationalist leaders and landlords, alarmed at the agrarian conflict, clung frantically to this declaration as a suitable pretext permitting them to end the rebel movement, and above all to put a stop to the agrarian movement.

They called upon the people to lay down their arms. The Constitutional Assembly was elected, convoked, and drew up a constitution. So long as the deputies were to content to play at parliamentarism and to make speeches on independence, the imperialists looked on smilingly; but when the Constitutional Assembly wanted to put the constitution into force, the Commissary adjourned it, and called upon it to renounce solemnly: 1. Syrian unity; 2. a national army; 3. the right to declare a state of siege; 4. the right to conclude agreements with foreign countries; 5. the right of diplomatic representation, and 6. an amnesty. As the Constitutional Assembly refused to do this, it was adjourned for a second and then for a third time. The imperialists waited for the Constitutional Assembly to capitulate. Meanwhile the French capitalists, anxious to exploit Syria, demanded a "settled order", as also the construction of war air service bases, strategic railways, etc. Besides this, they wished to submit to the Mandate Commission of the League of Nations a final solution for Syria. These are the real causes of M. Ponsot's latest decree.

For the Syrian people this decree signifies the enslavement of their country. The "constitution" proclaimed divides Syria into five parts: Syria, Libanon, Diebel Drus, Allantes, and Sandjae. With regard to the other five articles of the constitution drawn up by the Constitutional Assembly, which were objected to by the French mandate administration, the imperialists have treated these very cynically. They have quietly permitted these articles to remain in the "constitution", but make it very plain that the § 116 added by the Commissary must not be overlooked, as follows:

"No enactment of the present constitution contradicts, or may contradict, the obligations which France has undertaken with regard to Syria."

Besides this, a special conference is to be held, in order to resolve upon a distribution key for the customs revenues in the five different regions. More than this, the invitation to this conference states in paragraph 2 that the

"contributions for the civil and military administration of the mandate are not subject to the decision of the conference".

Thus the different parts of Syria will each struggle for its share, and the Commissary will be the arbitrator. These last events have shown the Syrian people that by means of insurrection it has been able to force the imperialists to concessions, and that "co-operation" with imperialism has led to the loss of the rights scarcely won. Here we see the treachery of the nationalist leaders, the adherents of co-operation, who have helped the imperialists to crush the rebellions, and have called upon the people to lay down their arms. These leaders have continued to "co-operate" after the imperialists have refused the promised general amnesty.

Even after the last interview between Ponsot and El-

Attassi in April 1930, the nationalist leaders called upon the people to preserve peace, although in this interview imperialism showed its whole mendacity, and smoothed the path for this last step taken by the imperialists. And today the nationalist leaders prepare to tread further the path of treachery. They are preparing for the comedy of a parliamentary election, so that they may help the imperialists.

But will the working people of Syria permit themselves to be robbed of the fruits of their revolts? No. The Syrian workers and peasants are now rejecting the now published "constitution", and refuse to co-operate with the imperialists . . . They have no faith in the nationalist leaders, and these have no right to speak in the name of the people.

The Syrian workers and peasants demand the convocation of an anti-imperialist Congress of all Arabian peoples, in order to be able to oppose, by means of an alliance with the revolutionary labour movement against the common enemy, imperialism, a united front against this.

All the revolutionists of the "nationalist bloc", who have hitherto followed the nationalist leaders, will support the attitude and demands of the workers and peasants, and form a united front against the imperialists and the Syrian traitors.

The Syrian people recently showed its determination to defend itself against this fresh act of oppression, and held demonstrations on 11th June in Damascus and Aleppo, the largest cities of Syria.

In Damascus, especially, all shops were closed, and there were several conflicts with the police. It is very characteristic that whilst the nationalist leaders remained perfectly unmoved by the fresh events, the Damascus population demonstrated almost daily against the imperialists and their servants. The demonstrations in Damascus were almost invariably at the same time demonstrations against the nationalist leaders. The last demonstrations especially which were distinguished by their energetic character, expressed the determination of the people to fight against imperialism and its lackeys.

### The Cuban Nationalists as Instruments of Yankee Imperialism.

By Ferragut (Havana).

The transformation of Cuba into an American semi-colony is becoming increasingly obvious. Its foreign loans already amount to more than 175 million dollars. One sixth of the soil of the country, the iron and copper mines, all other mining enterprises, the power and gas works, the railways, etc., are in the hands of Yankee imperialism. Machado is the representative of these interests in Cuba. But in consequence of his policy of Terror, and of plundering the national wealth, he no longer affords the necessary guarantees to the interests of imperialism in Cuba. In view of the danger to which these interests are exposed under the Machado government, imperialism is seeking for other tools, such as enjoy "national" popularity, and are therefore able to offer it what Machado no longer represents.

It finds such an instrument in the "Union Nacionalista", the organisation of the oppositional petty bourgeoisie, henceforward the instrument of Yankee imperialism. The "Union Nacionalista" combats the big bourgeoisie now holding power and sets itself up as defender of the "public opinion" which it is pretending at the moment to represent. Its policy has never been anything else than reformist demagogic, propagating legalised passivity. Its aim is to side-track the attention of the working masses and to guide the increasing discontent into the harmless channels of legality. The "sole proper solution", as proposed by it in its manifesto of 26th April is the most convincing proof of its traitorous role.

The Nationalists, who in Cuba represent legalist pacifism, can play no other part than that played by their namesake all over the world. They state in their manifesto that they will not be the ones who break the public peace, for they wish to prevent such disturbances as would cause the third article of the "Permanent Treaty" to be applied, resulting for the second time in foreign intervention. But they invite

Machado in his attempt to shift all responsibility for possible unrest onto others, and throw the responsibility onto the workers beforehand. Therewith they show themselves equal to the White House in their anti-proletarian qualities.

The "Union Nacionalista" declares openly that it will never further interfere from outside, but at the same time it proclaims that it will pursue no anti-imperialist policy. The "Union Nacionalista" makes no demands of the USA; but at the same time it strives to utilise the critical situation of capitalist interests resultant on Machado's terrorist rule in order to increase its popularity, and to seize the more easily upon power, after which it will only be once more the instrument of Yankee imperialism.

The "Union Nacionalista" has refused to pursue an anti-imperialist policy, and to fight for a definitely outlined program in accordance with the economic needs, and with the demands made by the workers and peasants of so exploited a country as Cuba.

It is urgently necessary to unmask the "Union Nacionalista" by exposing its campaigns and its history, for its opportunism and its "patriotic" phrases have earned for it certain popularity during the five years of Machado's rule; a popularity based upon the press and upon the intelligentsia, but never capable, despite the leaders' role claimed by the organisation, of going beyond saving the situation at times in the interest of imperialism, and securing benefits and advantageous positions for the organisation.

It is only the Communist Party of Cuba which can carry out a policy in defence of the masses of the workers and peasants against the interests of the national and foreign capitalists. But for this struggle it is necessary that the proletariat and the peasantry strengthen their class organisations, and fight with the C. P., to defeat the capitalist regime.

## HANDS OFF THE SOVIET UNION

### The Authors of Western Europe and America on the War Preparations against the Soviet Union.

Moscow, 24th June 1930.

The Bureau of the International Association of Revolutionary Authors arranged an inquiry among the leading writers of the present day in Western Europe and America, with the object of demonstrating to the working population of all countries their standpoint with regard to the war preparations against the Soviet Union and the danger of an imperialist war. The Bureau put the question to a number of well-known writers of a left trend in capitalist Europe and America, of how they would act in the case of a war of the imperialist powers against the Soviet Union. The question was answered by a number of well-known literates. The "Isvestia" has commenced with their publication. Up to the present replies have been received from Johannes R. Becher, Jean Richard Bloch, John Galsworthy, Egon Erwin Kisch, Béla Illés, Käte Kollwitz, Kurt Tucholski, Theodor Dreiser, Martin Andersen Nexø, Romain Rolland, Stephan Zweig, Kurt Kläber, H. G. Wells, Bernard Shaw, etc.

Jean Richard Bloch declared:

"... Personally I regard the Russian revolution and its cultural achievements as one of the most fundamental elements of civilisation. Whatever may happen whether it be an open attack or one from ambush, I will see in the defence of these achievements the defence of all that is most necessary and most valuable in our civilisation. I regard it as my duty to guard the material, political, social, and moral inviolability of the Soviet Union. I shall know how to fulfill this duty."

Egon Erwin Kisch writes:

"... War against the Soviet State, which has been surrounded from the first day of its existence onwards

with the lies and slanders spread by the clergy, the aristocracy, and the capitalists, who have every means of propaganda in their hands, and has been persecuted by murder and boycott — such a war can urge a writer with a knowledge of the mutual relations of human society to one side only: to the side of the Soviet Union... Speaking for myself, in a war against the Soviet Union I cannot imagine a happier position for myself than in the trenches of the Red Army."

Romain Rolland declared inter alia:

"... We cannot allow the attempt to be made, under the hypocritical cloak of religion and right, of civilisation and humanity, on the part of the most shameful reaction, the reaction of gold, of the gun, of the truncheon, and the papal tiara, to exploit our West and to hunt our peoples against the great brother peoples of the Russian revolution, and against their heroic efforts..."

We know very well that these efforts are arousing your alarm, and that you would not rise as you are doing against the Soviet Union were you not frightened at the success of these efforts. For you the prevention of the gigantic reconstruction plan of the Soviet Union is a matter of life and death, for you are well aware that when they over there have succeeded in realising this plan (and this is only a matter of three years), the consolidation of the federation of the proletarian republics with its gigantic masses will leave its mark on all Europe, and will stand fast against all attacks. This means the end of your intentions of enslaving the world. It will be much too late! You know it!..."

We know it too! Therefore we tear the mask from your face and unveil you before the whole world. Conspirators, back to your dens! Hands off the Soviet Union!"

Comrade Karl Radek reviews these utterances in the columns of the "Isvestia". In his article he point out:

"It is difficult to find a more decisive criterion (than this inquiry, Ed.) of what the literary world of the present day essentially represents, and since bourgeois literature is a reflection of the bourgeois world, the reply to this question. (How will you act in a war against the Soviet Union? Ed.) throws light not only upon the nature of this literature... This question is a question of the attitude adopted to the central question of the world's history."

"The replies from the proletarian writers", Radek further points out, "are clear: They will fight shoulder to shoulder in the ranks of the international proletariat for the Soviet Union. Many declare their readiness to join the Red Army. We do not doubt the sincerity of these declarations. But precisely for this reason we say to these proletarian writers: But no dreams. Work, brothers!... If you know how to fight with your guns in your hands, you will do this when you are faced with this urgent reality. We hope that you will then use this weapon more effectively than you have hitherto used the pen in the struggle for socialism and for the Soviet Union."

Passing on to the replies of the non-proletarian writers, Radek observes:

"The Soviet Union can be proud of the symptomatic fact that a number of leading authors, such as Bernard Shaw, Romain Rolland, Theodor Dreiser, Stephan Zweig, although these are not only no communists, but no revolutionists, declare that in a conflict between the capitalist world and the Soviet Union they would stand on the side of the Soviets. This declaration is of the greater importance that the authors mentioned have often adopted a critical standpoint against the Soviet Union in various concrete questions, and that their replies contain viewpoints against which friendly polemics are necessary."

In the further course of the article Radek points out the half-heartedness and opportunist illusions, and the lack of comprehension of the actual range of the whole problem, shown by some of the answers, among these Tucholski, Romain

Rolland, Theodor Dreiser, and others. The fact that a Gerhart Hauptmann and an Erich Maria Remarque sent no answers to the telegraphed question, and failed to react even on a written repetition, speaks for itself.

## TRADE UNION MOVEMENT

### The Disruptive Activities of the Finnish Social Democracy in the Trade Union Movement.

The recent events in Finland where Fascism is about to seize power, were not the result of a "spontaneous movement of the Finnish people" as represented by the bourgeois press. The Fascists have worked persistently and determinedly for years to build up their organisations, but even so, that which is now going on would have been impossible without the direct and indirect support of the Finnish Social Democrats.

The Finnish Social Democrats have encouraged and supported Fascism in every respect by their attitude towards it. The Social Democrats were the strongest party in the Parliament, but they permitted the authorities to drive the Communist Party into illegality, they permitted the authorities to destroy the Socialist Party of the Workers and Peasants and its powerful Youth League in 1923, and to arrest the whole Parliamentary fraction and hundreds of young workers. And when the Social Democrats took over the government in 1927 they continued the reactionary policy of their predecessors, suppressed numerous trade unions, flung the leaders of the radicas workers into prison, and took up official relations with the "Defence Corps", the Fascist military organisation. Since they have been flung out of the government, the Social Democrats have systematically disrupted and paralysed the Workers Athletic and Sports Association and the trade union movement, and this of course weakened the resistance of the workers to the Fascist activities and encouraged the Fascists to become still more aggressive.

The representative of the Finnish trade union movement, August Forsman, who was present at the National Conference of the Norwegian Trade Union Opposition, described the activity of the Social Democrats in the Finnish trade union movement and the resistance put up by the workers, in his speech of greetings to the conference:

Since 1918 the trade union movement in Finland was completely without any international connections. This was due to circumstances beyond our control and for which we were not responsible. There are various tendencies within the movement. The reactionary elements have moved heaven and earth in recent years to obtain the leadership of the Trade Union Federation and to misuse it in their co-operation with the employers. The majority of the class-conscious workers have however long ago realised where the Social Democrats want to lead them and were thus able to ward off these attacks. The Social Democrats then realised that they would never be able to gain the leadership with democratic means, and so they adopted the policy of disruption. Parallel with the growing economic crisis, which also affects Finland, the Social Democrats increased their attacks on the Trade Union Federation, whilst the employers increased their offensive against the workers, dismissing thousands of the best and most class-conscious workers from the factories.

Up to the present the Social Demovrats have succeeded in detaching four unions from the Federation. These were unions in which the Social Democrats had the leadership for years. But even when they succeeded in detaching the union from the Federation, they did not succeed in taking the workers with them. In the Textile Workers Union where the Social Democratic majority in the Central Committee arbitrarily and without consulting the membership decided to disaffiliate from the Federation, the members immediately answered by

founding a new union affiliated to the Federation. In all those unions where the Social Democrats have the leadership, the workers have realised that the Social Democrats will never permit themselves to be shifted out of office with democratic means, for they stick at nothing, and even avail themselves of police support in order to maintain themselves against the majority of their membership. At a number of congresses of various organisations they have even tampered with the election results in order to keep themselves in office. With this experience in mind the workers found themselves compelled to found new organisations everywhere the Social Democrats disrupted the unions.

Since its existence our trade union movement has made numerous attempts to get into touch both with the Western European and and the Russian trade union organisations. Our experience however, has been that this is not so easy. For instance, a little while ago our Woodworkers Federation was expelled from the Woodworkers International because it had concluded an agreement of friendship and mutual support with the Woodworkers Federation of the Soviet Union. The leadership of the Federation at the time was prepared to give way to the reformist leadership and break with the Woodworkers Federation of the Soviet Union, but the membership voted against the proposal with an overwhelming majority. 500 votes were given for the proposal of the Central Committee of the union to break with the Russian union and 5,000 members voted against. The Finnish workers preferred to run the risk of a break with the International Federation of Trade Unions (Amsterdam) rather than break with the workers of the Soviet Union. Similar agreements exist between the agricultural labourers of Finland, Norway and the Soviet Union, the British National Amalgamated Furnishing Trades Association, the Canadian and the Finnish woodworkers. The Finnish workers are of the opinion that as the class struggle develops, the workers of Western Europe will be compelled to take up a very different attitude from that now taken up by their reformist leaders.

The Finnish transport workers also received an example of how international co-operation should not be organised during their strike in 1928/29. The strike lasted ten months. The Finnish Transport Workers Union was affiliated to the International Transport Workers Federation, and the secretary of the Federation, Edo Fimmen, promised all possible assistance, in fact however the union was left badly in the lurch by the International Transport Workers Federation. The opportunist leadership of the Finnish Transport Workers Union refrained, at the request of the I. T. W. F. from accepting the assistance of the Transport Workers Federation of the Soviet Union. The result was that all the assistance received by the striking Finnish transport workers came from the Scandinavian countries. However, the transport blockade which would have won victory for the strikers was not imposed by the transport workers organisations in Scandinavia. After all this experience the Finnish workers have no confidence in the reformist organisations.

We have not only had to struggle against the reformists however, because a section of the leadership inside the trade union movement betrayed our principles. Numerous opportunist leaders wanted to give way to the demands of the Social Democracy in order to keep them in the trade union movement. The workers however, quickly realised where such a policy would lead, and at a series of trade union congresses this year they weeded out the opportunist leaders. The activity of the opportunists in the trade union movement did much damage. Their attempts to co-operate with the reformists weakened the fighting spirit of the workers. The majority of the members however have now decided against the opportunists. For instance, at the last congress of the wood workers all the resolutions were unanimously adopted, and at the congresses of the transport workers and of the building workers the votes received by the opportunists were negligible. The Finnish workers realise that the only path which can lead them to victory is that of an increased struggle against the capitalist class for the overthrow of the bourgeoisie.