

The COMMUNIST

VOL. VI.

NO. 1.



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MARCH, 1927

A theoretical magazine for the discussion of revolutionary problems published by the
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~ EDITORIALS ~

THE seemingly irresistible onward march for the conquest of their own country by the nationalist revolutionary forces in China have aroused the big imperialist powers. China is a tremendous country. It is rich in unexploited national resources, rich in fruitful soil, rich in cheap labor power. It is rich in everything that promises golden fruits of profit to investment of surplus capital which cannot find a market in the homeland of the imperialist capitalists. No wonder that China was considered for a long time with covetous eyes by all capitalist powers. No wonder, therefore, that all of these powers attempted to get a firm foothold in China. First England hoped to extend its conquest of India over the territory of all Asia. The infamous opium war was one of the means applied to this end. But young and vigorous imperialism of America, of Germany, of France, and of Russia spoiled the plan of imperialist Great Britain. The policy of the open door was the sign that Great Britain would have to share China with other imperialist powers. At least for a time, until the final division of the world, when the contest for world power will be settled and when one victorious and all powerful group of imperialist capitalists will have all the world under its heels.

This would be the ordinary course of events, if capitalism could proceed uninterruptedly on its natural course. However, it can't do that. The world which is subject to the exploitation of capitalism is not an inanimate substance but consists of classes of people and of nations. And these classes and nations, which are the objects of capitalist exploitation, are a tremendous force which lack nothing to become irresistible except a consciousness of their social and political position as objects of exploitation, and a consciousness of their power. **It is the fate of capitalism that its oppressive exploitation produces this consciousness.** And the result is resistance of the oppressed, rebellions of exploited nations, revolution of the exploited classes.

In China today international capital faces the rebellion of an exploited nation. If victorious this rebellion will not merely spoil one of the plans of the involved imperialist nations, but it will interfere with imperialism as a whole.

Only if we understand this can we judge the meaning of all the statements and pronouncements of the different governments on the Chinese situation.

Our own Secretary of State is flowing over with assurances of friendship for the Chinese people and with assertions of good will. For a while all public statements of Washington were outright pacifist. But at the same time preparations were made to send armed forces to China. American capital, as little as British capital, does not intend to loosen whatever grip it has on China. It intends to hold on and use the foothold it has for further aggression. If it speaks a pacifist language, it is not because American imperialism has no designs on China. Its designs are to swallow it. But it is not yet decided on the methods.

It may swallow it by means of strategy—it may get it by means of conquest through mercenaries a la Chang Tso-lin—it may have to conquer it

itself by its own armed forces. It will try all methods to achieve its aim. To believe in the pacifist assurances of Mr. Kellogg would be a betrayal of the Chinese masses struggling against foreign oppression. Our slogan must remain: HANDS OFF CHINA!

M. B.



CORRUPTION as a means of control over branches of state power has been brought very forcefully to the attention of the American workers in the case of U. S. senator-elect and appointed Frank L. Smith of Illinois, and Senator-elect Wm. S. Vare of Pennsylvania. The sums of money which changed hands in their election were so unusually great that the attention of the masses is aroused and the blind belief of these masses in democracy is endangered. A remedy is needed. Therefore: Clean elections! cry the liberals. Clean elections! ape the gentlemen of the U. S. Senate, many of whom have only to their credit that they have not been caught.

Let us analyze for a moment this "great" battle for clean elections.

Corruption is not an invention of "degenerate" democracy of the 20th century, but is an integral part of democracy.

"A very little study of long forgotten politics will suffice to show that in filibustering and gerrymandering, in stealing governorships and legislatures, in using force at the polls, in colonizing and in distributing patronage to whom patronage is due, in all the frauds and tricks that go to make up the worst form of practical politics, the men who founded our state and national governments were always our equals, and often our masters." This is the characterization of "our country's fathers" made not by a bolshevik, but by the bourgeois professor, McMaster.

Corruption appears in many different forms: opposition to it appears only in one form—that of moral indignation. But an analysis of the many forms of corruption show that such moral indignation is mostly a mere front behind which is hidden an immediate interest.

With the political ascendancy of capitalism in democratic England the political party which was representative of industrial capitalist interests fought against the political supremacy of the landed aristocracy with slogans of honesty in election. It did that, as Marx pointed out very aptly, because at that time the industrial capitalists did represent historic progress and they could win mass adherence by presenting their political aims, while the politically antiquated aristocracy could no longer retain power by the attractiveness of its political platforms, but only by mass corruption. All moral indignation of the English Whigs against corruption of the Tory's in those days was play acting, designed to win the house (of parliament).

In the United States we have witnessed again and again, how a thoroughly corrupt political machine was ousted from office with the battle cry of honesty. A term or two later we found the ousted corruptionists return for an attack with flying banners upon which was inscribed the slogan-honesty. And the attack was directed against the then ruling machine which had won office with the slogan of honesty.

Democracy is still politically safe for American capitalism. There is no danger of a use of democracy against capitalist rule. Therefore, the con-

tention of liberals and socialists that corruption is used by the capitalists as a corrective for revolts of the democratic masses against capitalism, is incorrect. Capitalism cannot be attacked by means of the democracy. When the danger for capitalism really arises, because of a political revolt of the masses, then it does not rise because of a possible use of democracy against capitalism, but it rises in form of a realization of the masses that democracy is a paste board sword in the political battle against capitalism. With the arrival of this moment corruption as a corrective of democracy has outlived its usefulness—together with democracy itself.

In the meantime, however, particular capitalist individual and group interests exert themselves politically by means of corruption—alongside the general political interests of the whole capitalist class. In this respect corruption plays an important part.

Mr. Smith was corrupted—not by capitalism, as the liberals and socialists infer by their theory of purification of democracy but by the particular interests of Chicago traction capital. He was and is quite safe to represent the general interests of capitalism, even without special reward. But he needs a retainer to look out for the particular interests of Chicago traction capital.

The struggle against corruption, therefore, is not a fight to make democracy a sharper weapon for the political struggle of the masses, but it is a method of opening the eyes of the masses to the real character of democracy.

M. B.



I N the "American Federationist" of February, 1927, we find an article by W. B. Rubin about ten years of operation of the Clayton act. (The Clayton act was passed by Congress in 1914, that is 13 years ago.) The article is remarkable especially because of an absence of any conclusion. All the article does it to point out that the courts negated an alleged legislative achievements. But it gives no direction for the prevention of such procedure in the future. On the contrary: By the facts presented the article says that the present political policies of the A. F. of L. have proven no good. And by the slogans it proposes the article says: Continue to apply the present political policies of the A. F. of L.

The article points out that at the time of the passage of the Clayton act this piece of legislation was hailed as a signal success of the policies of the A. F. of L. These policies consisted in "punishing enemies and rewarding friends" at the polls. But now, after years of operation of the act, American labor has to start all over again. Its victory disappeared. Conditions are as bad as they ever were. And all that is left is disappointment.

It might be remarked here that the "signal success" of the political policies of the A. F. of L. in 1924 turned out to be such a dud that the convention of the A. F. of L. in Portland in 1923 raised the demand of the repeal of this law.

It is important for American labor to compare this action of the A. F. of L. in Portland with the report of Gompers to the convention of the A. F.

of L. in 1914. In Portland, 1923, Gompers declared: Down with the Clayton act. In 1914 he declared: "The American Federation of Labor won a remarkable victory (the Clayton act) during the past year. It has brought to a **successful culmination** the political campaign inaugurated in 1906. The purpose of this campaign was to establish industrial freedom for the working people that they might have the right to organize and the right to activities necessary to make organization effective in human welfare. **The law (Clayton act) that accords the workers of America these rights contains the most fundamental, the most comprehensive, enunciation of freedom found in any legislative act in the history of the world.**"

And four years later Gompers jubilantly declared in a speech, again referring to the Clayton act: "We have changed the control of our government from the old time interests of corporate power and judicial usurpation."

Now let us listen to Mr. Rubin's "Ten Years Later." He centers the criticism of his article on the application of the Clayton act made by the courts. After long considerations he comes to the conclusion that there is something wrong somewhere in our "democracy." "Verily, verily, we must say, we are a government by the courts," he laments.

But Mr. Rubin is evidently wrong. He mistakes the effect for the cause—and that is primarily why he does not draw the conclusion which ordinary logic would suggest. **Ours is not a government by the courts, but by the capitalists.** The courts are merely incidental to the capitalist government. It is true that the courts do some dirty work for capitalism. But in doing it they do not usurp any powers or functions to which they are not entitled, but they merely exercise the powers and the functions assigned to them in the scheme of capitalist democracy. Because of the position of the courts in the scheme of capitalist democracy, because of the powers given to them, because of the method of appointment of the members of the higher courts, which remove them from control by the people, the ruling capitalist class can permit its servants in the legislatures once in a while to appease public demands with a gesture of passing a popular law. Such gestures, now and then, preserve the illusionary belief of the masses in the value of democracy. Instead of learning quickly and in a direct way that the whole institution of democracy is no good and belongs on the scrapheap, the masses are misled into the belief that all is well. Instead of learning that the courts are an integral and inseparable part of democracy they are made to think that the courts are an outside force which arbitrarily spoil or steal the sweet fruits from the sacred tree of democracy. Punish the thief and preserve the tree, that is Mr. Rubin's implied remedy.

This, however, is not the conclusion to be drawn from the experience of American labor with the Clayton act. The "signal victory" of American labor's political policy in the achievement of the Clayton act turned out to be a miserable miscarriage. The policy proved a failure mainly because it did not (and does not) fit the situation to which it was and is applied. The struggle of American labor must not merely be directed against bad influences in democracy, but against the whole machinery of democracy. **The capitalist government is synonymous with democracy.** Labor's political forces must be mobilized not merely to correct occasional governmental injustices to labor, but to raise against the inherently anti-labor capitalist government the standard of an inherently anti-capitalist government of labor.

It is not lamentations about injustices of the courts against labor, which American labor needs, but a political party of labor which challenges the political rule of capital against labor. M. B.



THE victory of the fur workers in their recent strike in New York, and that of the garment workers in the same city established for tens of thousands of workers the 40-hour five-day work week. The garment workers of Chicago established the same principle in their new contract recently signed with the bosses. These victories raised the issue of the 5-day work week for the whole American labor movement. The A. F. of L. recognized this at least in words, and consequently took a stand for the 5-day work week in its recent convention in Detroit. Up to this time arguments put forth against the 5-day work week have come exclusively from the bosses. These arguments ranged from the contention that five days' work a week interfere with profits, to the assertion that five days' work a week is opposed to god's own law, which commands that a work week must have six days.

But now we are able to present an American labor leader, who publicly agitates against the 5-day work week. The New York Times of February 6th contains an article by George L. Berry, President of the International Printing Pressmen and Assistants' Union of North America. Mr. Berry argues against the workers fighting for a 5-day work week. Berry also argues with Henry Ford that the latter had no business to establish the 5-day work week.

First, Mr. Berry says to Ford—either your workers shirked in the past and you hope to eliminate that on the basis of a 5-day week. That is absolutely wrong, Mr. Berry urges Ford. "If your workers shirked you are entitled to speed them up to the limit for six days," says Mr. Berry to Mr. Ford. Or, second, Mr. Ford intends to instal new devices which will guarantee a 6-day productivity for five days. But since Mr. Ford has not notified Mr. Berry of such new instalments, the latter disapproves thoroughly of Ford's 5-day week. The innocent Mr. Berry never heard that the whole story of the development of Ford's factories is one continuous instalment of new devices and methods to guarantee a 6-day productivity in one day.

Mr. Berry declares that he "does not consider the time very propitious even to think about a further reduction in the work week." The reason for Mr. Berry's opposition is that he thinks "that our time and attention can best be given in promoting the spirit of co-operation" (with the bosses). Mr. Berry is "anxious to increase productivity." But he is frank in disclaiming any anxiety for a reduction of the work week of the workers.

Mr. Berry says that "You can't put money out unless money is made as a result of work." There is more truth in that than even Mr. Berry suspects. The big question is, however, that if work is the only source of money (value) why should not those that do the work, the workers, be the only beneficiaries of this money (value)? Mr. Berry insists that the workers must share the product of their labor with the employer. And an "unduly" reduced

work day week would interfere with the just share of the boss in the fruit of the worker's labor.

Mr. Berry is following the example of Frank Farrington and the whole bureaucracy of the A. F. of L. is following both. Their final aim is to make the labor unions insurance companies for the protection of the profits of the bosses; insurance companies which collect the premium out of the sweat and misery of the masses and pay the benefits to the parasitic capitalists and their retainers, the Berrys and their kind. Mr. Berry would make an exemplary secretary of the American Merchants' and Manufacturers' Association. But as a labor leader he is merely an agent of capital in the ranks of labor.

M. B.



America Facing Europe.

By JAY LOVESTONE.

BEFORE attempting to analyse the present role of American imperialism it is necessary to characterize briefly the high spots, the main features, of American capitalist industry. Nor is it possible to evaluate adequately the prospects of capitalism in the United States and its international relations without getting at least a cursory glimpse of American imperialist resources.

Features and Resources of American Capitalism.

At the outset we should keep clearly in mind three fundamental features of American capitalism at this moment.

1) American capitalist development is not yet at its zenith. Our bourgeoisie still has plenty of resources untouched and undeveloped. The productive capacities of the industrial machine in the United States can be brought up to a still higher level than prevails today. To make the point more clear. Let us examine the outstanding features of the latest period in America's export of capital. We will examine the figures for the first nine months of 1926, especially the third quarter of the year. The total amount of capital exported during this period by the American imperialists is \$890,000,000. What we are most interested in are the characteristic trends of the export of this capital. These indicate beyond a doubt that American capitalism is still on the upgrade.

We find that the main characteristics of the export of capital from the United States in the first nine months of 1926 were:

a) An unusual proportion of new capital: The sums given over to re-funding in this whole period were only 4.3% of the total par value of the capital exported. For the first six months this ratio was 25.8%. No emphasis is needed to characterize the sharp turn to new flotations in the latter part of 1926.

b) We also find an unusual proportion of large blocs of securities, of big individual shipments of capital from the United States. Of a total of 43 issues under-written in the third quarter of 1926 at least 15 shipments of capital were for ten million dollars or over. Again, it is significant that in the first six months of 1926 there were only 16 cases of the export of capital out of a total of 109 which were 10 million dollars or over.

c) About two-thirds of the capital exported went to private corporations. Only one-third was taken by governmental agencies. Obviously American imperialism feels that European capitalism is considerably stabilized. In previous years the largest proportion of the capital exported went to governments—to help these governments maintain and solidify their position. Europe was the largest borrower during this period. At the same time Germany was the largest single borrower in the world.

2) American colonial resources are not yet fully exploited. It is only in recent years that the United States Department of Commerce has been giving special attention to develop the resources for certain raw materials in which the United States is at present deficient, such as rubber, sisal, etc. A few months ago a special mission was sent to the Philippines to do prospecting for and report on the possibilities of raising rubber in the Islands. Carmi Thompson, who headed the mission, has reported favorably on the prospects of developing sufficient supplies of rubber in the Philippines to make America independent from the British who today control raw rubber production. This will precipitate America's tightening her grip on the Philippines.

In speaking of the colonial resources which American capitalism can exploit to a higher degree than has been done to date, I have in mind also the huge oil tracts and other unmeasured resources in the semi-colonial countries of Latin America. Witness the sharpening conflict with Mexico—primarily an oil conflict.

3) We should also keep in mind the fact that America's military and naval powers have not yet been fully exerted in action. Nor has America mobilized to her highest industrial capacity, her resources in military and naval preparations. Today America's military and naval budgets are more than two hundred per cent (224%) bigger than they were prior to the war. But if the American capitalists should find it necessary even to treble these budgets in order to make more secure their dominant position in the world market, then they could do so without a dangerously oppressive strain on their resources.

It is not necessary to go into details to get an idea of the extensive control American capitalism has over some of the basic resources of the world such as iron, coal, steel, petroleum, cotton, wheat, etc.

For instance, in all Europe, inclusive of the Soviet Union, there are to be found 42,800 square miles of coal area. More than half of this total is within the boundaries of the Soviet Union. In the United States we find 340,000 square miles of coal area available for exploitation. Each of such states, as West Virginia or Kentucky, alone has a greater coal area than France, Germany, Belgium and England combined. America produces one-and-a-half times the total steel produced by Great Britain, Germany and France. In the United States there is raised fifty-five out of every hundred bales of cotton produced in the world.

With only six per cent of the world's population the total wealth of America is approximately \$400,000,000,000.

If one were to get a bird's eye view of American capitalist strength in the world, he would find that Yankee capitalists are either heavily interested or dominate manufacturing industries in twenty-five countries, public works in sixteen lands, railways in thirty countries, the mining resources of twenty-five nations and the sugar and fruit industries of fifteen countries.

American Rationalization.

The rationalization process in European capitalism is child's play compared with that in America. There are in the United States six hundred industrial research laboratories working day and night to devise ways and

means of improving capitalist production, exchange and distribution. In the last two decades the electric power used in American manufacturing industries increased 236%.

Briefly summarized, the main features of American capitalism are: mass production, extensive use of time-saving devices, highly developed industrial research and technique, increasing elimination of waste and especially developed schemes for class collaboration in industry such as company unions, profit-sharing ventures, workers' insurance systems, stock ownership by workers and sundry welfare frauds palmed off as genuine industrial democracy.

In speaking of rationalization one must therefore not overlook a fundamental feature of this process as manifested in America where rationalization is most highly developed. In the United States the class collaboration movement is an integral phase of the rationalization process. It is tied up with the very methods of American industry. Rationalization must therefore also be viewed as not only new relations between man and machine, not only improved technique, scientific management and the elimination of waste but also as an attempt at new relations between man and man, between employer and worker.

No doubt the European bourgeoisie in their rationalization drive will also endeavor to institute in and force upon their industries various "industrial peace" schemes now in vogue in the United States, the numerous class peace agencies so often resorted to in America, in order to stabilize industry and intensify exploitation. Here we clearly see that if the workers are to answer effectively the rationalization schemes of the bourgeoisie, the stabilization attempts borrowed so largely from the United States, they must pit the sound proposals of bolshevization against the dangerous attempts of imperialist Americanization.

The outstanding leaders of the world's exploiters very well realize this. They are aware of the fact that much more than ever before large sections of the international working class are cognizant today that the opposite poles in the present world situation are the United States of America and the Union of Socialist Soviet Republics. We need but call upon Premier Baldwin to illustrate our point. Recently Mr. Baldwin said:

"I will urge employers and trade union leaders to make the point of visiting America quickly and often just at present, to study their methods, which are proving to be of such success in production, and I venture to think that no trade union leader could do better service to the cause he represents than by investigating closely what the methods are that enable American workmen to enjoy a better standard of living than any other working people in the world, to produce more and at the same time to have higher wages. I venture to think that THERE IS MUCH MORE FOR US TO LEARN FROM STUDYING CONDITIONS IN THAT COUNTRY THAN BY SPENDING ANY AMOUNT OF MONEY STUDYING CONDITIONS IN MOSCOW." (My emphasis.)

Trotsky's Theory of Europe on Rations.

The key to the question of America's immediate role in the international situation is to be found in an analysis of America's present relations with Europe. Various theories have been advanced regarding the actual relations between the United States and the different European capitalist

groups. Numerous predictions have been made as to the course these relations are now taking and will take in the near future. Let me attempt to discuss the viewpoint of European-American relations as developed by Comrade Trotsky in his article appearing in the *Pravda* on March 4, 1926.

In this article Comrade Trotsky, in his finest belletristic style and skilled satirical method, flays my position on the relations between America and Europe. Some time ago in reviewing Comrade Trotsky's "Whither England?" in the "Workers Monthly" (official organ of the Workers (Communist) Party of America) I criticised Trotsky's theory of "America Putting Europe on Rations." I attacked the theory of Comrade Trotsky that America is pursuing such a course as will subordinate completely European politics to American politics.

Let us now examine critically the conditions on which Comrade Trotsky's theory of "Europe on Rations" can be based. American rationing of Europe is possible under either of two conditions. First of all, either through a victorious war against Europe—a war in which America conquers Europe. Secondly, American rationing of Europe is possible through a complete and permanent, basic Anglo-American alliance. So long as Great Britain has energy and resources and strength she will not permit America to put Europe on rations. A permanent Anglo-American alliance is a prerequisite to such a rationing of Europe. And a definite, decisive subordination, industrially and financially, of England by America is a positive prerequisite for such an alliance today or in the near future between the United States and Great Britain.

Let us not overlook the fact that England has by no means given up the struggle for the world economic supremacy which has in recent years fallen from her hands into those of the American imperialists. England is on the down-grade but she is still quite far from being down. An alliance between Great Britain and Japan or France, or between Great Britain and a number of European capitalist countries against the United States would prove a dangerous challenge to the prowess of American imperialism.

What does this theory of Comrade Trotsky really mean? In effect it means that New York is today the decisive, the sole, the primary obstacle to the proletarian revolution. This theory of Comrade Trotsky means that no revolution is possible in Europe without there first being a successful revolution in America. If that be the case what will we further find? We find that, according to Comrade Trotsky's theory, the building of Socialism in the Soviet Union is out of the question. But this is not bad enough. The logical deductions from Comrade Trotsky's theory, the consequences arising from such a state of affairs are even worse. Here they are: 1. We cannot have a successful development of Socialism in the Soviet Union without there being a proletarian revolution in Europe. 2. We cannot have a successful revolution in Europe unless we have it first in the United States.

This simply means that we really cannot have Socialism developed in the Soviet Union without there being a successful revolution in America.

Of course, even the most sanguine hopefuls and the least objective persons will agree that we are today quite some distance from this revolution in the United States. If the occurrence of the proletarian revolution in

Europe depends on the occurrence of the proletarian revolution in the United States, then there is very slight likelihood of the international Communist movement having such success in Europe for a long time to come. Likewise, if the success of Socialism in the Soviet Union depends under such circumstances on the possibility of successful proletarian revolution in Europe or, on what is even worse but what logically follows from Comrade Trotsky's theory, on the occurrence of a successful revolution in America, then, the building up of socialism in the Soviet Union has as much chance as a snowball in hell.

This theory of Europe on rations is really an extension of Trotsky's theory of permanent revolution. Perhaps this accounts for Comrade Trotsky's recently intensified pessimism regarding the development of socialism in the Soviet Union. Comrade Trotsky is wrong in his theory of America putting Europe on rations. The objective logic, the conclusions of this theory are equally erroneous. Europe is still alive. With increasing effectiveness European capitalism is resisting American imperialist encroachments. Socialism is being consistently and systematically developed in the Soviet Union.

Recent Phases of European-American Relations.

Let us briefly sketch some of the latest basic facts indicating that America has not only NOT put Europe on rations but that Europe is showing multiplying signs of effective resistance to the attempts at domination by American imperialism.

1. a) On the eve of the Locarno Conference Stressemann told the newspaper correspondents that the ultimate purpose of the gathering was: "the re-establishment of Europe and its liberation from dependence on America."
 b) The official mouthpiece of one of America's biggest banks, the "Index", published by the New York Trust Company, has several months ago summed up the European attitude towards America in this fashion: "There is a united impression that the United States has so profited by continental misfortunes that Europe must organize to compete successfully with this country; no single nation is strong enough to prevent American dominance in economic affairs."

2. The wave of mortal hatred of American imperialism by the European capitalists is thus indicated in an editorial appearing in "Il Tevere", organ of the extreme Fascists in Rome:

"The Americans have their eyes full of figures, their ears are absorbed with the clicking of adding machines. They have a knife up their sleeves, namely, their most powerful dollar which can crush twenty Europeans. They live in a state of superb obliviousness which is astonishing and offensive . . .

"No! Things cannot go on thus. Americans are sowing to the right and left hatred and a desire for vengeance. The right to enslave a whole continent is not to be secured even on the battlefield, with risk of life. They must think it can be acquired behind the teller's window of a bank, manipulating loans at so much per cent.

"We cannot foresee the future, but we can read in the hearts of the men of this old Europe, written in letters of blood condemnation of that certain slavery which has the dollar as its symbol." (July 23, 1926.)

3. The attitude of British capitalism towards American imperialism is characterized by the Uncle Shylock compliment recently hurled at America by the London "Daily Mail", and by such epithets as "the Pound of Flesh Attitude" and "usury"!

4. America has gained 30% net in her world trade since 1913 as against a world deficit. But the European capitalists are busily at work trying to undermine this position at present maintained by the United States. Last year Europe had a deficit of 912 million dollars in her trade with the United States. That is, this was the favorable balance of America in her European trade for the year. Because of this condition there are now sundry private and official European missions visiting different sections of the world, particularly the Latin-American countries, in order to take trade away from the American capitalists.

The continental trust movement is only an intensification and an extension of the recent efforts of the European capitalists to win back their pre-war markets. Mr. Felix Deutsch, general manager of the German General Electric Company, has asked for a syndication of all branches of similar industries in any one country; this to be followed by world trusts for the purpose of forming a commercial bloc in Europe against the United States.

Dr. Julius Klein, director of the United States Bureau of Domestic and Foreign Commerce, estimates the progress towards commercial coalition among countries in Europe against the United States in recording the adoption, since the war, of nearly one hundred commercial treaties with most favored nation clauses.

America's reaction to this movement towards European trustification is not favorable. Mr. Bell, the American Commissioner in the International Chamber of Commerce has refused to give his approval to the Continental trust movement. He sees in these trust centers of more effective opposition to the extension of American influence and control on the continent. Likewise, the authoritative American journal of business, the Commercial and Financial Chronicle, for October 16, 1926 (page 1923) thus views this trust movement:

"Generalizations aside, it is evident in the first place, that the organizers of the consortium intend to control, as far as possible, the European steel market, and that the combination is aimed, indirectly if not directly, at the steel producers of the United States."

This is plain talk at an early date from a source which wields considerable power in the United States.

5. One need not spend much time emphasizing the pivotal role of the debt problem in European-American relations. The debt question is a source of friction which is irritating American domestic, as well as foreign politics. The decisive point in the whole matter is that perhaps more than around any other grievance does European capitalist opposition to America center itself on the debt question. Caillaux expresses European capitalist resentment only moderately when he declares:

"Unfortunately, it all resolves itself into a tribute paid by Europe, to America. It is essential that the debtors should take council together so as to distribute the burden in the least irksome way and to obtain from their creditor, the super-winner of the war, the concessions and conditions which both reason and justice demand." (Caillaux: "Europe Must Unite or Die", World's Work, November, 1926, p. 39).

6. We should not forget that the Dawes' Plan is far from stable and is not accepted as a settled matter by many sections of European capitalism. It still breeds considerable hostility to American imperialist encroachments. Practically all that Germany pays in reparations now comes to America in payments on war debts. There is now going on in French and English financial circles, a serious discussion as to how soon the Dawes' Plan will be doomed. We must remember that the real test of the Dawes' Plan will come when Germany begins to make larger payments out of her own funds instead of out of what she has been paying so far, largely out of capital extended on credit to her by American financiers.

Mr. Edward Price Bell, the noted American correspondent, tells us that the British industrialists are more and more viewing the Dawes' Plan with an attitude bordering on consternation. These capitalist interests see in the possible capacity of Germany to meet all the terms of the Dawes' Plan their ultimate undoing. They figure that if in the first normal Dawes year, and for thirty years after, Germany should be able to pay two and one-half billion gold marks annually, then, German industry will be so highly developed as to wipe out British competition completely.

Widening Gap Between England and America.

Naturally, the key to the whole question is to be found in the relations between England and the United States. The increasing sources of conflict between these two imperialist powers are too well known to need enumeration or repetition at this point. I do want to emphasise, however, the fact that we must avoid the tendency to exaggerate the tempo of the decline of British imperialism. For the last fiscal year, prior to the general strike and the coal strike, Great Britain regained first place in world trade.

British imperialism knows and hates the fact that for at least three generations England will have to pay to the United States \$500,000 daily. This means that seventy-six million days' labor each year by British working men for the next sixty years are to be put into paying Britain's debts to Uncle Shylock.

American imperialism looks upon Great Britain as the real enemy, as the primary obstacle to a complete, satisfactory settlement of the debt question with the European countries. The Balfour Declaration of 1922 in which it was stated that England would expect just as much and no more payment from its debtors than it had to pay to the United States is looked upon by the American capitalists as the real beginning of a possible European compact against the United States. The United States is a creditor nation. England is both a debtor and creditor nation. Consequently England can play a double game in this debt question. The American bourgeoisie are well aware of this role played by the British imperialists. They are reacting to this sharply.

For instance, it is no accident that the American bankers have invested more than one hundred million dollars in developing Italian water power resources. Italy has been a great market for British coal. Here is a way of hitting at Britain very profitably. But England strikes back through Poland. The report for the improvement of Poland's fiscal condition pre-

pared by the American economist, Professor Kemmerer of Princeton University, is adopted by the Pilsudski cabinet. Professor Kemmerer then leaves, feeling secure that from now on American capitalist interests will have it easier to establish their hegemony in Poland. Then that member of the Pilsudski cabinet who has been most aggressive in his support for the Kemmerer report is dismissed. Uncle Shylock sees the hand of John Bull. There is a tug of war between Wall Street and Lombard Street. Control of Polish resources is the stake.

The sharp rebuff given by the American financiers to the Thoiry proposals was, in the last resort, an attempt by Wall Street to blackjack British interests who are held to be responsible—the power behind the scenes—for the failure of France to come to a settlement of its debt with the United States.

America is pursuing a similar policy in the Far East. There is no doubt that if it had not been for the failure of the powers to secure American co-operation, intervention by the imperialist forces in China would have already taken place. Witness the American report on the Shanghai massacre. In this report the American investigations held the foreign regime responsible for the shootings of the Chinese workers and students. Again, note the fact that at the moment when Wu Pei Fu was hardest pressed for funds with which to pay armies—for months unpaid—the American government sent a note to the Peking government reminding it that it owes Americans forty to fifty million dollars in payment of loans and materials supplied it by American agencies. Therefore, the American government entered strong objections to the proposals then put forward by Wu Pei Fu's Minister of Finance to secure a new domestic loan by allocating to its service part of the salt and customs surpluses. Wall Street insisted on all surplus available being used to pay debts long due.

This policy of the United States was naturally followed by Great Britain and Japan because they would not have it that the United States alone should collect. This concerted demand, initiated and forced by the American interests, had a disastrous effect on Wu Pei Fu's plans and likely was a force making for the disintegration of Wu's armies. It must not be forgotten that Wu Pei-fu has been the British military white-hope in China until the recent English flirtations and arrangements with Chang Tso-lin.

The allied imperialist armada rushed to Chinese waters to stem the tides of Chinese revolutionary nationalism has been placed under the command of the United States admiral C. S. Williams not for formal reasons of his high naval rank, but mainly to draw America into the conflict against the Chinese masses as quickly, as definitely and aggressively as possible.

New Winds in American Foreign Policy.

In fact there is developing a totally new reaction to Europe in the United States. The American imperialists are feverishly at work at trying to facilitate the advance of militarism in the United States by means of exaggerating the possible dangers to Yankee imperialist supremacy from European resistance, by working up a scare amongst the masses as to all kinds of

phantom hostilities being planned against the United States by European powers.

The House of Representatives has just overwhelmingly repudiated the so-called economy pleas of Coolidge and voted increased military appropriations.

There is likewise developing a new literature on American foreign affairs. This literature no longer talks of peace. It speaks of the need for preparing for a new war. The speech delivered by President Coolidge on Armistice Day was a warning to European capitalism not to cast jealous glances at American prosperity. It served notice upon Europe that America is prepared to mobilize all its resources in men and money for defense of its imperialist hegemony. No wonder the Paris "Temps" thus said in despair in commenting on this speech:

"We are forced to wonder whether permanent and active co-operation between Europe and America in the same work of international solidarity is feasible in the present situation of affairs . . . It is a view of the situation devoid of all idealism, which subordinates the whole of American politics to the question of money."

Some of America's most recent books on foreign affairs even speak of the mistake the United States made in entering the war. We find typical of these new winds in American foreign policy the following:

"It is time that our people have their minds recalled to the truth as to how we were beguiled into the war, how much our allies appropriated to themselves, how they deceived us, and how they at last have become dangerous to this country which befriended them . . ."

"It is very plain what was at the bottom of the late war. Peace may remain but **PEACE WILL DEPEND UPON OUR POWER**. We are as much the enemies of Great Britain in world pre-eminence and in that trade by which she lives as were the four great European powers whom she has successively humbled." (Author's emphasis) (Bausman: Facing Europe).

A more bitter note was struck in the American magazine, "The Independent," of August 7th, 1926, when it said:

"Every blast of the debt *sirocco* convinces thousands that the war was a ghastly blunder for Europe and a bootless adventure for America. There is a growing feeling that the United States should have held out and forced an early settlement . . . Every year makes American participation seem a greater folly."

And J. Shatford, chairman of the American Railroad Security Owners' Association, in the May 22nd, 1926, issue of the Magazine of Wall Street openly declared:

"I look for the greatest economic war in history to develop and rage within the next few years. What the result will be on our business can readily be visualized."

The whole situation is thus summed up by Paul Scott Mowrer in a recent issue of the Chicago Daily News:

"That if in a few years, Europe is still struggling and staggering tipsily under the burden of excessive debts entailing annual tribute to us of hundreds of millions of dollars a situation so intolerable will arise that only war can result."

This is the viewpoint given him by a prominent American diplomat. From this viewpoint it is clear why the American Ambassador Houghton in his speech at the Pilgrims Dinner, delivered in London, last May, declared that the United States would not lend any money to Europe for expenditures on armaments.

Because of the growing European resistance to American imperialist advance some have developed a notion of the rise of a United States of capitalist Europe pitted against the United States of America. This view, developed for example by Comrade Treint of the Communist Party of France, is erroneous. It completely overlooks the conflict of interests among the European powers. It tends to mistake a possible temporary military coalition of a section of European capitalist nations against the United States for a permanent, stable sort of capitalist super-government for all Europe.

An Estimate of the Moment.

We can properly estimate the present trend of European-American relations in this fashion:

1. America is not putting Europe on rations. He who maintains such a viewpoint exaggerates the weakness of European capitalism and over-estimates the strength of American imperialism.

2. Europe is increasing its resistance to American encroachment on its resources but there is no reason to conclude that there is being formed or can be formed a United States of Capitalist Europe against America.

3. America is skilfully utilizing the European economic revival, the continental trustification movement, the increasing competition it is meeting in certain markets from European capitalist groups for the purpose of psychologizing the American masses so as to make them more susceptible to war propaganda.

4. At the same time the Washington government is busily at work improving its chemical, aerial, naval and military engines and devices of warfare. On short notice the American bourgeoisie feel that they can meet successfully in a combat any group of capitalist countries. While the United States still uses peaceful words in its international relations, especially in its European relations, it is actually working overtime to be prepared to strike and strike hard as soon as necessary.



The Economic Situation in the United States During 1926.

By A. G. BOSSE.

INTRODUCTION.

THE most important recent development within the United States is the tremendous growth of mergers in all industries, and the cynically open domination of the government by the gigantic trusts (centering in the Morgan-Rockefeller groups). Foreign policy has changed in accordance with the necessity for the export of capital as a basis for the further development of American colonies, the East and the semi-colonial countries of Latin-America, rendering more acute Anglo-American rivalry. The Dawesification of Europe, the course of reparations and inter-allied debts, and the changes in the League of Nations situation—all extend this rivalry.

The tariff becomes once more of vital importance, reflecting the new alignments in finance and industrial capital. The desire of the main group of financial capital (centering in the East and interested in Europe as a market for investment of capital) is to adjust certain features of the tariff to the position of the United States as a creditor nation. The group of large industrialists (centering in the Middle West) and Latin-American investors oppose this European orientation—World Court, League of Nations, and the administration's foreign policy generally—fearing the competition of a reviving and trustified European industry.

The political implications of the points mentioned above will be dealt with at another time, together with their effects upon the working class; (company unionism, trade union capitalism, and other forms of class collaboration.) Here we are dealing with the more narrowly economic features of the situation. We can summarize the more outstanding of them as follows:

1. Tremendous growth of instalment buying, even to the point where bankers and business men consider it dangerous.
2. Great profits and expansion in the highly trustified sections of industry, and the crowding to the wall of small business and independents, affecting even such great corporations as Ford.
3. New policy of buying for immediate needs only, with no forward orders, and small stocks.
4. As a result of this last, business on a very even keel, with little fluctuation either in production, distribution, or consumption.
5. Narrowing margin of profits, the result of point 2, falling commodity prices, though without effect upon the condition mentioned in point 4.
6. The chronic crisis in agriculture, enhanced recently by the cotton crisis in the South, with its effects upon economic conditions throughout the country.

7. The increasing shifting of capital-export into industry as against government securities.

8. Increasingly rapid industrialization of the South, with its effects upon northern industry, southern agriculture, and the transformation of living and working conditions in the South generally.

SUMMARY OF THE YEAR, THROUGH SEPTEMBER.

The great prosperity of 1925 was maintained during the first quarter of the year. For the first half year conditions were good, and June shows an improvement rather than the usual worsening. The general level of industrial activity continued above that of the first six months of the two previous years. Manufacturing activity in August, as measured by the consumption of electrical power, was 15% greater than in August, 1925, and 8.5% over the average for the last three years for August. For September it was 3% greater than for August, and 20.7% greater than for September, 1925.

INDUSTRIALIZATION OF THE SOUTH.

This is one of the most significant facts in the economic life of the country. (Previously the South was the most backward part of the country, economically, politically, and culturally, and this must be borne in mind when we speak of the process of industrialization and modernization going on now.) It is upon the basis of cheap labor (Negro, child, and unorganized labor) and of large supplies of raw materials on the spot that this change has been effected. The depressed condition of the textile and coal industries of the Northeast and North-central states is largely due to the shifting to and growth of these industries in the South. Half the cotton spindles of the country are now in the South, and a similar condition is becoming increasingly true of coal. The value of industrial products in the South is now greater than that of the agricultural products, and is becoming increasingly more so.

There is a tremendous amount of building construction going on in the South. Fewer developments are absorbing more capital than any other industry there, and the rate of increase in the use of electricity is greater than in any other section of the country. Railroads are very prosperous and more new mileage has been built and less old mileage scrapped than in any other part of the country. Shipping has also made great progress.

MANUFACTURING.

Steel. There has been a steady decline in the unfilled orders of the United States Steel Corporation, every month since January. July improved a little, August declined again, and September has improved once more, due to ordering of steel rails. However, this is not as significant as formerly, since now, under the new policy of hand-to-mouth buying and small stocks, production and shipments are more important as indexes. Production during the nine months of the year was 10-11% greater for the industry than during nine months of 1925. Production is at a high level, 85% of capacity,

orders are flowing in steadily, and prices are stable. No unfavorable developments are yet in sight, but the trade maintains a conservative attitude, being influenced by the long period of activity already enjoyed. September decreased slightly under August. Freight car building, and the oil and gas industries (all large users of steel) are inactive, and the probable ending of the building boom will likewise have its effect upon steel. Important auto companies are decreasing their use of steel, because of lessened demand from Western farmers, but buying of rails and railroad equipment shows an increase. Competition from the new German steel trust and the new international cartel seems to worry American steel magnates and the government very little. Profits of the big companies are great, those of U. S. Steel, for example, being 93 million for the first six months.

Autos. Production declined for a number of months, but increased during August, and the first eight months of the year established a record, (3,105,000 as against 2,737,000 for the first eight months of 1925.) The first part of October shows a decline in production of half a dozen important independents as compared with 1925. Competition is extremely keen though the trust, General Motors, is having record production and sales, as a result of recent mergers. It is surpassing Ford both in production and profits, and its supremacy is becoming increasingly greater. Its profits for the first half year total 93 million.

Coal. Production for the year through August exceeded that of the previous two years for the same period, due chiefly to the great industrial activity in the country and to heavy exports resulting from the British strike. But the industry is largely over-developed and with the increasing competition of oil and hydro-electric power and with the ending of the strike, the chronic crisis in the industry will again become acute. Half of the country's mines are now shut down. Non-union production now is 70% of the total, as against 30% last year. A strike in April is very probable. Production during 1925 through July was 13% greater than for the same period of 1924. Exports for August were 100% greater than for August, 1925, and for the first eight months of the year, 67% greater than for the same period in 1925.

Oil. Production and exports of gasoline during May were the greatest on record, but there were huge stocks in the refineries. The National City Bank states that oil has had the really successful year since 1920 despite the big earnings of the last two years. Profits of Standard Oil through the first three-quarters of the year were 136 million, an increase of 26 million over the same period in 1925, and the profits for the year will undoubtedly be greater than the 1925 record of 163½ million.

Textiles. The textile industry is in a poor condition and hard times have been chronic for several years. Each month this year has declined under the previous month, though August showed a slight pickup. The industry was working at 102.1% of 1919 capacity in March, at 88.9% in May, at 78.9% in July, and at 87.4% in August. Employment has shown a steady decline from January (97.3% of 1919) to June (91%). Employment and pay rolls decreased in July in all branches except men's clothing and woollens, and some of these were less active.

Employment. In August employment for the country as a whole was 1% greater than for July and the poor industries—coal, textiles and shoes—showed some improvement. September increased over August. In July there had been a slight decrease due to seasonal slackening, inventories, repairs and vacations. Textiles showed a steady drop (see above), and autos dropped from March (136.3%) through June (125.2%) but for the first half year there were increases in lumber, railroad cars, feed and glass. Early in October, employment on railroads, in building, steel, metal-mining, and autos is reported as very large.

The Russel Sage Foundation states, averaging good and bad year, "It is a conservative estimate that 10-12% of all workers in the United States are out of work all of the time."

Wages. Pay rolls, the basis of buying power, were running above a year ago. August was 2.7% greater than July, and 2.6% greater than August, 1925. The tremendous amount of instalment buying has enabled labor to buy more than would otherwise have been possible, but this, however, is no substitute for high real wages.

BUILDING CONSTRUCTION.

The building boom seems to be on the wane, though production and employment are still very high. Unfilled orders for building materials in August were 22% less than for August, 1925. The values of permits declined through the year and for the first 7 months were less than the same period in 1925. August showed a decrease of 9% under August, 1925. The value of contracts placed is greater than for any previous first half-year, but less than for the last half of 1925, and this decline continued through 1926 month after month. August showed a big increase over July. The volume of building for August was 17% less than for August, 1925. The real estate market was less active or stationary in 89% of cities over 500,000 population, and the same percentage of cities reported falling or stationary rents, especially the larger ones. The shortage of all kinds of buildings in December, 1925, was about 35%, and in August, 1925, only 15%. However, much building has been due, not to "war shortage", but to "luxury" building, to new types of buildings, etc. In whole sections of cities, obsolete dwellings, factories and business buildings have been replaced. This has caused the continuance of the boom beyond the expectations of those who spoke of the "war-time shortage."

RAILROADS.

Freight car loadings, one of the best indications of manufacturing and wholesale distribution, were extremely large during the year to October. The first week in October totaled over a million cars for the 19th time in 1926, and the average for the first 40 weeks of the year is over a million a week. Freight movement during the year was handled in the greatest volume and with the greatest dispatch on record. Cars were more nearly loaded to capacity than ever before and increase of efficiency resulted in the lowest fuel consumption on record.

Earnings. Earnings were at a high level and are now well over 6% on the highly inflated valuations. August showed 6.2% profits for the country. The Pullman Company's Annual Report for the year ending July showed a record in passengers carried, distance travelled, and earnings.

FINANCE.

Profits. During the first half year profits totaled 2,166,262,000, an increase of 6% over the first half of 1925. The total for 1925 was 4 billion, and this year year's total will undoubtedly be higher, probably reaching 4½ billion. However, profits are on a narrower margin, and bankers are characterizing the present as "an era of closer profits." The prosperity of the country centers chiefly in the key industries and among corporations most highly trusted and most closely linked up with big finance (Morgan-Rockefeller-Mellon) groups such as U. S. Steel, General Motors, the big railroads, public utilities, oil, coal and copper trusts. This is especially true of autos and banking. In 1925, Federal Reserve banks paid dividends of 13% on their capital, besides retaining surpluses and undivided profits half as large as the dividends. Profits of mid-West banks, in agrarian sections, however, were only 1-3 to ¼ as large as those in the West. Surplus and undivided profits of the 8,000 Federal Reserve banks are now 2½ billion, or 120% of paid-in capital.

Trustification. Tremendous mergers have occurred in almost every industry during the last four years, and in the last five years, 2,000 banks have been combined. Daily we see mergers of 50-100 million and some reach ½ billion. A few examples are Chase National Bank, 1 billion; Standard Oil of New York, 60 million; Loree railroad merger, 600 million; and others in a dozen major industries. The Ward Bakery (2 billion) and the Van Serinton railroad (1½ billion) mergers were temporarily disallowed because of the coming election campaign, but the principle of mergers was upheld despite the anti-trust law.

FLOTATION OF CAPITAL.

	Domestic	Foreign	Total
First 9 months of 1925.....			4,525,000,000
First 6 months of 1926.....	3,013,000,000	533,000,000	3,546,000,000
First 6 months of 1925.....	2,729,000,000	468,000,000	3,193,000,000
Second 6 months of 1925....	2,395,000,000	628,000,000	3,023,000,000
First 9 months of 1926.....	\$4,215,000,000	\$890,000,000	\$5,105,000,000

We have not space enough to indicate in each instance the distribution of loans—as to different countries, proportion of industrial as against governmental securities, industries into which industrial loans went, extent to which they were put into bonds or into various kinds of stocks, etc. Suffice it to say that the tendency has been toward increasingly greater loans to Germany as against the rest of Europe (third quarter 1926, 62% of our European loans were to Germany); toward greater loans to industrials (66% of the loans in 1926 through September were to industrials; 80%

of Latin-American loans were such); toward public utilities (one-half of the total during 1926 through June were such). Domestic capital has been going into highly trustified industries: railroads, steel, oil, public utilities, autos, copper, etc. Despite the 5 billion securities on the market this year, there has been no increase in long-term money rates, and bond prices have increased and bond yields decreased, indicating abundant investment funds.

AGRICULTURE.

The purchasing power of farm products is now 82% of pre-war, and has decreased greatly as compared with 1925. Agricultural prices are now (August, 1926) only 32% higher than pre-war, while prices of other commodities are 60% higher. Buying in a highly protected market and selling in a completely unprotected one has resulted in the familiar scissors. About 60% of agricultural imports in 1925 were in direct competition with American farm products. Decrease in sales to farmers of autos, hardware, shoes and clothing, and cashing of cheques instead of depositing them—indicate the effect of the farm crisis upon industry. According to the Department of Agriculture farmers' incomes have "not in any year since the price declined in 1921 sufficed to allow both a commercial return on capital, and adequate rewards for the farmers' labor, risk, and management." The farmers' net income for 1925-26 decreased one-third under that of 1919-20, though interest on mortgages was the same, taxes greater, cost of production greater, and the amount which agriculture paid other industries the same.

Mortgages in 1920 affected 37.2% of all farms, and during the decade ending 1920 they increased by 95.7%. The ratio of encumbrance (of mortgages to total value) was 40% in 1924, and in 1926 Wisconsin showed 49%, Wyoming 44.2%, Nebraska 42%. The percentage of farms mortgaged in 1926 in Wisconsin was 56%, in Nebraska the same, in Wyoming 48.5%. Bankruptcies have increased steadily. In 1925 they were ten times as numerous as in 1910, whereas the number of commercial failures remain the same. B. F. Yoakum, a railroad magnate, says that public records of mortgage foreclosures are misleading, as "many thousands of farmers are peacefully surrendering their farms, their homes and their all." He continues that the farm debt is equal to the funded debt of the country's railroad and that the farmers are now paying an average of 8% on it; that farming is "becoming corporationized and rich town people rapidly becoming the owners of farms"; and concludes that "tenantry is only one step removed from

TRADE.

The wholesale trade of the first half year was larger than since 1920, and the retail trade the largest on record. The New York Times, however, says, "We have been conducting a wholly unexampled volume of prosperous trade with the conservatism which might have been inspired by doubt of its continuance."

Instalment Buying. The total instalment debt of the country in 1925 was reported as \$4,700,000,000, and in 1926 at well over \$6,000,000,000. A reaction will mean incapacity to pay and inability to sell repossessed goods. As yet there has been little credit inflation or decrease in cash retail sales,

savings, insurance, investments or increase in instalment defaults, though the October American Bankers' Association convention was very "apprehensive" about further expansion and spoke of "serious embarrassment" in case of a depression.

Foreign Trade. The trade balance was unfavorable during the first 4 months of the year, but beginning in May an increasingly favorable balance was shown, due to coal shipments.

	Exports	Imports	Balance
September, 1926	\$ 450,000,000	\$ 345,000,000	\$105,000,000
September, 1925	420,000,000	350,000,000	70,000,000
August, 1926	386,000,000	336,000,000	50,000,000
First 9 months of 1926....	3,411,000,000	3,324,000,000	87,000,000
First 9 months of 1925....	3,503,000,000	3,079,000,000	424,000,000

August, 1926, showed 41.3% of the total exports to be manufactured goods, as against 46.3% for August, 1925. The first 8 months of the year, however, showed 45.7% of exports to be manufactured goods, as against 40.5% for the same period in 1925. The first half of 1926 continued the large volume of exports and was greater than any year since 1921, except 1925. The decrease from last year is due to smaller quantity of grain, smaller quantity and lower prices of cotton, and greater imports of raw material due to prosperity, says Hoover. Rubber costs twice as much this year, an increase of \$320,000,000. Exports on food and grain decreased \$600,000,000 during the first half of 1926. Exports of manufactured goods in the year ending June 1926 were \$267,000,000 greater than in the year ending June, 1925, though the favorable trade balance was only \$288,000,000 as against \$1,040,000,000 in 1925 (year ending June). The increase was mostly to Canada, Latin-america and Asia, Europe showing a big decrease. For the 9 months of 1926 exports were \$243,000,000 greater than for the first 9 months of 1925, and \$653,000,000 over the same period in 1924. Imports of raw materials and food stuffs have exceeded exports month by month since 1923. Manufactured foods and goods have shown greater exports than imports during that period, a change of great significance.

CONCLUSION.

In weighing the facts for and against a continuance of prosperity, we have the following balance. Unfavorable to its continuance!

Prosperity is based to an unusual degree upon large and possibly abnormal activity of a few key industries. The new buying policy for "immediate requirements only," is causing much uncertainty. The margin of profits is narrow and competition is intensely keen. Trustified industry is doing well, and the extent to which it can supply the market is an index of the sound basis of prosperity. Falling commodity prices, over-extension of instalment buying, an increasingly irregular stock market, and the great volume of bank loans outstanding against collateral security—are all unfavorable symptoms.

The acute agricultural situation with the purchasing power of the farmer continually decreasing; the probable ending of the building boom; the bad

condition of textile, shoes, clothing and coal (despite a temporary bettering due to exports to England); and the fact that manufacturing capacity exceeds consumption in most industries, are other weak spots. The foreign situation is uncertain: the distribution of the world's gold, the bad situation in Europe, the decrease in foreign trade, and the probable increasing competition from European industry—all add to the sum total of arguments against the continuance of prosperity.

On the other side we find the following favorable points: Excellent distribution is shown by the record amount and smooth handling of freight loadings, which cover most industries and sections of the country, and indicates large production. Profits are great, employment high, and payroll large. The financial situation is very strong, due especially to the federal reserve system. This has resulted in easy money, good credit, and ample banking resources, and is evidenced by the large amount of cheques cashed and the few bank failures. Wholesale and retail trade have been good, and the autumn and holiday trade coming make prospects better.

Some of the points mentioned as weak spots have compensating features: the new policy of buying of immediate needs only has resulted in conservative buying, with frequent repetition of orders, small stocks, spread in buying and delivery, less concentration of demand for credit, and less chance of cancellation in case of reaction, as well as making over-production less likely.

Of the key industries, railroads, steel, and autos are in good condition; the use of electric power indicates that manufacturing is at a high level; the somewhat depressed industries, textiles and coal, show signs of partial recovery. Foreign trade has recently shown a partial bettering, due to a certain extent to the British strike, and liable to a reaction with the conclusion of the strike.



Limitations of American Imperialism.

By MAX SHACHTMAN.

IF WE OMIT from momentary consideration the seizure of power by the Russian workers and peasants in 1917, the outstanding development in capitalism since the war of 1914-18 has been the rise of American imperialism to the position of the world's leading power. The tremendous vitality and the dominance of American imperialism have been universally commented on and recognized. It is important also to indicate the weak spots in the fabric of American empire and to delineate broadly the limitations of its development.

The essential points of difference between the growth of American imperialism and that of Great Britain, for example, will indicate that just as the rise of the United States to its present dominant status took place at a much more rapid tempo than did the growth of the British Empire, just so, in compliance with the inexorable laws of imperialist development, will the United States achieve the height of its powers and begin to decline at a relatively swifter rate than has Britain.

The British Empire was being hammered out decades before the United States had even achieved its national unity and solidity from Maine to California and from Canada to Mexico. In 1853, when Commodore Perry was sent to force open the door of Japan, Britain already controlled the great sea highways to the East, "in the Indian Ocean, Mauritius and its dependencies, Rodriguez (1809), the Seychelles (1794), the Chagos and Ambrante groups and their smaller neighbors, prolong our (the British) line to Ceylon, and it is extended past further India to North China by the Straits Settlements, Labuan, Hong Kong, and Weihaiwei." Little more than a decade after the Civil War, before the United States possessed a square mile of colonial territory, Britain counted almost nine million square miles, with more than a quarter of a billion inhabitants (1876). Years before the United States, with young imperialist vigor, seized Cuba, Porto Rico and the Philippines, Cecil Rhodes was planting the Union Jack over South Africa with one hand and mining gold and diamonds with the other, and Joseph Chamberlain and Birmingham were already in the ascendancy. When the United States took its first unsure steps in imperialist policy, with the Spanish-American war, the sun could no longer set on the British Empire.

The British Empire developed its great strength in the period of the rise of capitalism. American imperialism is rising to its full stature in the period of the decline and decay of capitalism.

Great Britain was master of one-fourth of the world's area when the working class was almost completely under the domination of the social-democracy, half-wedded to imperialist policies itself, during the "peaceful" period of capitalism. The United States enters world politics as a full-chested giant during the period of war and revolution, the death-struggles of the world powers.

When the British Empire was at its height, there was still such a thing as world capitalism. Now one-sixth of the earth is working towards a socialist economy, and is no longer a part of world capitalism in the old sense. The existence and influence of the Union of Socialist Soviet Republics is a new factor in the world situation and a decisive one.

American imperialism, in its efforts to expand, to find new markets and sources of raw materials, is confronted not only with the complete division of the world among the imperialist powers, and the necessity of securing some measure of redistribution of forces from the existing imperialist nations, but also with the necessity of facing the new epoch of the armed liberation struggle of the colonial peoples. They are themselves deciding the question of the reapportionment of what have been hitherto taken for granted as the imperial domains of the world powers.

Only on the basis of these new relations of forces which define and delineate the rate and extent of development can the situation of American imperialism be properly analyzed.

AMERICAN IMPERIALISM IN THE ORIENT.

American foreign policy is expressed in three main fields: the Orient, Latin-America and Europe.

At the present time, any imperialist policy in the Orient and the Pacific must have China as its point of focus. With relation to China, the United States occupies a position which is quite different from that of the two other chief imperialist powers, Great Britain and Japan. To make up for the time and positions of vantage lost by its belated appearance on the imperialist scene in Asia, the United States has been the exponent of the "open door" policy. The blatant, considered hypocrisy of this attitude is evident if the other side of the shield, the exclusive policy of the Monroe Doctrine for Latin-America, is borne in mind. The fact that its rivals were already well established in China—not a lofty sentiment of justice and equality of opportunity—was the inspiration for this bit of music. But the very strength of this policy, which, to be at all effective, must manifest itself in large measure in a "tolerant, unselfish, benevolent" attitude towards the Chinese people and their interests, an attitude devoid of chicane, brutality and base motives, is in itself a weakness, and requires the utmost skill and finesse. What is worse for American imperialism, the development of the Chinese revolution is resulting in the defeat not only of the raw brutality of the British, and the uncertainty of Japan's policy, but also of the over-clever diplomacy of the U. S.

For the success of its policy in China, the United States depends upon impressing the Chinese with the fact that it disassociates itself from the policy of British, with its cynical record of repression, barbarous exploitation, its enforcement of humiliating treaties, its massacres at Shanghai and Wanh sien, and its proposal for united imperialist armed intervention. Furthermore, America is not violently averse to the development of the Chinese national revolution and the rise of a more or less consolidated national government—so long as the revolution (if one may use the analogy) ends with its March and does not proceed to its October; that is, if it leads to a purely

bourgeois republic, repulsing Britain and Japan and inviting the co-operation of American finance capital, and does not develop further, through the growth of the leadership of the Chinese workers and peasants in the national revolutionary movement, towards a consequent struggle against all imperialist bandit nations and a relatively permanent capitalist state.

But an analysis of the situation in China indicates that the revolution will not stop short and forego the historic mission with which it is endowed. The process of differentiation that is going on in the ranks of the broad movement is bringing to a dominant position its most reliable elements, the workers and the lower sections of the petty-bourgeoisie, which, together with the peasants who are developing a constantly more militant and conscious political activity, are the guarantee that the revolution will directly proceed with the iron logic of history beyond the stage of a formal bourgeois society. China can and may proceed through the stage of a bourgeois society towards a revolutionary democratic dictatorship of the worker and peasant masses, since "backward countries with the help of the proletariat of farther advanced countries can proceed to the Soviet system and can, going through certain stages of development, avoiding the capitalist stage, proceed to Communism."

American imperialism in China is therefore confronted with the parting of the ways: either to join with Great Britain in a joint interventionist campaign to prevent the revolutionary movement from advancing beyond the point of the establishment of a purely bourgeois state, in which the young capitalist and merchant class will co-operate with the foreign powers; or to refuse to participate in an armed interventionist campaign by continuing the bluff of America's "disinterested unselfish aims" in the Orient in the hope of thereby securing for itself a privileged position with the Chinese in contrast with other powers, much in the same manner as it did on a smaller scale by its "generous" return of the Boxer indemnity.

The first alternative will result in: 1. the complete unmasking of the United States' brutally imperialist aims in the East; 2. the virtual acceptance of British leadership in China since armed intervention is primarily the policy of England and one for which she is openly preparing; 3. leaving the field to Japan to pose as the only real friend of China, since it is hardly likely that Japan will join with Great Britain and America in armed intervention against the Chinese people, but will, on the contrary, take advantage of the situation to strengthen its own bases and prestige in China and the rest of the Orient at the expense of its two rivals.

The second alternative will result in: 1. such a great weakening of the British interventionist plan as to enable the revolutionaries to rally practically the entire land against the invaders, and, taking advantage of the critical situation in which England will find itself internationally, among its colonies, and by the agitation at home, successfully defeat the British; 2. (with the defeat of intervention) the strengthening of the national revolutionary movement by the participation of broader masses in the struggle and the consequent weakening of the influence of the bourgeois and petty-bourgeois elements within the movement; 3. the coming to the fore of the proletarian and agrarian masses who are the real guarantors for a consistent revolutionary policy in China; 4. the strong likelihood that, subse-

quently, the revolutionary masses in China will proceed with the first steps of nationalization of basic industries, transportation, banks and the distribution of the land, with the result that the possibilities for large scale imperialist exploitation of the country will be radically reduced, leaving not only Great Britain and Japan, but also the United States, to cool their heels on the outside.

The relation of forces in China is so constructed that in any event American imperialist strategy will be defeated. The Chinese national revolution is not a Boxer rebellion and American imperialism can no longer make much capital out of its attitude of profitable generosity. The Chinese revolution has developed beyond that stage, and its orientation is towards Canton and Moscow and not towards Wall Street. In a couple of the South American countries, in order to displace British influence which supported itself chiefly on the feudal land barons, the United States has centered its policy upon supporting the newly developing urban bourgeoisie, even, in some instances, to the point of uprisings; for it would find in the rule of the young bourgeoisie, first, the weakening of British influence and second, a situation where it could dominate the industries, finances, markets, and sources of raw materials of the country. But in China this rather simple policy will not stand up. The influence of the Soviet Union and the inspiration of the Russian revolution; the fact that the petty bourgeoisie is not only weak but in many cases opposed to all the imperialist powers; the fact, furthermore, that the petty-bourgeoisie in China is being out-distanced by the growing consciousness and strength of the workers and the peasants, who will, in constantly greater numbers cease to rely upon the leadership of the bourgeoisie and inscribe on their banners the slogan of the "Revolution in Permanence" as applied to specific Chinese conditions—all these facts which are so typical of the new era in world politics signify that the smashing, blunt course of revolution in China will deal a death-blow even to America's very cunning policy and position.

An important indication of what effect the developments in China are having on America's position may be had from the fact that while the increase of exports to Asia in 1926 over the average of the years 1910-1914 was 344%, the increase in 1926 over the year 1922 was only 12%, due almost exclusively to the stationary position of American trade with China (and Japan). The insecurity of Chinese bonds, (i. e., the prospect of their failure to produce huge profits for foreign investors) has been noted with alarm by the press. The victory of the Chinese revolutionary movement will mean the virtual removal of a source for the production of huge super-profits for world imperialism.

PROSPECTS FOR THE U. S. IN EUROPE.

Whatever success the United States may have in the Pacific, however, it cannot hope to proceed with the same methods, or attain the same results in Europe. On that continent it must deal with strong industrial nations, not backward agrarian countries; with world rivals, not with its colonial possessions or proposed colonies.

The United States is the creditor of practically all of capitalist Europe. The total of American investments in Europe is almost one-fourth of its world investments and almost three times as much as its total investments in Asia, Oceania and Africa combined. Nevertheless, there are already unmistakable indications that the process of American imperialist advance into Europe is not only slowing down, but is reaching its peak, and that the tide is turning in the other direction.

In order to obtain interest on and payment of its huge loans to Europe, which were menaced by repeated industrial, financial and political crises, the United States was forced to help in the stabilization of a number of the European countries by extending new credits, funding debts, and aiding partially in the rehabilitation of industry, particularly in Germany. The immediate collapse of the economic and political structure of European capitalism would not only have added tremendously to the forces of the world revolution, but would have inevitably drawn even the United States into the vortex of a world capitalist disaster. There is no doubt that the United States aided appreciably in saving some of the more sorely pressed European countries—and indirectly itself—from an impending catastrophe.

The stabilization of capitalism in Europe is only a passing phenomenon. But both its present existence, and its inevitable disappearance are conditions for the weakening of American imperialism.

Europe now offers only a limited field for American investments. Investments and loans made by the United States to European countries in the past two or three years have sufficed for the moment to check the crises and enable them to recommence their productive processes without immediate danger of interference in the form of disruption in their financial systems. "The credits which Germany received for the stabilization of her currency, and for the completion of her circulating capital, were infinitely small sums in comparison to Germany's total capital; but without these small sums German capitalism would scarcely have succeeded in overcoming the inflation crisis."

But the resulting temporary industrial revival* has not improved America's position with relation to Europe.

1. Dependence on American capital has been lessened to a great extent, and the year 1927 will undoubtedly see a much smaller amount of American capital sent to Europe than in any of the preceding two or three years. In some countries of Europe, as in Germany, the home loan market is reviving and German banks are demanding and receiving a greater share in the taking up of industrial issues than for years previous. Briand and Stresseman, at Thoiry, had even planned to consummate the stabilization of the franc without direct American aid but by the mobilization of the Dawes' railway bonds. The French senate has persistently refused to approve of the Mellon-Berneger debt funding agreement, although the refusal means that the long-hoped-for loan from America will not be forthcoming. And despite the bitter cost, a measure of stabilization for the franc is being achieved. Here is a commentary of America's limitations in Europe. To force the endorsement of the debt funding agreement America cannot send a punitive expedition to inform the French senate that it is

dissolved; this would have been done long ago if it were not France, but Haiti or Cuba!

There is even a tendency already visible, though relatively slight, in the other direction. Herbert Hoover's annual report of the Secretary of Commerce remarks that:

"By reason of the slight decline in exports and the unusually large increase in imports . . . the excess of exports over imports was much less than in most years, and during two or three months in the spring of 1926 there was an excess of imports. Nevertheless, a small net importation of gold occurred during the year. That this should have happened in the face of the diminished excess of merchandise exports, the large new foreign investments, and the continued heavy expenditures of our tourists abroad, indicates that there must have been a considerable shifting of banking and commercial credits and also a very considerable purchase of American securities by foreigners."

2. Profits from investments in European industries are not so large as they are, for example, in Latin-America. Returns from the employment of a Chilean nitrate worker, toiling under virtually colonial conditions, are far greater than those that may be secured in dividends from a German mining corporation which operates in a country where the organized labor movement is in a relatively better position to resist an intensification of exploitation. American imperialism is not satisfied with an ordinary return on its investment; it demands a "colonial" rate of profit. The United States, despite its large investments in European enterprises, controls relatively few of them. The distribution of the surplus is largely in the hands of the native ENTREPRENEURS who can maneuver in many ways in order to avoid an immediate and direct large return, in the form of profits, to the foreign investor.

3. The United States is meeting with increased competition from European industries, which not only operate with a much lower paid working class than do the American, but which are intensifying the exploitation of the workers, shutting down non-productive plants, introducing the latest efficiency devices, and eliminating competition among the industries of various nations in Europe so as to present a more effective commercial front against the United States. So sharp has been this development in the last year or two that Europe has been able to turn the tide of foreign trade strongly against America, as the following table demonstrates:

U. S. FOREIGN TRADE WITH EUROPE.

	(In millions of dollars.)			
	1910-14 average	1922	1925	1926
U. S. export to Europe.....	\$1,350	\$2,068	\$2,660	\$2,334
European exports to U. S.	836	831	1,171	1,275
U. S. export balance	\$ 514	\$1,237	\$1,489	\$1,059

The real falling off is much greater than nominal export balances show. While the United States exports to Europe in 1926 increased 73% over the 1910-1914 average, they increased only 13% over the 1922 figure and even DECREASED in comparison with 1925. European exports to the United States on the other hand show an increase in 1926 over the 1910-1914 average of 52% and, over the 1922 figure, of 54%, with an INCREASE in comparison with 1925. The drive for the formation of European cartels or trusts, which cover such industries as steel, iron, coal, chemicals, dye-stuffs, potash, etc., etc., presages even more intense competition with the United States.

The frantic manifesto of the international bankers recognized the essence of the difficulties in ultra-European and American-European relations. If the debts to the United States are to be paid, the foreign trade, therefore the industries, of the nations of Europe must be tremendously strengthened. This requires the levelling of tariff walls, and those of the United States are among the highest. It requires a more intense, free-for-all scramble for the sources of raw materials and new markets in which the United States is so energetically engaged. But this solution, a desperate proposal for a rapidly approaching crisis, solves nothing at all. It can result only in the aggravation of the relations between decaying Europe and the still rising American capitalism. Europe is torn in a dozen directions with struggles between the various capitalist powers and groupings of powers, a condition which makes it virtually impossible to present either an economic or political united front against American finance capital, try as it would. At the same time, the elixir of gold has granted it a sufficient respite from collapse to continue the struggle against bankruptcy, which must be carried on against the United States in the struggles for the markets of the world. The United States cannot forever bolster up world capitalism by pulling at its own bootstraps.

The United States, as well as the capitalist countries of Europe, will be drawn into the crisis of over-production from which Europe is suffering acutely, and out of which it attempts to escape by obtaining new markets. But the world market is becoming more and more limited. The Far East and Latin-America are annually receiving hundreds of millions of dollars worth of machinery, and semi-manufactured materials with these lands heighten their industrialization level and produce for their home market. The imperialist powers of the world are engaging in a struggle for their very existence.

In this struggle, Europe can no longer depend upon American aid, for it has already passed this stage and is coming to grips with America. The United States cannot make colonies out of the European states; it cannot revive for long the industries which are collopsing because they are producing more than can be absorbed by the world market in the face of the tremendous American production; it must content itself with sitting by and observing the collapse in Europe which will shake the structure of American imperialism to its foundations.

(To Be Concluded in Next Issue)

The Thirtieth Convention of the United Mine Workers of America.

By WILLIAM F. DUNNE.

The Thirtieth Convention of the United Mine Workers of America, the backbone of the American labor movement, can be characterised correctly as first, the continuation of the rapid drive towards reaction on the part of labor officialdom and second, as another phase of the new offensive against the Communists and the left wing.*

Meeting in Indianapolis Jan. 25-Feb. 2, the Lewis machine turned its back on the glorious past of the union and, so far as the official attitude of the union is concerned, wiped out all vestiges of class consciousness and militant tradition.

That this was not accomplished without a struggle, and that because of the resistance of the membership it was necessary for the Lewis machine to resort to the most shameless methods of suppression, is testimony to the workingclass integrity of the rank and file to the purposeness with which the left wing had waged its struggle under the slogan of "Save the Union," and is also a guarantee of the crystallization in the United Mine Workers of a left wing leadership, which by following a correct policy and tactics will save the union from the machine which has driven it to the verge of destruction.

Before dealing more at length with the convention struggle, the methods of the Lewis machine, what it did at the convention, the role of the left wing, and drawing the conclusions from these facts, it will be well to sketch briefly the present situation of the U. M. W. A.

The report of Secretary-Treasurer Kennedy, submitted in printed form, reveals some startling facts—facts which prove irrefutably that the indictment of the Lewis machine made by the "Save the Union" bloc is correct.

His figures show that, after making every effort to list all possible mergers, the total membership of the United Mine Workers is 273,000. In 1924, the U. M. W. A. paid per capital to the American Federation of Labor on 402,700 members. The Jacksonville agreement, signed for three years in 1924, with the understanding that a process of "normalization" of the industry would be carried out jointly by the Lewis machine and the coal operators i. e., the operators would freeze out small producers and the U. M. W. A. officialdom would raise no objection to a period of shutdowns which would drive unemployed miners out of the industry, has thus resulted in a minimum of 129,700 miners being **DRIVEN OUT OF THE UNION.**

The figures contained in Secretary-Treasurer Kennedy's report reveal another fact which shows the utter incompetency of the Lewis machine and the destructive result of its policy.

*See "The Threat to Trade Unionism—The New Conspiracy Against the Labor Movement." By Wm. F. Dunne. Published by The Daily Worker Publishing Company. 15c.

The last six months covered by the report were months in which all records for coal production were broken. This was due to the advantage taken by American coal owners of the opportunity to capture British markets during the strike and to the fact that enormous amounts of coal were being stored in anticipation of an interruption of production at the expiration of the Jacksonville agreement.

During this period of abnormal activity, covering six months, the UNION LOST 19,000 MEMBERS.

The "normalization" of the industry has been carried out at the expense of the unionized workers with the consent of U. M. W. A. officialdom.

Contrasted with this, and further proof of the suicidal policy of the Lewis machine, we have the fact that coal experts now estimate the non-union coal production at 62½ to 70 per cent of the total tonnage in the United States. In 1922-23 the reverse was true.

The Jacksonville agreement expires April 31 and according to statements of prominent railway officials published in the New York Times, the railroads are storing from two to five months' supply of coal to overcome a shortage caused by a strike. Other large coal consumers—and the operators—are doing the same. The coal barons, by extending their operations in West Virginia, Kentucky, Tennessee and Western Pennsylvania, have surrounded the so-called central competitive field—Illinois, Indiana, Ohio and a part of Western Pennsylvania—with a circle of non-union properties.

It is probable that under forced production the non-union fields can increase their tonnage to 90 per cent of the total.

In many districts—West Virginia, Kentucky, Tennessee—the union has practically been destroyed. In Eastern and Western Pennsylvania and Ohio it has been cut almost in half and in Indiana and Illinois it has been weakened seriously. The union officials for the most part make no pretense of enforcing the working conditions stipulated in the Jacksonville agreement.

In the anthracite fields the acceptance of a five-year agreement by the Lewis machine which does not provide for the check-off and does provide for arbitration by a third party, has weakened the position of the union, lowered the morale of the membership and made it possible for the coal companies to lay the base for company unionism.

It is obvious that the U. M. W. A. faces a critical situation.

Only the internal consolidation of the union and the organization of decisive sections of the unorganized fields can save the union.

But the Lewis machine, instead of declaring war on the coal barons and strengthening the union internally, made war on the militant rank and file and their leaders.

The convention was the culmination of the Lewis offensive against the elementary interests of the membership and was the third phase of the struggle of the left wing to save the union.

The first phase was the grouping of all honest oppositional elements in the union around the candidacy of John Brophy on the "Save the Union" platform and the election campaign.

The second phase was the struggle for the election of delegates to the convention.

Just as the left wing in the convention was carrying through its struggle for the union into the highest body of the union so was the convention offensive of the Lewis machine an extension of its war on the left wing which had been going on continually since 1923. The difference was in the intensity of the struggle and the openly reactionary character of the convention objectives, strategy and tactics of the Lewis machine.

The left wing fought for a program the main features of which were:

Organization of the unorganized—no wage-cut—abolition of operators' influence in the union—democracy in the union—honest elections—nationalization of the industry—a labor party.

The most casual examination of the union and the industry will show that this program was and is capable of solving the problems of the union in this period.

The program of the Lewis machine is the program of the agents of imperialism in the labor movement. It can be stated briefly as follows:

1. To bring the U. M. W. A. into line with the official "efficiency unionism" policy of the American Federation of Labor.
2. To place the U. M. W. A. completely in the hands of the Lewis machine.
3. To present the coal barons in the central competitive field with a union which will not endanger their profits, and make an agreement on this basis which will nominally preserve what is left of the union while actually surrendering to the operators.
4. To deliver the union nationally to one or the other of the capitalist parties, more effectively than ever before, and preferably to the republican party.

In conformity with this program the Lewis machine proceeded as follows: The Lewis appointed committees, with Secretary-Treasurer Kennedy, a former socialist, playing a prominent part, recommended and the Lewis machine shoved through such measures as:

a. The elimination of the clause in the preamble to the constitution stating that workers are entitled to "the full social value of their product" and its substitution by the Civic Federation phrase "equitable fruits of their labor."

This is designed to destroy all constitutional sanction for advocacy of a policy of class struggle.

b. The adoption of a constitutional amendment which prohibits any member who is not a citizen from holding office in the union. This is another Civic federation "Americanization" scheme and its purpose is to robotize the foreign-born miners who make up a majority of the union membership.

This measure sets up a special caste of officeholders and leaves those who by accident of birth or otherwise are not American citizens with only the privilege of paying dues and voting for 100 per centers.

c. The abolition of the constitutional provision which made it necessary to secure approval of the membership for assessments covering a longer period than two months. The officials now have the power to levy and collect assessments for any amount and for any length of time without membership sanction.

This gives the Lewis machine complete control of the union finances.

d. Enactment of a provision outlawing expression of minority opinion in the union.

While ostensibly directed only at the Communists this provision actually legalizes expulsion for criticism of officials.

e. Repudiation of the previous convention endorsements of a labor party and acceptance of the official A. F. of L. policy of support of capitalist party candidates as the policy of the U. M. W. A.

f. Raising official salaries as an endorsement of the policy of the Lewis machine. (Lewis' salary was raised from \$8,000 to \$12,000 per year, the salaries of Murray and Kennedy from \$7,000 to \$9,000 per year.)

In the desperate situation in which the union finds itself as a result of the machines corruption and bankruptcy these huge salary increases are in themselves sufficient commentary on the cynical disregard of the interests of the rank and file.

The Lewis machine was able to put over the above program by a combination of political and organizational methods that can be summarized as follows:

1. By taking advantage of the general campaign against Communists in the labor movement.

- a. Publication of the "Coyle letter" linking up the opposition bloc with our party and "outside elements" (Coyle of the Brotherhood of Locomotive Engineers, liberal elements, etc.)

2. By capitalizing the sudden increase in employment due to the British coal strike and the storage of coal by operators and consumers as an achievement of the Lewis machine-propaganda which the opposition bloc was unable to answer effectively.

3. By claiming, shortly before the convention, tremendous success for organization campaigns in West Virginia, Kentucky, etc.

4. By claiming, while at the same time withholding the tabulated vote by local unions, an overwhelming victory for the Lewis machine in the elections. (The vote as given out was 173,000 for Lewis, 60,000 for Brophy.) See Footnote.

Footnote: The vote in the elections, as given out by the Lewis tellers, compared with the actual dues paying membership as contained in the secretary-treasurer's report is an indication of the lengths to which the machine was forced to go in its efforts to deceive the membership and the labor movement generally.

Brophy was given, in round figures, 60,000 votes. Lewis took 173,000. This makes a total of 233,000 votes cast out of a total dues paying membership of 273,000.

In other words, there were only 40,000 members who did not vote. This is a manifest impossibility and in no election in the U. M. W. A. has such a high percentage vote ever been cast. This would mean that approximately six-sevenths of the membership voted.

In the Communist party, where the percentage of voting is higher than in any other body of workers in the United States, no such percentage of the membership has ever expressed themselves even at the height of internal struggle over policy and leadership.

Furthermore, a survey of the votes of many local unions which are available show that no such percentage of the membership voted.

5. By taking the offensive in the matter of securing resolutions commending the officials, upholding the appointive power, asking a raise in salaries for officials, etc. Most of these resolutions came from "bluesky" locals but some of them represent a real attempt of the machine to reach the rank and file directly. All of them represent an attempt of the machine to give the impression of mass support for its reactionary program.

6. By concentrating in the union fields a squad of paid "organizers"—estimated at a minimum of 100.

a. Securing the withdrawal of opposition delegates through pressure brought by these "organizers" upon local officials.

7. By bringing fake delegations to the convention—as in the case of District 31, West Virginia—172 delegates representing, according to figures obtained in the secretary's report, exactly 377 dues-paying members. There are many other smaller but equally flagrant instances. (It is probable that from 30 to 40 per cent of the convention support of the machine was of this nature.)

8. By open intimidation of the rank and file (slugging of Hapgood, Demchak, etc.)

9. By unseating capable left wing leaders, (Toohey, Hapgood, Coffey, Howat, etc.)

In spite of the undoubted effectiveness of these methods in hampering the left wing, it was evident that the Lewis machine has lost its grip on the minds of the great majority of the working membership. Its utter reaction in policy and the unscrupulousness of its methods has widened the gulf between it and the membership.

This was shown in the convention when the Lewis machine found it necessary to defeat a majority against its proposal for unlimited taxing power by counting out the opposition. It was shown in a still stronger form when the proposal of the machine to extend the period between local union elections from one to two years was defeated by such a majority that it was impossible to miscount it.

On the questions of organization of the unorganized, the labor party, the seating of left wing delegates and a number of other less important issues, there were sharp struggles which showed the temper of the rank and file.

The opposition in the convention, however, got into action too late. The main reason for this was that, composed of elements of different degrees of political consciousness and militancy, the left wing leadership was unable

In West Virginia, which the secretary-treasurer's report shows has but 377 members, the Lewis machine cast 15,000 votes for their ticket.

The first figures made public by the Lewis machine, evidently given out before the secretary-treasurer had compiled his report, gave the total vote cast as 290,000. These figures had to be revised in conformity with the report as they gave the total vote cast as 17,000 MORE than the actual membership.

It is the belief of the writer that an investigation of both the recent election and the one preceding—in which the Lewis machine credited Voysey with 66,000 votes—would show that Lewis has never been elected by actual votes cast.

The Lewis machine has never complied with the constitutional provision which instructs the tellers to make public by January 10 of each election year the tabulated vote by local unions.

to rally the rank and file delegates for common struggle until a majority understood, as a result of the attack of the Lewis machine, that the drive against the Communists were merely preliminary to a general assault on the most elementary principles of trade union democracy and honesty.

By the time that the opposition bloc had grasped the fact that the Lewis machine slogan of "purge the U. M. W. A. of Communism" really meant stripping the union of all its militant traditions and throttling the rank and file and had begun to fight in earnest, most of the damage had been done.

The weakness of the opposition bloc in the convention can be listed as:

1. Lack of political clarity shown by its inability to broaden the struggle on secondary issues such as granting unlimited power to the machine to levy assessments and other principles of trade union democracy, into a general struggle against the machine on the basis of the "Save the Union" program.

2. Inability to make a complete indictment of the machine on the basis of its ruinous policy.

3. Underestimation of the ruthlessness and anti-workingclass character of the Lewis leadership.

4. Weakness of organization.

- a. Poor connection between leaders and mass following. This weakness exists both in the districts and nationally.

- b. Lack of aggressiveness—inability to take the offensive and capitalize to the fullest extent the blunders of the Lewis machine.

5. The left wing leaders had not as yet established themselves completely as the spokesmen of the rank and file on a national scale.

The above defects, however, are of the kind that the growing tyranny of the Lewis machine and the necessity for energetic prosecution of the struggle to save the union will correct. The strong points of the opposition bloc are an assurance that its defeat in the convention will tend rather to strengthen than awaken it. These points are:

1. The correct line of its program.

2. Its mass character—although in the convention this developed rather late.

3. Courage in the face of the most bitter and sustained attack in the history of the U. M. W. A.

4. The fact that its delegates for the most part came from large local unions in contrast to the fraudulent character of a great proportion of the machine delegates.

5. The fact that for the first time in a U. M. W. A. convention there was a bloc of ANTHRACITE delegates in opposition to the machine.

6. The ability to gain strength as the struggle progressed.

7. The large percentage of young miners among its followers—a guarantee that the movement is developing and not stagnating.

It must also be remembered that the left wing was severely handicapped in the convention by the suspension of its organ "The Coal Miner," due to lack of funds.

This left it without a paper with which to put its slogans and program before the delegates and it also served to give undeserved color to the charge

of the machine that "The Coal Miner" had been published merely for election purposes.

Another handicap for the left wing has been the continuous unemployment in the union fields which has forced thousands of miners out of the industry entirely or into the non-union fields. Naturally, the most militant miners have been the first to feel the pressure of "normalization."

There has been also the steady campaign of expulsions directed against the Communists and left wing.

The recent improvement in employment in the union fields, beginning in September when the shortage in the British markets made itself felt in the union territories, while it did not bring back the thousands of left wing supporters, did lessen the discontent in the union and deprived the left wing of a political issue.

Last, the unseating of well-known and capable left wing spokesmen like Coffey, Howat, Toohey, and Hapgood deprived the opposition bloc of much needed floor leadership.

The Thirtieth Convention did not solve a single problem facing the union. Not one single measure was passed which will benefit the membership or the labor movement as a whole. On the contrary, so far as the U. M. W. A. officialdom could do so it hurled the union into the trough of reaction in which the American labor movement is wallowing.

Even for the coming struggle with the coal barons the machine laid down no program. It preferred the two-hundred odd resolutions dealing with down contract, wages and working conditions to the wage-scale committee composed, with a few minor exceptions, of machine henchmen.

It made not the slightest pretense of mobilizing the union for resistance to the operators' demand for conditions that will allow union fields to compete with non-union districts. It centered its whole attack, not on the operators but on the membership and especially on that section of the membership which puts forward a program which the machine did not even dare to criticize either before or during the convention.

From the above we can draw the following conclusions:

1. The Lewis machine desires to placate the coal barons by hamstringing the U. M. W. A. so that, convinced that it is in "safe and sane" hands, the operators, rather than wage an open struggle for the outright destruction of the union which would arouse its traditionally militancy, may, with the co-operation of the union officials, even agree to the continuation of the present wage-scale pending arbitration while insisting on and securing some special form of the "B. and O." plan for the union fields which will amount in practice to a wage-cut and actual defeat for the union.

The program of the Lewis machine in the convention would indicate that this is what it expects to accomplish.

2. There is the probability that in the central competitive field—competitive now in name only—that the operators, or a large section of the most powerful ones, will insist that the union accept an outright reduction in wages. Failing to secure agreement on this point, these operators will announce that their mines are open for workers at the reduced scale and carry on a guerilla warfare against the union. With the morale of the union seriously weakened through the abrogation of district and local autonomy and the revision of working conditions downward that the Lewis machine will

accept in other sections in return for nominal recognition of the union, the U. M. W. A., under the Lewis leadership, will be unable to wage an effective struggle against these attacks.

3. The main problem for the U. M. W. A. remains the same as before the convention. It is:

Either to fall in line with the general trend of the official labor movement (which is the Lewis policy) accept the theory of "Partnership of Labor and Capital," (efficiency unionism) negotiate an agreement on that basis and continue to drag out a moribund existence with non-union production being extended gradually and strangling finally even the docile union that the operators seem willing to tolerate for the present.

Or, (the policy of the left wing) to organize the non-union fields, defeat the coal barons and force restoration of the working conditions which have been abrogated almost at will since 1924 and build the U. M. W. A. into a militant and efficient organization of the coal miners of this continent—an organization which can and will, as it did at one time, give aid and inspiration to the whole labor movement.

4. Following the convention the struggle of the left wing enters a new phase but its fundamental task remains the same—to save the union.

The immediate struggle is to prevent the betrayal of the union to the coal barons during the coming negotiations and to mobilize the membership for struggle against a wage-cut and the destruction of the union by forces within and without.

To save the union the left wing will find it necessary to increase ten-fold its organizational strength. This can be done only by first rallying all honest elements in the union—they are the great majority—around the elementary issues of its program, gradually broadening the struggle on the concrete issues which the Lewis machine itself has furnished the left wing, popularizing its program and leadership by its words and deeds.

To do this effectively the left wing needs a central organ by which such issues as a labor party can be connected with the practical experiences of the daily struggles of the union and its members.

Such an organ it must establish at the earliest possible moment.

To save the union the left wing will have to make its program the program of the union, drive out the \$12,000 per year agents of American imperialism and give the union a leadership to which the coal miners of America can look to with confidence, sure because of the proof given by its deeds that it works and fights for the interests of the miners, not against them as the Lewis machine shows it does by both words and deeds.

For our party and the whole American labor movement the thirtieth convention of the U. M. W. A. was of primary importance. It will probably be found as time goes on that this convention exercised a more decisive influence on the labor movement than did the Detroit convention of the American Federation of Labor and for the following reasons:

1. The U. M. W. A. is the only important union in heavy industry that possesses a class struggle, if not a revolutionary, tradition.
2. Social ideology of the pre-war type was strongly rooted in the U. M. W. A.
3. The most stubborn and militant struggles in the history of the American labor movement have been waged by the U. M. W. A.

4. Up to the thirtieth convention it had not surrendered officially to the "worker-employer co-operation" doctrine.

5. It is the largest industrial union in the American labor movement and second in size only to the Carpenters' Union.

6. The left wing has its most important following in the U. M. W. A.

7. President Green of the A. F. of L. was secretary-treasurer of the U. M. W. A. when selected for his present position and he and the Lewis machine are leading the fight on the Communists and the left wing throughout the labor movement.

8. The thirtieth convention resulted in the establishment of a left wing leadership in the union which is of non-Communist character.

This situation confronts our party with great possibilities but also with certain dangers which it would be just as foolish to minimize as to exaggerate. It is not, however, the purpose of this article to deal in detail with these questions.

It is enough to say here that sufficient facts are at hand to prove that the strengthening and activization of the Communist fractions in the U. M. W. A. is one of the major tasks of our trade union work. In giving every possible aid to the left wing in the U. M. W. A., in combatting the black reaction and bandit methods of the Lewis machine, we are taking part in a struggle which is not alone to save the U. M. W. A. but which is in reality a struggle on the result of which depends in a large measure the fate of the whole American labor movement in this period.



With Marx and Engels

Engels' Introduction to the Civil War in France*

It is perhaps unnecessary to draw attention to the value of Engels' prefaces and introductions. His relatively long life and the ever-growing demand for both his and Marx's writings gave him the opportunity to re-examine their conclusions in the light of the latest historical developments. Engels' introductions may thus be considered the last word in respect to the different works for which they were written, and, in some cases, the last word concerning certain Marxian theories.

The introduction to the third German edition of the "Civil War in France", written as it was four years before Engels' death, offers, as Lenin has pointed out, the final word on the Marxian theory of the state. It is in this that its interest and value to us primarily lies. For the substance of Marxism is the specific developments of history, and only in relation to these ever new and ever changing phenomena, only as the method of Marxism is applied to present realities, and the Marxian theories are added to on the basis of new knowledge and new experience does Marxism remain true to itself or realize its innermost nature. It is the great achievement of Lenin not merely to have brought Marxism "up to date", but in so doing to have fulfilled its very life-principle and allowed it to realize itself anew.

Lenin attributed primary importance just to those parts in Engels' introduction which served him in the formulation of a revolutionary theory in the interest of revolutionary practice. He gave new life to Engels' words by utilizing them in relation to present concrete developments. And in so doing, Lenin not only showed himself to be a thorough Marxist, but he indicated the path which must be taken in every sphere of human activity, demonstrating the prime importance of applying Marxism to all these spheres, and the fact that only in such application does Marxism realize its true nature.

Part of this introduction to the Civil War in France was translated before by E. Belfort Bax and published in Charles H. Kerr's edition of the "Civil War."** But it is interesting to note that just those sections of Engels' introduction to which Lenin drew special attention are omitted by Bax. In accordance with the tradition of the Second International, these statements as to the nature of the state do not seem to have interested him very much. At any rate, he did not think them important enough to include in his translation. Furthermore, far from being ideal, Bax's translation is hardly adequate, not to say inaccurate. As a matter of fact, it is more often a paraphrase than a translation.

For these reasons it has seemed that a complete translation of Engels' introduction would be quite appropriate, especially for the present number of the magazine, in spite of the fact that many things will prove to be of little interest to us. It is on such occasions that one realizes especially the absolute need for a new and authentic edition of the complete works of Marx and Engels in English.—A. L.

*Third German edition. Berlin, 1891.

**Or does the Kerr edition contain only an abridgement of a complete translation?

THE summons to issue anew the Address of the International General Council on "The Civil War in France" and to provide it with an introduction came unexpectedly to me. I can therefore touch only briefly here on the most essential points.

I am prefixing to the above longer work the two shorter Addresses of the General Council on the Franco-Prussian War. To begin with, because the second, which is not entirely intelligible without the first, is referred to in the "Civil War". Moreover, because these two Addresses, also written by Marx, are, no less than the "Civil War", distinguished specimens of the author's wonderful gift, first demonstrated in the "18th Brumaire", of clearly grasping the character, the significance and the necessary results of great historical events at the time that these events are still being enacted before our eyes or have just come to an end. And finally, because we in Germany today must still suffer the consequences of those events predicted by Marx.

Or has not what the first Address says come true, that if Germany's war of defense against Louis Bonaparte degenerate into a war of conquest against the French people, all the misfortunes which fell upon Germany after the so-called Wars of Liberation would revive again with renewed violence? Have we not had twenty years more of Bismarck-rule; instead of demagogue-persecutions, the exceptional law and socialist-baiting, with the same police arbitrariness, with literally the same atrocious interpretation of the law?

And has not the prediction that the annexation of Alsace-Lorraine would "force France into the arms of Russia" been literally fulfilled, and that after this annexation Germany would either have to become the public servant of Russia, or, following a short rest, prepare itself for a new war, and indeed, "for a race war against the allied races of the Slavs and Romanics?" Has not the annexation of the French provinces driven France into the arms of Russia? Has not Bismarck wooed the favor of the czar in vain for twenty years, wooed with services even lower than what little Prussia, before it had become "the first big power of Europe", was accustomed to lay at the feet of holy Russia? And does not the Damocles-Sword of war hang over our heads daily, a war the first day of which all the written princely alliances will be scattered like chaff, a war about which nothing is certain except the absolute uncertainty of its end, a race war which will expose all of Europe to devastation by fifteen or twenty million armed men and which is not already raging solely because even the strongest of the great military states is afraid of the totally incalculable nature of the final results?

It is thus all the more a duty to make these brilliant, half-forgotten proofs of the far-sightedness of the international labor diplomacy of 1870 accessible to the German workers.

What holds for these two addresses, also holds for the one on "The Civil War in France." On the 28th of May, the last of the combatants of the Commune were crushed by superior numbers on the heights of Belleville, and only two days later, on the 30th, Marx read to the General Council the work in which the historical significance of the Paris Commune is presented in short, powerful and in such incisive and above all such true phrases

as have never again been equalled in the whole of the extensive literature on the subject.

Thanks to the economic and political development of France since 1789, Paris has for fifty years been placed in the position that no revolution could break out there without assuming a proletarian character in such wise that the proletariat, which had bought the victory with its blood, put forward, after the victory, its own demands. These demands were more or less unclear and even confused in accordance with the particular phase of development of the Paris workers; but in the end they all came to the same thing, the abolition of the class antagonism between capitalist and laborer. How this was to happen, it is true, nobody knew. But the demand itself, however indefinitely formulated, comprehended a danger for the existing order of society; the workers who had set it up were still armed; for the bourgeoisie at the helm of the state disarming of the workers was therefore the first commandment. Hence, after every revolution fought out by the workers, a new struggle ending in the defeat of the workers.

This happened for the first time in 1848. The liberal bourgeoisie of the Parliamentary Opposition held reform banquets for the purpose of carrying through electoral reform which should assure domination to their party. More and more forced to appeal to the people in their struggle with the government, they gradually had to permit the radical and republican strata of the bourgeoisie and the petty bourgeoisie to come to the front. But behind these stood the revolutionary workers; and since 1830 the latter had acquired far more political independence for themselves than the Bourgeois and even the Republicans suspected. At the moment of the crisis between Government and Opposition, the workers began the street-battle; Louis Phillippe disappeared, and with him the electoral reform. In its place arose the Republic, and indeed, one designated by the victorious workers themselves as the "social" Republic! Nobody was clear, however, as to what was to be understood by this social Republic, not even the workers themselves. But they now had weapons and were a power in the state. Hence, as soon as the bourgeois republicans at the helm felt solid ground, to some extent, under their feet, their first object was to disarm the workers. This happened in that they were driven to the uprising of June, 1848, by direct breach of pledges, by open scorn and the attempt to banish the unemployed to a distant province. The government had taken care to have an overwhelming superior force. After a five-day heroic struggle, the workers succumbed. And now followed a blood-bath of the defenceless captives the equal of which has not been since the days of the civil wars introducing the downfall of the Roman Republic. It was the first time that the bourgeoisie showed to what an insane barbarity of vengeance it is stirred up the moment that the proletariat ventures to stand up against it as a separate class with its own interests and demands. And yet 1848 was child's play compared to their fury in 1871.

The penalty followed straightway. If the proletariat could not yet govern France, the bourgeoisie was already unable to do so any more. At least not when the majority of it was monarchically minded and split into four parties, three dynastic and a fourth Republican. Their internal wrangles allowed the adventurer, Louis Bonaparte, to take possession of all positions

of power—army, police, administrative machinery—and on December 2, 1851, to blow up the last stronghold of the bourgeoisie, the National Assembly. The Second Empire began: the exploitation of France by a band of political and financial adventurers; but, at the same time, also an industrial development as had never been possible under the narrow and timid system of Louis Phillippe, with the exclusive rule of only a small part of the big bourgeoisie. Louis Bonaparte took from the capitalists their political power under the pretense of protecting them, the bourgeoisie, against the workers and the workers against them; but for that his government favored speculation and industrial activity, in short, the rise and the enrichment of the whole bourgeoisie in a hitherto unheard of degree. To be sure, corruption and wholesale robbery developed to a still greater extent, grouping themselves around the imperial court and drawing a large percentage from this enrichment.

But the Second Empire was the appeal to French Chauvinism, the demand for the re-acquisition of the borders of the first Empire lost in 1814, at least those of the first Republic. A French Empire within the boundaries of the old monarchy, indeed, even within those still more circumscribed of 1815, was impossible for very long. Hence the necessity of occasional wars and extensions of frontier. But no extension of frontier so dazzled the imagination of French Chauvinists as that of the German left bank of the Rhine. One square mile on the Rhine to them was worth more than ten in the Alps or elsewhere. Given the Second Empire, the demand for the re-acquisition of the left bank of the Rhine all in one or piecemeal was only a question of time. This time came with the Austro-Prussian War of 1866; but cheated out of the expected "territorial indemnity" by Bismarck and by his own over-cunning policy of hesitation, there remained nothing for Bonaparte then but war, which broke out in 1870 and drove him to Sedan and from there to Wilhelmshoehe.

The necessary consequence was the Paris Revolution of September 4, 1870. The Empire collapsed like a house of cards; the Republic was again proclaimed, but the enemy stood before the gates; the armies of the Empire were either hopelessly shut up in Metz or captured in Germany. In this extremity, the people allowed the Parisian deputies of the former legislative body to set themselves up as the "Government of National Defense." This was the more readily conceded as, for the purpose of defense, all Parisians capable of bearing arms had now entered the National Guard and were armed, so that now the workers constituted the great majority. But soon the antagonism between the government, composed almost exclusively of bourgeois, and the armed proletariat came to an outbreak. On the 31st of October the working class battalions stormed the City Hall and took part of the members of the government prisoners; treachery, direct breach of faith on the part of the government, and the intervention of some middle-class battalions freed them again, and, in order not to provoke civil war inside a town besieged by a foreign power, the existing government was permitted to remain in office.

Finally, on the 28th of January, 1871, starved-out Paris capitulated. But with honors hitherto unheard of in military history. The forts were surrendered, the line fortifications disarmed, the weapons of the line and of

the Guard Mobile delivered up, and they themselves regarded as prisoners of war. But the National Guard retained its weapons and cannon, and only entered into an armistice with the conquerors. And the latter themselves did not venture to make a triumphal march into Paris. Only a small corner of Paris, consisting, at that, mostly of public parks, did they dare to occupy, and even this only for a few days. And during this time, they who had kept Paris surrounded for 131 days found themselves, in their turn, surrounded by the armed Parisian workers who carefully watched that no "Prussian" overstep the narrow limits of the corner left to the foreign conqueror. Such was the respect that the Parisian workers inspired in the army before which all of the armies of the Empire had laid down their arms; and the Prussian Junkers who had come thither in order to take revenge at the hotbed of revolution were compelled to stand by respectfully and salute this very armed revolution.

During the war, the Parisian workers had confined themselves to demanding the energetic continuation of the struggle. But now, after the capitulation of Paris, when the Peace was made, now Thiers, the new head of the government, could not help realizing that the rule of the propertied classes—of the great landlords and capitalists—was in continual danger as long as the Parisian workers retained their arms. His first task, accordingly, was the attempt to disarm them. On the 18th of March he sent line troops with the order to steal the artillery belonging to the National Guard, which had been manufactured and paid for by public subscription during the siege of Paris. The attempt miscarried. Paris armed itself as one man for resistance, and war was declared between Paris and the French government sitting at Versailles. The 26th of March, the Paris Commune was elected; on the 28th proclaimed. The Central Committee of the National Guard, which had hitherto carried on the government, abdicated into its hands after having first decreed the abolition of the scandalous Parisian "moral police." On the 30th the Commune abolished the conscription and the standing army and declared the National Guard, to which all citizens capable of bearing arms were to belong, as the sole armed power; it remitted all rents from October, 1870, to April, such sums as had already been paid to be credited towards payment of rent in the future; and stopped the sale of pledges in the city pawn shop. The same day the foreigners elected to the Commune were confirmed in their offices, since "the flag of the Commune is that of the World Republic."—On the first of April it was decided that the highest salary of a functionary of the Commune, hence also of its members themselves, was not to exceed 6000 francs (\$1200) a year. On the following day the separation of Church and State and the abolition of all State payments for religious purposes, as also the transformation of all ecclesiastical property into national property was decreed; as a consequence of this, on the 8th of April, the banishment of all religious symbols, images, dogmas, prayers, in short, "everything appertaining to the sphere of the conscience of every individual," was ordered from the schools and gradually carried out. On the 5th, in view of the daily renewed shooting of captured Commune fighters by the Versailles troops, a decree concerning the arrest of hostages was promulgated but never carried out. On the 6th the guillotine was fetched

out by the 137th battalion of the National Guard and publicly burnt amid loud popular jubilation. On the 12th, the Commune decided to overthrow the victory column on the Place Vendome, as a symbol of chauvinism and international malignancy, which had been constructed by Napoleon after the war of 1809 out of captured cannon. This was carried out on the 16th of May. On the 16th of April, the Commune ordered a statistical inventory of all factories stopped by the manufacturers and the working out of plans for the operating of these factories by the workers hitherto engaged in them and who were to be organized into co-operative societies, as well as for an organization of these societies into one great union. On the 20th, it abolished the night work of the bakers, as also the employment agency which, since the Second Empire, had been conducted as a monopoly by police-appointed blackguards—labor exploiters of the first rank; the matter was given over to the mayoralities of the twenty arrondissements of Paris. On the 30th of April it ordered the abolition of pawnshops as a private exploitation of the workers and incompatible with the right of the workers to their tools and to credit. On the 5th of May it decided upon the demolition of the Penitential chapel erected in expiation of the execution of Louis XVI.

Thus, since the 18th of March, the class character of the Parisian movement, hitherto forced into the background by the struggle against the foreign invasion, came sharply and clearly to the fore. Just as in the Commune there sat almost exclusively workers or recognized representatives of the workers, so their decisions also bore a decided proletarian character. They either decreed reforms which the Republican bourgeoisie had omitted to carry out for cowardice alone, but which formed a necessary basis for the free action of the working class, as the carrying out of the principle that as far as the State is concerned, religion is merely a private matter; or it promulgated decisions directly in the interest of the working class, cutting deeply in part into the old social order. All this, however, could, at most, only begin to be realized in a besieged city. And from the beginning of May, all energies were claimed by the struggle against the ever increasing masses of the collected army of the Versailles government.

On the 7th of April, the Versailles had seized the bridge over the Seine at Neuilly on the west side of Paris; on the other hand, on the 11th they were beaten back with bloody heads in an attack on the south side by General Eudes. Paris was continually bombarded and by the very people who had stigmatized the bombardment of the same city by the Prussians as a sacrilegious outrage. These same people now went a-begging to the Prussian government for the speedy return of the French soldiers captured at Sedan and Metz, who were to reconquer Paris for them. The gradual arrival of these troops gave the Versailles a decided superiority from the very beginning of May. This manifested itself already when, on the 23rd of April, Thiers broke off the negotiations concerning the exchange, offered by the Commune, of the Archbishop of Paris and a whole string of other priests retained in Paris as hostages for the single Blanqui who had been twice elected to the Commune but who was a prisoner at Clairvaux. And still more in the altered language of Thiers; hitherto delaying and double-tongued, he now suddenly became insulting, threatening, brutal. On

the south side, the Versaillese took the redoubt of Moulin Saquet on the 3rd of May; on the 9th, the Fort of Issy was completely shot to ruins; on the 14th, that of Vanves. On the west side they gradually advanced, conquering the numerous villages and buildings extending to the outer line of fortifications, up to the principal rampart itself; on the 21st they succeeded, through treachery and as a consequence of carelessness of the National Guard stationed here, in penetrating into the city. The Prussians, who occupied the northern and eastern forts, allowed the Versaillese to press forward across the terrain in the north of the city from which they had been forbidden by the armistice, and thereby to advance attacking on a long front which the Parisians believed to be covered by the armistice and hence only weakly occupied. In consequence of this, the resistance in the western half of Paris, in the wealthy part of the city proper, was only feeble; it became tougher and more violent, the more the attacking troops approached the eastern half, the actual working class section of the city. Only after an eight-day struggle did the last defenders of the Commune succumb on the heights of Belleville and Menilmontant; and now the murder of defenseless men, women and children which raged the whole week through in increasing proportions, reached its peak. The breach-loader no longer killed fast enough; the conquered were battered down with grape-shot. The "Wall of the Federated" in Pere Lachaise cemetery, where the last massacre took place, still remains today a dumb but eloquent witness of what frenzy the ruling class is capable as soon as the proletariat ventures to stand up for its rights. Then came the arrests en masse, as the slaughter of all proved to be impossible; the shooting down of arbitrarily selected battle victims from the ranks of the prisoners; the leading-off of the remainder to great camps where they awaited being brought before the courts-martial. The Prussian troops who were encamped to the northeast of Paris, had an order to allow no fugitives to pass; nevertheless, the officers often closed their eyes when the soldiers obeyed the call of humanity rather than that of their chief in command; the Saxon Army Corps especially, however, deserves the credit of having acted very humanely and of having let many through whose character as Commune fighters was obvious.

If today, after twenty years, we look back upon the activity and the historical significance of the Paris Commune of 1871, we will find that a few additions are to be made to the presentation given in the "Civil War in France."

The members of the Commune split into a majority, the Blanquists, who had also predominated in the Central Committee of the National Guard, and a minority: the members of the International Workingmen's Association, consisting preponderately of supporters of the Proudhon-socialist school. The Blanquists were, on the whole, at that time socialists only from revolutionary, proletarian instincts; only few had attained greater fundamental clarity through Vaillant who knew the German scientific socialism. Thus it is understandable that in economic respects much was neglected which, according to our present outlook, the Commune would have had to do. Most difficult to understand is certainly the holy respect with which they reverently stopped before the doors of the Bank of France. That, too, was a

serious political mistake. The Bank in the hands of the Commune—that would be worth more than 10,000 hostages. That would mean the pressure of the entire French bourgeoisie upon the Versailles government in the interest of peace with the Commune. But what is still more marvellous is the number of right things which the Commune, composed of Blanquists and Proudhonists, did. It is self-understood that for the economic decrees of the Commune, for its laudable as for its inglorious sides, the Proudhonists are primarily responsible; just as for its political actions and omissions the Blanquists. And in both cases, the irony of history has so willed it that—as usual when doctrinaires take the helm—the former as well as the latter did the contrary of that which their school doctrine prescribed.

Proudon, the socialist of the small peasant and the master artisan, hated unionization with positive hate. He said of it that it embodies more evil than good, is unfruitful by nature, even harmful, because it is a fetter placed upon the freedom of the worker; a pure dogma, unproductive and cumbersome, conflicting with the freedom of the worker as with the saving of labor; and its disadvantages grow faster than its advantages; over against its competition, division of labor, private property are economic forces. Only for the exceptional cases—as Proudhon calls them—of big industry and big working bodies, e. g., railways—is organization of the workers in place. (*S. Idee generale de la Revolution*, 3. etude.)

And in 1871 big industry, even in Paris, the central seat of art handicraft, had already ceased to be an exception to such an extent that by far the most important decree of the Commune ordered an organization of large industry and even of manufacture which was to rest not only upon the organization of the workers in every factory, but all these organizations were also to be united in one large union; in short, an organization which, as Marx says quite correctly in the "Civil War", would ultimately have to culminate in Communism, hence in the direct opposite of the Proudhonist teachings. And hence the Commune was also the grave of the Proudhonist school of socialism. Today this school has disappeared from French labor circles; the Marxian theory now rules here undisputed, with the Possibilists as with the "Marxists".

The Blanquists fared no better. Raised in the school of conspiracy, kept together by their correspondingly rigid discipline, they proceeded from the view that a relatively small number of determined, well-organized men are able, in a given, favorable moment, not only to seize the helm of state, but also, by a display of great, unscrupulous energy, to maintain it until they have succeeded in drawing the mass of the people into the revolution and grouping it around the small, leading band. For that the severest dictatorial centralization of all power in the hands of the new revolutionary government was necessary above all things. And what did the Commune do which, in its majority, consisted of just these Blanquists? In all of its proclamations to the French of the provinces, it called for a free federation of all French communes with Paris, a national organization which, for the first time, was really to be created by the nation itself. Just the oppressive power of the preceding centralized governments, army, political police, bureaucracy, which Napoleon created in 1798 and which every new government since then had taken over as a welcome tool and used against

its opponents—just this power was to fall everywhere, as it had already fallen in Paris.

The Commune had to recognize right from the beginning that the working class, once come to power, cannot continue to operate (fortwirtschaften) with the old state machine; that this working class, in order not to lose its own rule which it just conquered, must, on the one hand, do away with all the old machinery of oppression hitherto utilized against itself, on the other hand, however, secure itself against its own deputies and officials by declaring them, without exception, removable at any time. Wherein lay the characteristic peculiarity of the state hitherto? Society had created its own organs for the purpose of taking care of its common interests, originally through simple division of labor. But these organs, the head of which is the state power, had transformed themselves, with time, in the service of their own special interests, from servants of society into lords over the same, as can be seen, for example, not only in the hereditary monarchy, but just as well in the democratic republic. Nowhere do the "politicians" form a more separate and more powerful division of the nation than in North America proper. Here each of the two great parties, to whom domination alternately falls, is itself governed by people who make a business out of politics, who speculate for seats in the legislative meetings of the Union as of separate states, or who live from the agitation for their party and after whose victory they are rewarded with positions. It is known how the Americans have been trying for thirty years to shake off this yoke which has become unbearable, and how, in spite of all this, they are sinking deeper and deeper into this swamp of corruption. It is just in America that we can best see how the independence of the state power over against society, the mere tool of which it was originally intended to be, is proceeding. Here no dynasty exists, no nobility, no standing army, except the few men guarding the Indians, no bureaucracy with fixed appointments or right to pensions. Nevertheless, we have here two great bands of political speculators who alternately take possession of the state power and exploit with the most corrupt means and for the most corrupt purposes—and the nation is impotent against these two great cartels of politicians who are allegedly in its service, but who, in reality, dominate and plunder it.

Against this unavoidable transformation in all preceding states of the state and the state organs from servants of society into lords of society, the Commune used two unfailing remedies. First, it filled all posts, administrative, judicial, educational, by election according to the universal suffrage of the participants, and indeed, with recall at any time by these same participants. And secondly, it paid for all services, high as well as low, only the pay received by other workers. The highest salary which it paid at all was 6000 francs. Place-hunting and career-making were therewith securely checked, even without the imperative mandates of deputies to representative bodies which were added over and above.

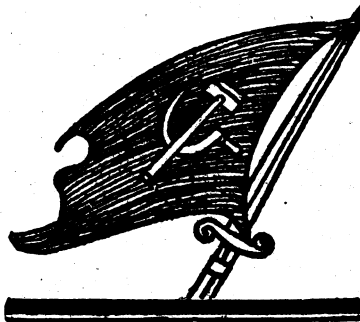
This disruption of the previous state power and its replacement by a new, in truth democratic one, is described in detail in the third part of the "Civil War". But it was necessary to dwell briefly once more upon a few of its features because just in Germany the superstitious faith in the state

has been carried over from philosophy into the general consciousness of the bourgeoisie and even of many workers. According to the philosophical notion, the state is the "realization of the Idea", or, translated into philosophy; the Kingdom of God on earth, the sphere in which eternal truth and justice is realized or should be realized. And from this follows then a superstitious reverence of the state and of all that is connected with the state and which takes root all the more easily as people have accustomed themselves from childhood to imagine that the affairs and interests common to the whole of society could not be taken care of in any other way than in the way they have been taken care of hitherto, namely, by the state and its well-paid officials. And people think they have taken quite an extraordinarily big step forward if they have freed themselves from faith in the hereditary monarchy and swear by the democratic republic. In reality, however, the state is nothing but a machine for the oppression of one class by another and indeed in the democratic republic no less than in the monarchy; and at best an evil which is transmitted to the victorious proletariat in the struggle for class supremacy, and whose worst sides, it will be compelled to prune as quickly as possible, just as the Commune was, until a generation, grown up in new, free social conditions, will be able to throw off the entire state trumpery from itself.

The German philistine has recently been struck with wholesome fear again at the word: Dictatorship of the proletariat. Well then, gentlemen, do you want to know how this dictatorship looks? Then look at the Paris Commune. That was the Dictatorship of the Proletariat.

London, on the 20th anniversary of the Paris Commune.

March 18, 1891. F. Engels.



The Paris Commune in Marx's Correspondence.

1.

ENGELS TO MARX.*

IF ANYTHING can be done in Paris, we must prevent the workers from cutting loose before peace is concluded. Bismarck will soon be in a position to conclude peace whether through the capture of Paris or whether the European situation forces him to put an end to the war. No matter what the peace be, it must be concluded before the workers can do anything at all. If they win now—in the service of National Defense—they will have to take over the inheritance of Bonaparte and the present bourgeois republic and will be uselessly hewn down by the German armies and once more thrown back by twenty years. They themselves can lose nothing by waiting for the end. Besides, the contingent border adjustments are only provisional. To fight for the bourgeoisie against the Prussians would be madness. Whoever it be, the government, which concludes peace will by that very fact make it impossible for itself to endure long and there will not be very much to fear from the army returning from captivity. After the peace is concluded the chances will all be more favorable for the workers than they ever were before. But won't they allow themselves to be torn along again under pressure of the external attack and proclaim the social republic on the eve of the storming of Paris? It would be horrible, if, as a last act of war, the German armies had a barricade battle to fight out against the Parisian workers. It would set us back fifty years and so dislocate everything that everyone and everything would get into a false position and then the national hate and the domination of phrases which would THEN arise among the French workers!

It is damned bad that the people who dare to see things as they **REAL-
LY ARE** in the present situation are so rare in Paris. Where is there one in Paris who even dares to **THINK** that the active power of resistance of France for this war is broken and that thereby the prospect of expelling the invaders by a revolution is gone! But just because the people don't **WANT** to hear the actual truth, I fear that it will still come to that. For the apathy of the workers **BEFORE** the fall of the Empire will surely have changed now.

* (Engels to Marx. Manchester, September 12, 1870. "Der Briefwechsel z. Engels u. Marx" herausgegeben von Bernstein u. Bebel. Vol. 4, p. 335-336.)

2.

MARX TO KUGELMANN.

London, April 12, 1871.

My dear friend!

If you look at the last chapter of my "Eighteenth Brumaire", you will find that I declare the next attempt of the French revolution to be: not merely to hand over, from one hand to another, the bureaucratic and military machine, as has occurred hitherto—but to **SHATTER** it; and this is

the preliminary condition of any real people's revolution on the continent. This, too, is the attempt of our heroic Parisian comrades. What elasticity, what historic initiative, what capacity for sacrifice in these Parisians. After six months of starvation and ruin more as a result of inner betrayal than of the external enemy, they arise beneath Prussian bayonets, as if a war between France and Germany never existed and the enemy were not yet standing before the gates of Paris. History has no similar example of similar greatness. If they are defeated, it will only be the fault of their "good-naturedness". They should have marched on Versailles at once after Vinoy, then the reactionary part of the Parisian National Guard had quit the field of their own accord. The right moment was missed because of qualms of conscience. They did not want to BEGIN the CIVIL WAR; as if the mischievous abortion Thiers had not already begun the civil war with his attempt at the disarming of Paris. Second error: The central committee gave up its power too soon in order to make room for the Commune. Again because of a too "honorable" scrupulousness. Be that as it may, the present uprising of Paris—even if submitting to the wolves, swine and common curs of the old society—is the most glorious deed of our party since the June insurrection. Compare with these heaven-stormers of Paris the heaven-slaves of the German-Prussian holy Roman Empire with its posthumous masquerades scenting of barracks, church, country-squire and above all, philistinism.

Your Karl Marx.

3.

MARX TO KUGELMANN.

April 17, 1871.

Dear Kugelmann:

Your letter arrived all right. At this moment my hands are full. Hence only a few words. How can you compare petty bourgeois demonstration a la June 13, 1849* etc., to the present struggle in Paris is entirely incomprehensible to me.

World history, to be sure, would be very convenient to make were the struggle to be taken up only on the guarantee of infallibly favorable conditions. On the other hand, it would be of a very mystical nature if "accidents" played no role. These accidents naturally fall in the general process of development of their own accord and are compensated again by other accidents. But hastening and retarding are very much dependent upon such "accidents", among which the "accident" of the character of the people who stand foremost at the head of the movement also figures.

The decisively unfavorable "accident" is this time in no way to be sought in the general conditions of French society, but in the presence of the Prussians in France and their position close before Paris. Just because of that they placed the Parisians before the alternative of either taking

*On June 13, 1849, a demonstration of the Mountain party took place against the forceful overthrow of the Roman republic by French troops. It was easily dispersed, sealing the bankruptcy of the petty bourgeois revolutionary democracy in France.

up the struggle or of yielding without a struggle. The demoralization of the working class in the latter case would have been a much greater misfortune than the fall of an arbitrary number of "leaders". The struggle of the working class with the capitalist class and its state has entered a new phase through the Parisian struggle. No matter how the thing turns out now, a new point of departure of world importance has been won. Adio.

Karl Marx.

4.

MARX TO KUGELMANN.

London, June 18, 1871.

Dear Kugelmann,

You must excuse my silence. Even now I only have time to write you a few lines.

You know that during the entire time of the Paris revolution I was continually denounced as the "grand chief of the International" by the Versailles sheet (Stiber* co-operating) and by repercussion by the local journals.

Now a word yet about the Address** which you will have received. It is making the devil of a noise and at this moment I have the honor of being the best calumniated and the most menaced man of London. That really does one good after twenty years of a tedious "Sumpfidylle"*** The government sheet—the "Observer"—is threatening me with legal prosecution. Let them dare. I laugh at the dogs! I am including a cut from the Eastern Post because our answer to Jules Favres' circular is there. Our answer originally appeared in the Times of June 13th. This honorable journal has received a stiff calling down from Mr. Bob Low (chancellor of the Exchequer and member of the supervision committee of the Times) for this indiscretion.

Your Karl Marx.

The following is the letter of June 13th to which Marx refers above:
"To the Editor of the 'Times'.

"Sir:—On June 6, 1871, M. Jules Favre issued a circular to all the European Powers, calling upon them to hunt down the International Workingmen's Association. A few remarks will suffice to characterize that document.

"In the very preamble of our statutes it is stated that the International was founded 'September 28, 1864, at a public meeting held at Saint Martin's Hall, Long Acre, London.' For purposes of his own Jules Favre puts back the date of its origin before 1862.

"In order to explain our principles, he professes to quote 'their (the International's) sheet of the 25th of March, 1869.' And then what does he quote? The sheet of a society which is not the International. This sort

*One of the most hated Prussian police agents.

**Of the General Council on the Civil War in France.

***Swamp-idyl, i. e., twenty years of a tedious uneventful life in the midst of a bog.

of maneuver he already resorted to when, still a comparatively young lawyer, he had to defend the NATIONAL newspaper, prosecuted for libel by Cabet. Then he pretended to read extracts from Cabet's pamphlets while reading interpolations of his own—a trick exposed while the Court was sitting, and which, for the indulgence of Cabet, would have been punished by Jules Favre's expulsion from the Paris bar. Of all the documents quoted by him as documents of the International, not one belongs to the International. He says, for instance, 'the Alliance declares itself atheist, says the General Council, constituted in London in July, 1869.' The General Council never issued such a document. On the contrary, it issued a document which quashed the original statutes of the 'Alliance'—L'Alliance de la Democratie Socialiste at Geneva—quoted by Jules Favre.

"Throughout his circular, which pretends in part also to be directed against the Empire, Jules Favre repeats against the International but the police inventions of the public prosecutors of the Empire, and which broke down miserably even before the law courts of that Empire.

"It is known that in its two addresses (of July and September last) on the late war, the General Council of the International denounced the Prussian plans of conquest against France. Later on, Mr. Reitlinger, Jules Favre's private secretary, applied though of course in vain, to some members of the General Council for getting up by the Council a demonstration against Bismarck, in favor of the Government of National Defense; they were particularly requested not to mention the Republic. The preparations for a demonstration with regard to the expected arrival of Jules Favre in London were made—certainly with the best of intentions—in spite of the General Council, which, in its address of the 9th of September, had distinctly forewarned the Paris workmen against Jules Favre and his colleagues.

"What would Jules Favre say, if, in its turn, the International were to send a circular on Jules Favre to all the Cabinets of Europe, drawing their particular attention to the documents published at Paris by the late M. Milliere?

"I am, Sir, your obedient servant,

"John Hales,

"Secretary to the General Council of the International Workingmen's Association.

"256, High Holborn, W. C., June 12th."



BOOK REVIEWS



THE YOUNG VOLTAIRE, by Cleveland B. Chase. Longmans, Green and Company, New York City. pp. 253. 1926.

IN the cultural history of Western Europe there is probably no period as interesting as the Age of the Enlightenment—and there is no figure more typical of this age, more expressive of its strength and weaknesses than Voltaire. There were men of the age more profound, more learned, more far-sighted, more consistent, more courageous but, just for this reason, they passed BEYOND their age, which was neither profound, nor learned, nor far-sighted, nor consistent, nor particularly courageous. Nor was Voltaire! But what the Eighteenth Century was, that was Voltaire, the Spirit of the Age incarnate.

Mr. Chase's interesting sketch of the youth of Voltaire, though leaning entirely too heavily towards personal biography, does have some success in eliciting the significance of its hero's early career as the expression of the social tendencies at work in pre-revolutionary France. The position of the rising bourgeoisie in French society, its relations to the decadent aristocracy, the role of the Church, the gathering clouds of social conflict and their reflection in the current ideology, especially in the literary and artistic concepts and canons, the rise of the PHILOSOPHES, the significance of bourgeois England in the French social thought of the period, the revolutionary import of physical science, particularly in the polite and somewhat superficial form that gained great currency during the eighteenth century—all these phases of social life and movement find their illustration and expression in the career of Voltaire and are therefore touched upon, if not adequately treated in this biography.

Mr. Chase is quite right in fixing on Voltaire's visit to England as the most significant event in his early life, perhaps in his whole career. It is an event of symbolic significance for the whole trend of French social thought. To the leading ideologists of the French bourgeoisie the England of the time was a veritable fairyland of Reason, Freedom and Tolerance. "Reason is free here (in England) and walks her own way." "You will see a nation fond of their liberty, witty, learned, a nation of philosophers" (Voltaire, in some letters to Foulet). The "freedom", of course, extended no farther than the privileged circles (the aristocracy and the upper bourgeoisie) of that happy society, the "tolerance" and "reason" never passed beyond the limits of the best-received bourgeois preconceptions—but this was precisely the liberty and the tolerance for which Voltaire and the philosophers were pining and which were so conspicuously absent in their native land. With almost childish glee Voltaire tells in his English letters of meeting and conversing with a real live Quaker who had the oddest ideas about religion and yet was tolerated in this remarkable land. With true eloquence he sings the praises of the land where the bourgeoisie is regarded with respect instead of contempt and where the merchant whose labors unite the four corners of the earth and throw the treasures of every land into the lap of England is considered a worthier citizen than the idle, parasitic, peer of France.

"In France anyone . . . can say, 'A man like me, a man of my position,' and haughtily disdain a merchant. The merchant hears himself and his profession scoffed at so often that he is stupid enough to be ashamed of it. And yet I am not sure which is of most use to a state, the well-powdered lord who knows the exact hour when the king arises and retires and who gives himself airs of importance while playing the role of a slave in the ante-chamber of a minister, or a merchant who enriches his country, who from his office gives orders in India and in Egypt, and contributes to the happiness of the world." (*Lettres Philosophiques*, Lettre X).

Freedom of speech and thought, toleration of heterodoxy, the bourgeoisie in its proper place in society—what else was wanted to make Great Britain the Utopia of the bourgeois ideologues, a Utopia, moreover, that really existed. In fact, the very spread of information throughout France about such a country took on a certain revolutionary significance, very much as is the case with the Soviet Union and the capitalist world of today.

"Contemporary French readers (of Voltaire's English letters) . . . found somehow that they were looking out upon a new world; that a process of disintegration had begun among their most intimate beliefs and feelings; that the whole rigid framework of society—of life itself—the hard, dark, narrow, antiquated structure of their existence—had suddenly, in the twinkling of an eye, become a faded shadowy thing." (Lytton Strachey, *Books and Character*, p. 125).

In fact Voltaire's visit to England was historically quite analogous to the labor delegations to the Soviet Union—a bourgeois delegation from the land of feudalism. Although we may not agree with Mr. Chase's estimation that this English visit literally made a "new man", a philosophe, out of the fashionable wit, yet we may certainly agree that it marked a fundamental turning point in his career, a great epoch in his life, and symbolically, in the social life of the eighteenth century. Not Voltaire alone, but the entire intellectual vanguard of the French bourgeoisie took the "trip to England."

We too, at present, are witnessing the collapse of the old and the rise of the new, we too are in the epoch of decay and rebirth, we too are on the eve of revolution—and therefore for us the great Eighteenth Century is of profound interest. In its parallels and in its equally important contrasts to our epoch, it has much to teach us. Let us learn. Apex.

* * * *

REVELRY, by Samuel Hopkins Adams. Published by Boni & Liveright, New York. 318 pp. Price \$2.00.

HISTORIC novels have inherent shortcomings. These shortcomings mostly eliminate all historic value from such novels. Yet, some times one must be thankful for the existence of this form of literary expression. How were it possible for the contemporary homo to get an even half way comprehensible and connected picture of historic truths which, though important and of far reaching consequences, yet are not fitting into the scheme of official history. Official history describes the shining buttons on the uniforms of official functionaries; it spends barrels of ink and tons of paper in fixing specifically how the great men walk and talk. All of their public acting is pictured accurately.

But beneath the shining buttons and faultlessly pressed pants there are men; some are modest and many ambitious, some are straight and most scheming, few are unselfish and many greedy, some are naive and most sync, some are misers and others spendthrifts. Beside of all of

these individual qualities there is the primary urge of capitalist society with its imperative command: enrich yourself! And then, there is the inner urge of the official, which whispers incessantly: this is your chance—use it! And, therefore, all the public acting of these public men notwithstanding, in their actions—private and, in the name of the public—they are influenced and guided by a private aim and by their real nature. Thus it happens that beside the official actions of these “great men” of the nation, which actions, of course, are in line with the desires and needs of the capitalist class, they are also carrying on actions of a more or less official nature, with more or less private results.

The administration of President Harding established the rule of Daugherty, Fall, Denby, etc. This administration was so saturated with private, semi-private and semi-official actions. These latter actions even overshadowed the public play acting of the gentlemen involved and became a scandal. But this scandal is semi-official. It is not part of the official history of the Harding administration. No official historian would dive into this morass to bring to the notice of the American public its evil smell.

And here, I say the historic novel comes in handy. It fills a need. The novelist can undertake what the historian is loathe to touch. The novelist can cover his trail. As novelist he can change the locality of the play and the names of the actors. He can let one do what historically was done by another. And yet, in spite of all the freedom the novelist may take in these respects, he performs a public service. He pens historic events for the contemporary, which would be dug up otherwise only by future historians for future generations.

In *Revelry*, by Samuel Hopkins Adams, we have an excellent specimen of a semi-historic novel. In the absence of a history of the events dealt in it this novel must and can serve as such. The author sticks very close to facts, though he is naturally anxious to steer clear of legal pitfalls. And his investigation of the facts justify him in his judgment of the rule of our democracy during a certain period. The author puts this judgment into the mouth of one of his characters. And it is a fitting judgment, indeed. “Then you should know that in well-posted circles these gatherings are known as whist parties. Yes, at night the Crow’s Nest is sacred to the chaste revelry of card and chip. By day it is severely business. There the real cabinet meets and does a profitable trade. Secretary of Deals, Secretary of Pardons, Bootlegger General, Secretary of Office Sales, Secretary of Judicial Bargains, Receiver General of Graft, Secretary of Purchasable contracts, Secretary of Public Health and Private Wealth—he is the worst of the roost—Chief Dispenser of Jobs . . .” This is a just condemnation of a system. And the author puts it into the mouth not of a “red” but of a serious and influential U. S. Senator. When we “reds” read the characterization: “Under the present administration this government is a government of spies”, then we think of the rule of Burns and say: “Never was there a greater truth put into a novel.”

Revelry deserves its popularity. And if we can help make it outrank the next best seller by a million copies we would consider it a service in the struggle against corruptive capitalist rule.

—M. B.

THROUGH THE MONTH

American Imperialism Threatens Mexico

January 1. The oil and land laws passed by the Mexican Congress in pursuance to the Mexican Constitution went into effect. These laws provided that all foreign-owned lands whose owners do not comply with the regulations for a new registration and re-application for their concessions be declared confiscated and revert to the Mexican nation. The U. S. Department of State had several times previously protested against these regulations, in spite of the fact that they were merely enforcing the constitutional provisions of the Mexican state.

January 6. President Calles issued orders that all concessions that had not been registered be declared confiscated and be proceeded against legally. In reply, Secretary of State Kellogg threatened drastic action if American property was made to submit to these laws. The withdrawal of recognition would be the first step.

Within Mexico the reactionary and clerical forces, encouraged by American threats and assisted by help coming from American territory, intensified its attacks on the Calles government and broke out in revolt in a number of places.

January 12. The American government had a formidable naval array in the Caribbean waters (in connection with Nicaragua) besides 15,000 soldiers massed on the Mexican border.

January 11. President Coolidge, in his message to the Senate, repeated the threats of the State Department against Mexico if it continued its policy of "confiscating" the unregistered American oil lands. In his reply, made public **JANUARY 12**, President Calles, through a statement of the Mexican Minister of Foreign Affairs, made it clear that the Mexican government was ready to defend its independence and its right to enforce its constitutional provisions. Meanwhile huge labor demonstrations of protest were being held in practically every country in Central and South America under the auspices of the various labor and anti-imperialist organizations, especially the All-America Anti-Imperialist League which issued an appeal, signed by the ten sections in the Latin-American countries, to the American workers and farmers to resist the attempts of the U. S. government to attack Mexico.

January 25. The question of Mexican policy came up before the Senate where the discussion centered about Senator Robinson's (Arkansas) resolution to arbitrate all differences with Mexico. This resolution was passed on **JANUARY 25** with a very suspicious unanim-

ity (79 to 0). Senator Norris' resolution prohibiting the use of American armed forces in Mexico without the consent of Congress was withdrawn when it became obvious that it would be defeated.

In spite of the unanimous vote, administration spokesmen, in the Senate and without, made it clear that the "rights" of the American oil companies in Mexico would be vigorously pressed.

United States Intervenes in Nicaragua

January 4. Because of the continual demands for a statement of policy from the administration in regard to Nicaragua the cabinet held a long session (**JANUARY 4**) and decided to continue its aggressive imperialist policy in the Caribbean. The reasons given were the necessity of maintaining the "property interests and rights" of Americans as well of protecting the proposed canal area of the United States. The statement was very defiant in its tone in rejecting the interference of the House and the Senate in the conduct of affairs in Mexico and Nicaragua. This is probably in response to the uproar raised in both houses of Congress by the southern democrats and certain progressives against the policy of the administration. (Senator Wheeler's resolution attacking the State Department and demanding a change of policy came before the Senate on **JANUARY 3**.)

January 5. Secretary of State Kellogg was called to appear before the Senate Committee on Foreign Relations to explain the administration policy on Nicaragua. This decision was reached at a stormy session of the committee at which the Wheeler resolution was discussed. No action was taken on the resolution.

January 6. There are reported 6 cruisers, 7 destroyers, a transport ship, a mine sweeper and three thousand men in Nicaraguan waters. The embargo on arms was also lifted for the benefit of the Wall Street puppet, Diaz. Meanwhile, the Sacasa forces were advancing regularly.

January 8. The Workers (Communist) Party of America issued a call for a united front addressed to the A. F. of L., the S. P., the I. W. W., and all other labor and farmers' organizations for a struggle against the imperialist ventures of the American government in Mexico, Nicaragua, and China.

January 12. Attempting to justify the administration policy before the Senate Foreign Relations Committee, Secretary of State Kellogg raised the "red scare," declaring that the Communist Inter-

national and Soviet Russia were responsible for all the anti-American feeling in Central and South America. This statement, in so far as it applied to the Soviet Union, was branded as absurd by Alexandra Kollontai, Soviet ambassador to Mexico (JANUARY 13) as well as by Litvinoff, acting commissar of foreign affairs of the Soviet Union (JANUARY 18).

January 14. The ten sections of the All-America Anti-Imperialist League in Latin-America and the one section in the United States, issued an appeal addressed to the workers and farmers of America, calling upon them to oppose the attacks of American imperialism in Nicaragua and Mexico.

Meanwhile great demonstrations of sympathy and solidarity are being held in all parts of Latin-America and in many parts of the United States and in many other parts of the world.

Bukharin Sounds Warning of Danger of New Wars

January 13. In his report on the international situation of the U. S. S. R. to the XV Conference of the Moscow organization of the C. P. S. U., Nikolai Bukharin, member of the Political Bureau the C. C. of the C. P. S. U. and editor-in-chief of Pravda, arrived at the most serious conclusions in regard to the danger of new wars. In line with his report the resolution passed pointed out: In bourgeois international politics actively hostile tendencies are coming to the foreground. Under the lead of the British Conservative government a number of states (Poland, Lithuania, Roumania) are heading towards breaking off relations with the U. S. S. R. and towards war. This is evidenced by the hidden preparations for war, by the diplomatic attacks on the Soviet Union, by the sending of military agents to these states, by the propaganda campaign against the U. S. S. R., and by the recent series of Fascist coups and upheavals.

January 30. In a manifesto issued the Executive Committee of the Communist International calls attention to these same phenomena as well as to others on an international scale that make for the development of a war danger. The manifesto declares that the sword of imperialism hangs over China, that open military intervention is being prepared and that America is furthering England's policy in return for England's friendly toleration of the U. S.'s imperialist attacks on Nicaragua and Mexico. The attacks on China are declared to be the first steps towards an armed attack on the Soviet Union. An appeal is made to the workers of the world to fight against the dangers of new wars and especially to the transport and dock workers not to transport soldiers and war materials in the new imperialist war.

Fifth Pan-American Labor Congress Call Issued

January 14. The fifth session of the Pan-American Labor Congress has been called to meet in Washington on July 18, 1927. The call, January 14, signed by Wm. Green, president, Luis Morones (Mexico), vice-president, Matthew Woll, treasurer, Santiago Iglesias (Porto Rico), Spanish language secretary, and Chester Wright, English language secretary, contained nothing beyond the formal phrases of the need for unity, etc. No mention whatever is made of the crisis in the Pan-American labor movement as a result of the American invasion of Nicaragua and the threats of war against Mexico.

A. F. of L. Investigating Committee Reports to Executive Council on N. Y. Furriers' Union

January 16. The committee, headed by Matthew Woll, appointed to investigate the New York needle trades unions, especially the Furriers' Union, reported to the Executive Council of the A. F. of L. in session at St. Petersburg, Fla., January 16. In a statement made after hearing the report Pres. Wm. Green said that "shocking conditions" were found to exist. In regard to the Furriers' Union Green declared that the members of that union were "mostly foreigners" and susceptible to teachings of a "destructive nature." He claimed that the committee had "conclusive proof that Moscow directed the recent strike of that organization."

The most sensational charge of the report was that the strike leaders of the Furriers had given large bribes to the New York police during the strike.

J. P. Ryan, president of the Central Trades and Labor Council of the city of New York, himself a member of the investigating committee, repudiated these charges of bribery against the Furriers' Union and maintained that the committee had no conclusive evidence of their truth. Mr. Ryan is motivated in breaking this united front against the left wing by his desire to save the "reputation" of Tammany Hall and its police.

The New York Joint Board of the Furriers' Union, under left wing and Communist leadership, recently won a hard-fought strike in New York City in spite of the continued attempts at sabotage on the part of the reactionary International officialdom and the A. F. of L. bureaucracy. The report of the investigating committee appointed by the A. F. of L. is a part of the drive of the reactionary labor bureaucracy to drive all militant elements from the trade unions and to convert the unions into organs of class collaboration.

Farmer-Labor Conference of Minnesota

January 17. The Farmer-Labor Conference of Minnesota opened at St. Paul with 185 delegates representing trade unions, co-operatives, and other workers and farmers' organizations.

The Farmer Labor Party of Minnesota is the second largest party in the state (The Republican Party is the largest, the Democratic Party is fast disappearing) and, in the last elections, polled over a quarter of a million votes.

The Farmer Labor Party of Minnesota strives to contain all elements who are willing to go forward towards building a party of the workers and the farmers. In the words of W. E. Ewen, the chairman of the conference; "All are welcome in the Farmer Labor Party who stand for a movement forward. Communists, socialists, trade unionists, single taxers, all can go forward together in the Farmer Labor omnibus."

The attempts of the right wing of the movement to liquidate the independent Farmer Labor Party and to return to work in the old parties had been fought before the conference and gave little trouble at its sessions.

Resolutions were passed taking a strong stand against the imperialist policy of the American government and demanding the withdrawal of the American naval forces from Nicaragua. The second resolution urged the impeachment of Kellogg as the tool of Wall Street because of his actions in regard to Nicaragua.

A very important resolution was passed strongly supporting independent political action on the part of the workers and the farmers and branding the parties as the servants of the "special privileged interests." Another resolution calls upon the workers and farmers of the rest of the country to follow the example of Minnesota and build state parties of workers and farmers with a view to organizing a national party in 1928 and placing a national ticket in the field.

New York Needle Trades Workers Join in Protest Against A. F. of L. Disruptive Policy

January 20. Over twenty-four thousand workers crowded seventeen meeting halls in the city of New York in the huge mass demonstrations called by the Joint Boards of the Cloak and Dressmakers' Unions and of the Furriers' Unions to protest against the A. F. of L. policy of expulsions and union disruption.

These meetings were called as a counter-demonstration to the meetings organized by the self-styled "Committee for the Preservation of the Trade Unions", recently formed by the reactionary needle trades bureaucracy with the assistance of the A. F. of L. officialdom, in order to drive all

militant elements, Communists and left wingers, from the trade unions and to make the unions into subsidiaries of the bosses. This demonstration against the left wing had the active support of the Amalgamated officials and the International officials of the I. L. G. W. U., who went to any extreme to get the workers to come to their meetings. Nevertheless, the right wing meetings were a failure while the counter-demonstrations of the left wing were huge demonstrations of protest.

The Nationalist Revolution in China

JANUARY marked a turning point in the relations between the various imperialist powers, especially England, and China. Alarmed by the continual progress made by the Canton government on the military field, as well as in the consolidation of its political power in the territory already occupied by Cantonese troops, Great Britain began looking about for some means of checking the growing influence of the nationalist movement.

At the beginning of the month, the Southern Nationalist government was in control of roughly one-half of China, from the Yangtze River South, and was making rapid progress toward Shanghai, the largest city of China, being already within 200 miles of the city. The fall of Shanghai would have been a severe blow to the foreign imperialists. It is the center of Chinese commerce. It received 35% of all tariffs. Its population is one and one-half millions, of whom 40,000 are white foreigners. Had Shanghai been taken by the Cantonese, the backbone of foreign exploitation of China would have been broken. Britain therefore began to seek ways and means of intervening with a view toward saving its own interests. It utilized the occupation of the foreign concession in Hankow (the capital of the Southern Nationalist government) by the Chinese as an excuse and began immediately mobilizing a strong force for the occupation of Shanghai.

January 18. The officials of the foreign concession in Shanghai issued a statement asking that the powers send 25,000 troops to "protect" Shanghai. This was followed by mobilization of 13,000 troops by the British government, and the dispatch to Shanghai of about half that number immediately, with the others only awaiting the necessary transports. At the same time, vessels were sent from India and other Asiatic stations to China. Other powers followed this example, the United States having by the end of the month 55 vessels and 8,000 men in Chinese waters under the command of Admiral Williams, with more held in readiness at Hawaii and the Philippines.

January 24. Eugene Chen, foreign minister in the Canton government issued a statement demanding hands off China. China, he said, can take care of her own affairs. "The question", he added, "is not what Great Britain and other powers are willing to grant to China, but what Nationalist China may justly grant to Great Britain and other powers."

After this declaration, but nevertheless continuing to send troops, England offered new terms to the Canton government, without recognition. These terms included abolition of extra-territoriality, the right to levy tariff and Chinese participation in the government of foreign concessions, and were promptly rejected by the Canton government.

January 28. Coolidge issued a statement declaring that if necessary, the United States would use force to protect its citizens and its interests in China, and advising that American citizens do not leave China. It is evident that Coolidge desires at least one dead American "victim" of the upheaval in China so that an imperialist slaughter of hundreds of thousands of Chinese may find a "justification."



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