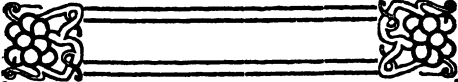


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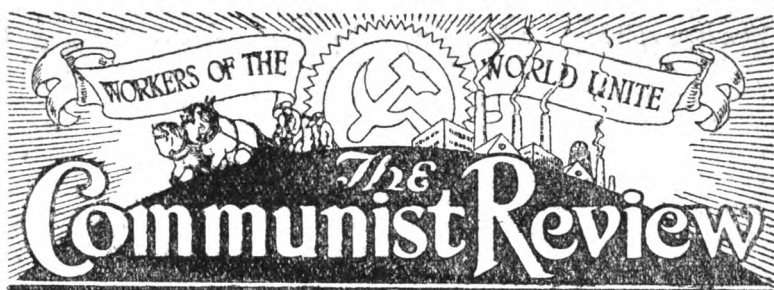
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## THE EDITORIAL VIEW

**T**HE month of August brings to our memory the opening, eleven years ago, of the imperialist butchery, which played such havoc among millions of peaceful working class families. Once the Great War was ended, a new world was to usher in the era of universal peace and brotherhood of the nations. Out of the chaos was to rise order and well-being for all.

Eleven years have passed since then; with what results? Where is the new world of expectation and abundant hope? When is the era of universal peace and brotherhood to be opened? These are the questions which must press upon the mind of everyone this August, who reflects on the promises and the experiences of these last eleven years.

What are the facts to-day? Instead of the new world we see the same old game at work of exploitation, of financial intrigue, and secret political diplomacy on behalf of concentrated vested interests. Far from an era of peace, the actual state of world affairs to-day is characterised by all the elements making for fresh wars and revolution.

It would be criminal folly for example, to under-estimate what is happening in China, or Morocco, and refuse to recognise in these two events alone, the dangers of another world conflagration. It may be said that these are little local events. Yes, but we know that August, 1914, was the culmination of a great many similar little wars. The situation in China and Morocco is no mere local revolt of brigand militarists, such as we have known in the past, inspired and subsidised by one group of interests trying to over-reach another. We are faced with national revolutionary movements.

The Chinese movement is already in the throes of a general strike. It has passed beyond the stage of limited economic demands. It has entered upon the path of revolu-

tionary political action. But the liberation of China and Morocco from the grip of the foreign imperialists means the rousing to revolutionary action of the hundreds of millions of oppressed peoples in the whole of the East. This, neither the British, the French, the Japanese nor American imperialists can conjure with for a moment. Yet, as experience teaches, the intriguing and secret diplomacy of monopolist interests may over-reach itself and provoke war on a large scale.

\* \* \* \* \*

From yet another angle, the imminent danger of war may be seen. This is from the angle of the economic crisis in Europe. In Germany, we see the beginnings of a big financial crisis from the collapse of the Stinnes combination, and rousing of this once powerful business built up from the swindling and jerry-mandering that went on under the Social-Democratic government of the Second International.

The Agent-General for Reparations has just reported on the ten-months' receipts for the first year of the Dawes Plan. No less a sum than 754,291,883 gold marks have been disbursed among the Allies. Now the problem has arisen as to how these reparation payments are to be absorbed. It is the fundamental problem of capitalist economy, the relation of exports and imports to the stabilising of industry. Germany has to buy raw materials on the outside market, and pay for these in manufactured goods. Accordingly, to meet the burden of reparations there must be an excess of exports over imports. That is to say, manufactures of one to two milliards gold marks have to be dumped on to the world market.

The International Chamber of Commerce tries to meet this problem by restricting German exports to one-fifth of the world exports. This in effect means wholesale unemployment in Germany if such restrictions are carried out. When the Dawes Plan was inflicted on Germany by the Ramsay MacDonald-Herriot combination, the leaders of the Second International hailed the scheme as a big step in the direction of Socialism. We now see how hollow were these pretences of stabilising Europe.

\* \* \* \* \*

In France, the economic and financial crisis is latent. The perilous condition of the franc, and the high cost of living, is aggravated by the increased burden of expenditure created by the Moroccan adventure, and the Damocles sword of debts which New York keeps dangling over the heads

of the French bourgeoisie. The whole of the working class, and the petty bourgeoisie is thus being roused to renewed opposition to the Painlevé Government.

\* \* \* \* \*

Here, in Great Britain, the economic crisis is no less acute. Unemployment, while reflecting the state of industry generally, continues to prove the bogey of the Treasury and financial experts. In the past the time-worn expedients for unemployment crises were mass emigration and the building of warships. Both these expedients are ruled out to-day for two very strong reasons. In the first place, the colonies of the Empire can no longer be used as dumping grounds for the derelicts of British industry. The colonies are fully grown up capitalist countries occupied in searching for markets for their own industry. In the second place, the naval and shipping supremacy of the British bourgeoisie no longer exists. An extensive naval programme might, as a section of the Baldwin Government argue, absorb the unemployed, but this cannot solve the problem. The naval programme announced by the government can only have one ultimate result, and that is to open a new race for armaments with all the dangers such a competition implies. Indeed, so onerous already is the burden of taxation, that any additional increase upon the Budget for expenditure will but serve to intensify the present economic deadlock.

\* \* \* \* \*

Of course, the British bourgeoisie, like its brothers abroad, expects by an extensive attack upon wages and the hours of labour to find a way out.

In our special article on the mining crisis on another page, we have a picture of the economic conditions of the industry revealing the complete bankruptcy of capitalism to afford a living wage to the miners. It is with the mining industry in the condition described by our special correspondent, that the owners have launched their attack—an attack which is the prelude to striking at the workers all along the line.

The miners' delegate conference which took place on July 3, wisely decided unanimously to reject the owners' terms. They also urged the districts not to depart from National Settlements, and to accept nothing but a wage to meet the increased cost of living. The Government thereupon fell back upon the old trick of trying to bring the parties together, but failed. They then decided to set up a

Court of Inquiry composed of three, M. H. P. Macmillan, Mr. W. Sherwood, and Sir Josiah Stamp. The first is a Tory lawyer, the second a National Organiser of the National Union of General Workers, and the third was recently appointed president of the Executive of the London Midland and Scottish Railway. He was previously the secretary of Nobel's Industries.

If the miners maintain the spirit of their decision of the 15th July, when, at their Annual Conference, they decided unanimously that they "accept" no Court of Inquiry, that has for its object the ascertainment of whether mine workers' wages can be reduced or their hours extended, as these questions were fully discussed at the last inquiry," then nothing can avert a gigantic struggle.

\* \* \* \* \*

Meanwhile, pending the time when the notices expire, the rest of the movement is dallying with an elaborate constitutional process of setting up a Workers' Alliance. The need for a real *Workers' Alliance is now*. It is not enough for the General Council to issue manifestoes declaring their support of the miners in the coming struggle. Resolutions will not help the miners when they are faced with a lock-out at the end of the month. When in 1920, there was danger of an attack on Soviet Russia, decisive action was taken immediately. The machinery must be set in motion NOW. All talk, such as the statement of Citrine, the acting secretary of the General Council of the T.U.C., that this is an "economic dispute," is a definite sabotage of the working class defence against the capitalist attack. The miners' crisis is part of the general economic crisis in British industrialism. For that reason it has passed beyond any purely economic stage. It is a definitely political crisis, and can only be solved by revolutionary political means.

As our correspondent shows, private ownership in the mining industry has completely failed. Therefore, Socialisation of the industry is the only way out of the chaos created by the exploitation for private enterprise. With socialisation, the seven hours day can be secured; likewise the minimum living wage. But the miners cannot expect to win if they have to fight alone. The Communist Party, therefore, has no hesitation in urging the miners to call upon the transport and railway workers to put their professions of Labour solidarity to the proof by common strike action if necessary. Anything less than this will be futile, and lead to the wholesale defeat of the working class, and a complete victory for reaction.



Thus we see how futile it is to hope for the stabilisation of capitalism, or for social peace. The period that lies before us is an era of big class struggles and new wars.

The repercussions from China and Morocco; the Baldwin-Chamberlain policy of bolstering up Germany to weaken France on the one hand, and to detach Germany from Soviet Russia on the other, can only aggravate the political certainty of strife in Europe.

The reformist Socialists of the Second International—the Labour imperialists of Great Britain, and the social-patriots of France, Belgium and Germany—who seek the pacifist path via class collaboration, are being hoisted with their own petard.

Each succeeding reformist nostrum only brings about new forms of battle. It does not abolish struggle.

Pacifism, class collaboration and compromise, which encourages *patience* amongst the working class, is a policy of weakness. It only provokes the contempt of the capitalists. Against such a policy the Communist International opposes the latent power of the working masses. Once united in its ranks and clear in its political objective—the overthrow of capitalism—wars and social strife will end. Till then, the class struggle goes on. Let every worker heed the warning, and call to action of the Communist International.

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# The Crisis in the Mining Industry

By BERT WILLIAMS

**A**BOUT the middle of 1920 commenced the present world economic crisis, a crisis differing from those periodical crises which disturbed the general upward trend of capitalism prior to the war. The crisis out of which the capitalist class is vainly trying, at present, to rescue capitalism, has arisen out of the world war—which was by no means an accident, but was the inevitable outcome of the imperialist policy of the various powers—and out of the “Peace” of Versailles.

## Dangers Ahead.

Since 1920, frantic attempts have been made to “stabilise capitalism,” the most recent being the Dawes Plan, and the return to the gold standard. However, despite temporary improvement in certain countries, the process of capitalist decline is going on apace. The very remedies which have been put forward as a solution only operate for a time, placing greater difficulties to be overcome in the future. The position in relation to crises can be summed up in the words of Marx: “it overcomes them only by means which again place barriers in its way in a more formidable size.”

It is imperative that we should understand this because we cannot hope to be successful unless we have correctly estimated the position of the enemy. An army which goes into battle with a generalship having no knowledge of the strength and weakness of the enemy is doomed to defeat, and to the terrible consequences which must follow. Whether the reformist leaders like it or not, the fact is, that strikes are a form of warfare. Therefore, a knowledge of the condition of the enemy is essential. Not only must we get clear as to the issues, but we must have the courage to face up to the facts as they present themselves.

There is a danger, and a real danger, that we shall have a repetition of 1921 in the mining industry. It has been the cry of some that it is useless fighting because it is not possible for the mining industry to give the workers a decent standard of life. This line of argument which comes from the reformist.

leaders of the working class is the argument of the boss. It is no longer a question of trade union bureaucrats bargaining round the table with the boss for the best price they can obtain for the men whom they are supposed to represent. To-day, every demand of the workers for a better standard of living, even for the maintenance of their present low standard, represents a menace to the capitalist system. Wage struggles, therefore, are revolutionary political struggles involving the massing of the whole forces of both sides in a life and death struggle for power. This must be made plain to the workers.

Every scheme for the re-establishment of capitalism can be boiled down to an attack upon the standard of living of the workers. It is they who are to bear the burden of the present chaotic state of industry. Nowhere is this more clearly to be seen than in the mining industry. At the annual meeting of the Ebbw Vale Steel, Iron and Coal Co., held on June 30th, 1925, the chairman, Sir Frederick Mills remarked: "We must, therefore, either find new markets or fresh uses for our coal, or *better still, reduce our cost* and so regain the markets we have lost by reason of it. . . when it is borne in mind that the cost for coal in a ton of steel is as much as from 25 to 50 per cent. according to the locality, it will be apparent that without cheaper coal, the advantage must lie with our competitors abroad . . . and if, as I firmly believe, the cost of coal and of iron and of steel is *made up of at least 90 per cent. labour*, it is evident that our employees must *co-operate with the management wholeheartedly to get our cost down in order to regain our markets overseas.*" There can be no doubt as to the meaning of this, yet it is but typical of the pronouncements made by the whole of the capitalist class.

### Why Exports Decline.

During the war the demand for goods of all kinds resulted in a big increase of productive power, and the capacity of industry to produce was increased enormously. The government, in order to prosecute the war were concerned only that the goods would be delivered. Industries were brought under control. Thus when the slump came, we find industry with a greater capacity than ever to produce, coupled with a shrinkage of the market for those goods. (A factor in this shrinkage of consumption is the decreased purchasing power of the workers consequent upon their decreased standard of living.)

An analysis of the table of world production of coal given in the Statesmen's Year Book 1925, gives some very interesting results. It shows the decrease that has taken place in the world's production of coal, from which we are able to

gather the extent of the shrinkage in the world's consumption of coal. These figures reveal that there has been a drop in world production in 1923 of nearly 3 per cent. as compared with 1913. The percentage decrease in 1924 is nearly 4 per cent. For Europe there is a drop in 1923 of nearly 20 per cent. from 1913, and in 1924 a drop of nearly 10 per cent. If we take Britain, the figures disclose the facts that there is a decrease, compared with 1913 of 4 per cent. in 1923, and a drop of nearly 6 per cent. in 1924. The decrease for Germany over the same period is much greater. In 1923 there was a drop of 56 per cent, and in 1924 a drop of 16 per cent. These figures relate to Germany within her present boundaries. We see from this that Britain's production of black coal is above that of Germany. It is indeed above that of the European average.

The position may be stated briefly thus :

(a) A shrinkage of world consumption of nearly 4 per cent.

(b) A shrinkage of European consumption of nearly 10 per cent.

(c) A shrinkage of European consumption (excluding Britain) of nearly 13 per cent.

(d) A shrinkage of German consumption of over 16 per cent.

(e) A shrinkage of coalfields previously included in Germany, nearly 15 per cent.

This must bring us to the conclusion that the cause, or the primary cause of the decline in the export trade of Britain is due to under-consumption, which in turn is due to the world economic crisis, and not as the capitalist class are claiming, that it is due to German competition.

### Colonial Competition.

Another factor which must be taken into account is the industrialisation of parts of the world which previously provided us with a market. Thus, coalfields are being developed in such places as Africa, China, India and Australasia. While, as we have seen, there is a decrease in production in Europe, in the countries mentioned above, there has been an increase as the following figures show : The production in South Africa has increased 41.2 per cent. over that of 1913. For the same period the increase in Rhodesia is 200 per cent., China 41 per cent., India 24.8 per cent., Japan 26.6 per cent., Australasia, 27.6 per cent. It must be remembered that wages are much lower in these countries, with the exception perhaps of Australasia. The Indian miner, for example, works

for about 7d. per day, and it is not native capital that operates in these countries, but it is, as Comrade Saklatvala put it the other day in a speech, "the British investor abroad."

### Lignite for Coal.

Then there is the increase in use of lignite as a substitute for coal which has had its effect in reducing the consumption of coal. The production of lignite in 1913 amounted to about 125 million metric tons. In 1924 it had risen to 168 million tons. Germany, which produced by far the greatest amount of lignite before the war, produced in 1913 87.2 million metric tons. She is also responsible for the major portion of the increase, producing in 1924, 124.4 million tons, or an increase of 43.2 per cent. over 1913, and which is almost as much as the total production before the war. Canada, which produced in 1913, 0.2 million metric tons, produced in 1924, 2.1 million tons, an increase of 950 per cent. This increase by Germany of 37.2 millions is due to the policy of reparations.

If Germany is to pay reparations she can only do so by an export of goods. It is not possible for her to export agricultural products nor raw materials, indeed, she is compelled to import them. She must then, export manufactured goods. It is not difficult to grasp the effect that this must have on British industry. In two year's time, Germany will have to pay no less than two and a half milliard gold marks as Reparation payments, and also interest on loans, etc. To do this she must strive after a favourable trade balance. It will be like "producing rabbits out of a hat." It is natural then that she should look for some substitute for coal, because a favourable trade balance will be impossible if she has to import large stocks of coal. That substitute has been found in lignite. It has been estimated that Germany can make a saving in this way by the use of lignite and the development of hydro-electric power, to the extent of the 50,000,000 tons of coal a year. In 1913, of all the coal imported into Germany, Britain accounted for 88 per cent. In 1924, our export to Germany decreased to 42 per cent.

### Reparations and Markets.

There is another aspect to this question of Reparations, namely, that of Reparation coal. The countries to which Reparation coal is being sent are, France, Belgium, Italy and Luxemburg. It must be obvious that the Reparation coal received by these countries will have an adverse effect upon the British coal trade. The exports to the Reparation

countries for the years 1913, 22, 23, 24 and for 1925, taking the figures for the first quarter as a basis, is as follows :

*Coal to Reparations Countries.*

1913	1922	1923	1924	1925*
35.4	37.8	54.5	34.1	28.1

The high figure for 1923, of course, is due to the Ruhr occupation. If we take one country to illustrate the effect of Reparations we shall see just how the Reparations policy has operated against the coal trade of this country. We will take Italy as it is the best to illustrate this point. Italy, which imported from this country in 1913, 9.4 million tons of coal, received in 1924 only 5.9 millions. On the other hand there is an increase of German exports to Italy of 4.4 millions as compared with less than 1 million tons before the war. Of this increase, 3.6 millions is Reparations coal.

The loss of the Russian market has also had a serious effect upon the coal trade of this country. The imports of coal from this country into Russia in 1913, amounted to 4,153,000 metric tons. These figures, as far as can be ascertained apply to the boundaries of present day Russia. In 1924, Russia only imported about 112,000 tons. THIS IS A DECREASE OF OVER 4,000,000 TONS, AND REPRESENTS ABOUT 6.5 PER CENT. OF OUR TOTAL EXPORTS LAST YEAR. While there is no likelihood of Russia importing coal, she is badly in need of agricultural, mining, and factory equipment, etc. These things Britain can supply. It has been stated that it takes four tons of coal to produce a ton of steel. It will be easily seen, therefore, that by the securing of better relations with the Soviet Republic, there will be an increase of employment, not only in the iron and steel, and engineering trades, etc., but also in the mining industry. Instead of doing this, the British bourgeoisie are scouring Europe for allies for an attack on the first Workers' Republic.

It was reported in the *Daily Herald* of July 11th, that Rakovsky had returned to London with £15,000,000 of orders for British goods. The greater part for agricultural machinery, mining machinery, oil well machinery, factory equipment and electrical equipment. The *Herald* goes on to say that "the Soviet Union will, therefore, buy in Great Britain in 1925 four times as much as it bought in 1924, and in 1924, twice that of 1923." It was further reported that

\* Based on figures for first quarter.

Rakovsky declared that, given long term credits (3-5 years), the Soviet Government could place orders here, not for £15,000,000, but for £90,000,000. The tremendous importance of this to the mining industry is obvious to every right-thinking miner.

### **Watered Capital and Bye-Products.**

We have sketched very briefly some of the factors which are responsible for the crisis in the mining industry. In addition there is the effect of the increasing use of oil and hydro-electric power. But there are what we might call domestic factors which are operating and which are adding to the general, shall we say, debility. There is the overwhelming burden of inflated capital, and the large number of parasites who are sucking dry the very life's blood of the industry. There is a growing amount of debenture stock, upon which interest has to be paid before there can be any question of wages. This is an indication of the instability of capitalism, investors preferring a fixed return which is secure to more speculative forms of investment.

Why should those holders of debenture stock worry so long as they can wring from the industry six, seven and eight per cent.?

It is no longer possible to separate coal mining from those industries which are sometimes called subsidiary, such as by-products, coke ovens, smokeless fuel, and also the selling agencies, waggon-repairing concerns, and so on. These industries are closely bound up with the mining industry. When, however, it comes to the fixing of the miners' wages, the profits from these concerns are excluded, so that the coal bosses are able to make up on the roundabouts what they lose on the swings. There is a very illuminating statement in the *Economist* of May 2nd, in this connection. It says:

"This remarkable reversal of fortune is reflected in the reports of the South Wales colliery companies which have already been issued for the past year. The profits shown by these reports, however, do NOT AGREE WITH THOSE REVEALED IN THE MONTHLY AUDITS OF THE JOINT ACCOUNTS FOR WAGE PURPOSES UNDER THE NATIONAL AGREEMENT. IN THE AGGREGATE THEY ARE SUBSTANTIALLY MORE. There is, however, a simple explanation of the difference. The audits relate exclusively to the earnings of colliery companies on the sale of coal. The profits derived from the manufacture of coke and by-products and other commercial activities are excluded from the scope of the audit while another important factor of which the auditors take no account is the income derived from investments, which IN THE AGGREGATE AMOUNT TO FAIRLY CONSIDERABLE SUMS."

Yes, a very simple explanation indeed, and one which the miners are beginning to take note of. One example will

suffice to show the importance of these subsidiaries. According to an Appendix in the Sankey Commission Report, the cost of waggon hire averaged between 6d. and 1s. to 1s 2d. We will take one company. For 14 years to 1914, Birmingham Railway Carriage and Waggon Company paid dividends of 15 per cent. each year; from 1917 to 1923, 10 per cent. was paid on the capital which had been trebled by bonus distributions in 1915 and 1917. Therefore, the present rate of dividends is equal to 30 per cent. on the original capital. This is by no means an isolated case. The same thing can be seen in the waggon repair companies.

Particularly since the beginning of the present century, the mining industry has passed through an enormous process of amalgamations and absorptions. Not only has there been the growth of combination within the industry, but in many cases it has been linked up with iron and steel and engineering and shipping. The importance of coal to the industries mentioned above must be obvious to everyone, and during the period of prosperity when these industries were expanding it is not difficult to imagine that they would turn to the acquisition of that most important element of raw material, namely, coal. This vertical trustification has gone on to such an extent that it is almost impossible to draw a line of demarcation between them.

### Bonus Shares to Conceal Profits.

During the Great War and the period following, what had previously been a sort of canter developed into a gallop. During this period, the mining industry was making exceptionally high profits, and, as is to be expected the concerns which were taken over were paid for on the basis of the high profits then being made. It is quite impossible in a short article to give any details of the amalgamations and absorptions which have taken place, but we might illustrate the point by showing the enormous increase in capital, reserves, fixed assets and investments of just one typical company, since 1914.

*Guest, Keen and Nettlefolds, Ltd.*

Year	Capital reserves and carried forward.*	Own collieries, plant, etc.	Interests in other companies.
	£	£	£
1914	6,475,941	2,821,200	2,677,045
1924	17,061,565	3,115,332	13,338,464

In August, 1919, 965,000 Second Pref. and 1,930,000 Ord. shares issued credited as fully-paid as bonus to Ord. shareholders, equivalent to 300 per cent. In 1920 the capital was increased by the creation of 3,000,000 Second Pref. and

\* Includes debenture capital.



2,000,000 Ord. shares, when they acquired a controlling interest in John Lysaghts. This company made £62,870 more profit in 1925 than in 1924, paying out again 10 per cent. on the heavily watered capital as shown above, and 4 per cent. on its £1,850,500 mortgage debenture stock, and 5 per cent. on its £6,068,950 Preferences shares (tax free). When the Ebbw Vale Steel Coal and Iron Co. took over the whole share capital of the Newport Abercarn Black Vein Steam Coal Co. five shares in the Ebbw Vale Company were exchanged for every one in the Newport Abercarn Company. It will not be out of place to give a few examples of bonus share distribution within recent years :

Company	Bonus	Year
Carlton Main ... ..	150 per cent.	1919
Consett Iron Co. ... ..	200 „	1919
Fernhill Collieries ... ..	150 „	1920
D. Davis ... ..	50 „	1912
„ „ ... ..	50 „	1918
New Monckton ... ..	100 „	1916
„ „ ... ..	50 „	1920
Shotts Iron ... ..	100 „	1919

This list could be extended to include a large number of concerns, but it is sufficient to show what has taken place. It is impossible to estimate exactly the amount of inflation that has taken place, but it is quite a modest estimate if it is put as between 100 and 200 per cent. The estimated capitalisation of the coal mining industry in 1913 was about £130,000,000. At the Buckmaster Inquiry, held last year, Mr. Evan Williams, President of the Coalowners' Association, stated that £45,000,000 was added from 1914 to 1921, and in 1922-3, a further £23,000,000 was added which amounts to almost 50 per cent. of the capitalisation. The motive behind this inflation is very baldly stated in a leading article in the *Colliery Guardian*, of May 2, 1924 :

“On the other hand there is no question that those who control the operations of a prosperous concern may in various ways, by excessive charges to capital or revenue, as the case may be, by the creation of prior charges, etc., etc., so regulate the profits as to disturb the true relationship between the nominal capital and the capital value. And here we may observe that labour, which has not a very clearly defined interest in these matters—although it undoubtedly has an interest—may encourage boards of directors, by its foolish attitude towards capital in general, to adopt measures that would otherwise be unnecessary. But the real point is that directors, rather than engage in unprofitable argument with the intelligentsia of the Labour Party, may seek to dispel suspicion by increasing the nominal capital, or by expending the profits earned in costly plant and equipment, beyond the actual needs of their undertakings.”

The effect of the crisis on the solvency of the industry may be judged from the figures of profits and losses for the various districts for the year, 1924, published by the *Economist* of June 27, 1925. These figures are, of course, supplied by the coalowners, and, therefore, show just what suits them. Still, they may be taken for what they are worth :

Year ending March, 1925.

#### MAINLY EXPORT DISTRICTS

		£	per ton raised.
South Wales	... ..	loss 544,918	loss 3d.
Durham	... ..	profit 781,267	profit 5d.
Northumberland	... ..	loss 160,866	loss 3d.
Scotland	... ..	profit 168,849	profit 1d.

#### MAINLY INLAND DISTRICTS.

Yorkshire, Notts, Derby Leicester, Cannock Chase, and Warwick	... ..	profit 6,055,591	profit 1s. 5d.
Lancs. North Staffs and Cheshire	... ..	profit 87,629	profit 1d.
North Wales	... ..	loss 135,113	loss 9d.
South Staffs and Salop	... ..	profit 27,005	profit 3d.
Cumberland	... ..	loss 149,912	loss 1s. 8d.
Bristol	... ..	loss 1,758	loss 2d.
Forest of Dean	... ..	profit 41,083	profit 11d.
Somerset	... ..	profit 69,777	profit 1s. 4d.
Kent	... ..	loss 579	loss 1s. 2d.
Great Britain	... ..	profit 6,233,055	profit 6d.

This table brings out the effect of the factors—which have been described as the cause of the present crisis—on the export districts in particular.

In a White Paper, published by the Mines Department, are some figures showing the credit and debit balances for the last quarter, ending March, 1925. In Northumberland, there were only seven companies showing a credit balance as compared with 25 in March of last year, while the number showing a debit balance was 22 as compared with four in March, 1924. In Durham, 14 showed a credit balance in March, 1925, as compared with 38 in March of last year, while the number showing a debit balance were 32 in March of this year, compared with 14 in March, 1924. For South Wales, the figures show that there were 35 with credit balances in March, 1925, compared with 90 in March, 1924, while the number showing a debit balance was 80 in March, 1925 as against 30, in March, 1924. The position for the

whole of Great Britain is given as follows: The number showing credit balance in March, 1924, was 291, against 512 in March, 1924, and those showing a debit balance was 320 in March, 1925, as compared with 122 in March, 1924. It must be borne in mind that the terms, "Credit Balance" and "Debit Balance" has reference to the "Credit" and "Debit" as determined for purposes of the ascertainment.

All this makes it quite clear why the owners are anxious to get back to district settlements. There can be no mistake as to what Mr. W. A. Lee meant when, in his letter to A. J. Cook, he said that the wages to be paid in the future must be governed by the economic conditions in which the industry is placed. The consistent attack which has been made upon the miners in the various districts by the owners, even while their representatives were discussing the economic condition of the industry, has been nothing more nor less than the carrying out of their policy of breaking up the Miners' Federation, and driving the miners back to district settlements.

The condition of the miners is, to say the least, appalling. The majority of them are working short time; there are no less than 301,000 unemployed; pits are closing down every week. In answer to a question in the House of Commons, Col. Lane Fox stated that "361 coal mines normally employing 71,700 wage earners, have been closed since the 1st November, 1924, and not reopened, while 122 at present employing 12,900 wage earners have been opened or reopened." The stage has been reached when capitalism in the mining industry can no longer function, and it remains now for the workers to wake up to the fact that until they have expropriated the capitalists and taken over the mines, there can be no hope of getting out of the mining industry sufficient for them to live as human beings should live.

# Should the Empire Be Broken Up?

(Why Communists Say, "Yes!")

By H. P. RATHBONE.

J. Wheatley: "We may deplore the fact that the British Empire is not what we would like it to be. But there it is, and there it remains whatever you think of it. Our duty as members of the Labour movement is to see how to utilise it to serve our purposes, and to help at the same time the world position of the workers."  
—(Extract from an interview in *Sunday Worker*, 21/6/25.)

George Lansbury: "The British Empire, built up as it has been by the use of the most nefarious means, is one of the facts of history. Our duty is to transform the British Empire of Domination into a Commonwealth of Free Nations."—(An Empire Day article, in *Lansbury's Labour Weekly*, 23/5/25.)

In the above two quotations, arising out of the recent Preference controversy, we have an instance of the truly dangerous conclusions for the Labour movement that can be built up from false beginnings. For here are both Lansbury and Wheatley apparently making themselves ridiculous by saying that the British Empire is equal to the River Thames—for aren't they both facts?—and in consequence acting as though they could use the Empire to throw their drains into just as they do with the Thames every day they are in London. Now it is manifestly obvious that they really can't do this. Why is it? Isn't it because there is some radical difference between the British Empire and such a fact as the River Thames which they have not tried to distinguish, and thus consequently have been led into thinking that they can use the Empire for whatever purpose they think best?

Now what is the essence of this difference? Surely in this that such facts as the River Thames has an independent character apart from whether Wheatley or Lansbury use it to empty their slops into, Messrs. Sam Isaac's tofish in it, Mr. Churchill to drown himself in it, or any of us to spend our Bank Holiday in travelling up to Richmond on it. But the British Empire, on the other hand, has a fixed character in that it has been built up by the capitalist class as an instrument of domination over the workers in order to exploit them for its profit. We assert first that Labour cannot change it to serve an entirely different purpose without changing its whole character and form, *i.e.*, without constructing some-

thing entirely different which, of course, can only be done by pulling it to pieces, and, secondly, that this change cannot be effected unless the Empire is producing conditions which demand such a change, if industry is to be saved from stagnation and society is to continue to develop.

Messrs. Wheatley, Lansbury and the "Left-wing" assume first, that the British Empire has nothing essentially to do with capitalism; secondly, and in consequence of this that it is not necessarily an instrument of domination by one class, the capitalists, over another, the workers; thirdly, that this change can take place quite apart from whether the Empire is a stable or an unstable unit.

Every one of these assumptions we challenge. In this article we intend to show first, that the British Empire is essentially an instrument of domination, and that of one class, the capitalist class over another, the working class; secondly, that just as capitalism is producing conditions which are leading to its own disruption, the British Empire, one of its foremost institutions, exemplifies this tendency in an extreme form; and thirdly, that the abolition of sweating and other vile conditions in the Empire is becoming more and more incompatible with the existence of British capitalism. If we can do this we have gone a long way to revealing the absolute lack of any meaning in the slogans we have quoted above of Wheatley and Lansbury, and to proving that the only slogan which is completely in accordance with the facts is the slogan that the Communists put forward—"Complete independence for all the nations comprising the British Empire, and the right of secession at any moment."

### **Why Capitalism wants an Empire.**

Whatever the capitalist may say, it is not sentiment that makes him want to maintain the unity of the Empire. As we will show, there are sound economic reasons behind all his platitudes.

In the first place, by trading with the subject nations, the capitalists of the dominating nation, in this case, Great Britain, can, because it is the richer, and the more powerful, indulge in wholesale cheating—a process sometimes called the extraction of super-profit. For instance, in India, British capitalists in order to cheat the peasants of their market price for their wheat, when all else fails, frequently take steps to bring to the ports of India from Australia, for instance, whole cargoes of wheat and thus create an artificial surplus, producing panic amongst the peasants who, accord-

ingly are willing to accept any price for their wheat. There are thousands of other forms of cheating; for instance, a colony is compelled to buy many of its goods in the dominating country's market, though it could get similar goods cheaper elsewhere; it is compelled to obtain loans in the dominating country's market at rates of interest above the world market rate, or to deposit its money in Empire-owned banks when it could get better rates in its own banks, etc., etc. (We need only refer to the recent squabble about the Australian loan being placed in America.)

This exploitation by cheating is linked up with, and leads to, the second reason for holding on to the Empire, namely, the necessity for the capitalist to expand his market. When British capitalism had no rivals the possession of the country with which it was trading was not essential; but when other capitalist countries began to compete, a monopoly of the market could best be secured by a monopoly of the country, *i.e.*, the country was annexed, and so Empire expansion became more and more essential to British capitalism. The effect of capitalist-produced goods from Great Britain on the much more backward economy of her colonies was to destroy their economy altogether. Indian peasant and handicraft economy, for instance has been completely destroyed by the import of cheaper Lancashire machine-produced textiles, with what result? Simply the mechanical and continual creation of a large army of expropriated peasants and artisans who had been ruined by these cheap capitalist produced goods.

This in turn leads us to the next reason for the desire to maintain the Empire. This is the need for the expansion of the area for the fundamental process of capitalism—the extraction of profit—by means of the export of capital. To make this profit secure to the owners of the capital, the land to which it is exported is annexed. Here there are already many thousands of expropriated peasants and artisans whom capitalism, by the export of goods, has already created ready for exploitation.

But there are two most important features that must be noted here about this operation, first, the extraction of profit is by an alien race, secondly, this process has the tendency to create conditions in the exploiting country making for an increase in the production of goods, and so by their export to expropriate further armies of peasants and artizans

thus automatically creating the conditions for the continuation and expansion of this process.\*

Finally, certain areas of the Empire provide for British capitalism suitable places to relieve the continually increasing reserve army of unemployed labour in Britain with the added advantage, that, by emigration to these areas, this labour is not lost to British capitalist exploitation but is rather able to resume the process of providing surplus value for British capitalism. Such are the desires which lead British capitalism to keep the colonies it has got, and at the same time to be perpetually reaching out for more, inevitably involving them in wars, as all the available areas are already monopolised.

### How the Empire Grew.

Now let us see whether these desires are possible of fulfilment. Are there forces which make the continuance of the British Empire an economic impossibility? To find this out let us first find out how the Empire grew up, and what is its present position. In the first place it should be made quite clear that, though at first sight its growth appears to have been haphazard, resulting in Lansbury being misled into asserting that Labour must recognise "the fact that time has flung the British Empire together" (*Lansbury's Labour Weekly*, 23/5/25), **yet every single annexation has been made from a definite economic cause.** That cause is the continuous search for profit. Just because the realisation of profit by no means necessarily involves an economic plan, but rather, owing to competition being one of its essential characteristics, fundamentally a complete disharmony, so the Empire to-day shows an absolute lack of unity. The only thing that keeps it together is the continued domination of a class at the centre whose existence depends on its ability to make a profit.

If we apply these essentials to its growth, we will find the reasons for the extreme diversity of its parts. In the early stages of capitalism profit could best be made out of plain cheating in trade and stealing treasure and precious goods. Such jobs require the existence of great wealth and teeming millions of labourers; such there were in the East. These lands then were among the first to be grabbed. Similarly, the profit to be made out of gold was one of the

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\* This, of course is only a tendency, as all the other reasons mentioned in this section, and is continually being counteracted or reinforced by other tendencies the effect of which will be mentioned later.

chief reasons for the annexation of Australia; while the scramble for Africa was caused by the vastly increasing "over-production" of goods at the centre making it urgently necessary to try and monopolise all the available areas of the world as exclusive market areas.

But if we look at the British Empire to-day we see a sharp division between two types. We see the Dominions, purely white labour countries, such as New Zealand or Australia, or, as in South Africa, white labour existing blatantly on an enslaved mass of Asiatic coloured labour. In all these cases the white labour is in a privileged position. These Dominions are self-governing to the extent that they have complete fiscal and internal autonomy; they may, for instance, protect their industries or refuse to create a peerage but they may not make a separate political alliance with a nation outside the Empire.

At the opposite pole we have the subject nations—the black and coloured dependencies, crown colonies, and mandatory territories, which range from India, where fiscal autonomy has comparatively recently been granted, and where a certain cautious beginning has been made in giving, what is euphemistically called, self-government—to be hastily suspended when the Indians try to get "experience" of it—to Nigeria, where the natives are benevolently administered from above, but left in possession of their land, and finally to such colonies as East Africa where the native with no pretence at all is openly expropriated from his land and enslaved to capitalism.

### **The Effects of Exploitation—Insoluble Contradictions.**

Such is the "unity." Now let us observe the effect of the economic reasons for desiring to keep the Empire as the different sections of this "unity." Take the Dominions first. The export of capital together with the export of goods to these countries leads to the building up of a separate industry and to the desire to protect it with a tariff wall. This is because the extraction of surplus profit by British capitalism produces a potential debit condition in the foreign trade balances of the Dominions; this can only be reduced by restricting imports, and the imports that naturally can be restricted in already exporting agricultural countries, such as the Dominions, are manufactured goods.

The export of capital by British capitalism produces, therefore, forces which militate against an export of goods



by British capitalism. At the same time it creates a position in the colonies in which an industry grows up providing not only manufactured goods, but large portions of plant for public works and factories, besides starting to compete in the world market. This industrial development eventually prevents the dominating capitalism from using its surplus wealth in lending to the colonies in order that they may spend it in buying their plant from the metropolis. The result is that exports are restricted because of the tendency to a fall in the demand for loans.

But while the colony whose industries are mainly built up by branches of British companies, is starting to develop not only a separate industry but a separate accumulation of profit, part of which goes to develop this industry, it is still not yet sufficient to provide all the needs of the colonial market (these necessitate an increase in the value of exports, i.e., by such means as co-operative marketing or further borrowings from the centre, though on a decreasing scale). Meanwhile, borrowings are still necessary to meet the ever-increasing amount of interest on the capital invested by British capitalism in the Dominions. This process of colonial development is intensified of course by the proportionately greater increase in the trade of the Dominions with foreign countries as opposed to Britain, that is so long as the industries of the Dominions continue to be practically exclusively financed by British capitalism.

In Britain, the contradictions consist in a tendency to restrict the export of goods and of capital, but to increase the inflow of the tribute of profit from the colony which the colony wants to pay for in goods whose import, however, British capitalism tends to desire to restrict. In the case of the colonies, the tendency is to increase exports, but to decrease imports; at the same time to pay larger tributes to the dominating country thus leading to restriction in the accumulation of profit, and a disorganisation of the whole economy of the colony. This produces a rising bourgeoisie whose nationalist feelings become accentuated by this position. But the unity of this bourgeoisie besides being disturbed by the rising native working class, is also shaken by the large share in the industry of the country that British capitalism holds.

Finally, in the Dominions, owing to the development of industry, the readiness to accept the surplus population of Great Britain becomes restricted to a desire only for the highest skilled type of worker with a certain minimum of

capital as already there is a surplus of unskilled workers. Now it is just this type of worker that British capitalism is most unwilling to part with even though it be to the Dominions, and it is just the unskilled workers of which it has a surplus. Thus even this desire tends to produce contradictions which make it impossible of fulfilment.

In the other type of colony, the colonies of the enslaved races, the same tendencies operate only in a more accentuated way. Here the ability to extract a super profit becomes of major importance whereas it has in the past at any rate, been of only minor importance in the Dominions in the sense that its extraction has not produced such immense contradictions as the other desires of capitalism we have described. But in the enslaved and subject nations this super profit extraction is one of the main causes of the rise of nationalist feeling; for together with the export of machine-made goods, as we saw above, it contributes towards the ruin of the previous economy. This process produces immense ferment. Owing to the extent of these colonies, and the consequent magnitude of the amount, this super profit is of immense importance to the existence of the dominating capitalism.

But here we see several counteracting forces tending to dissipate the united nationalist feeling and to use the nationalist cries for its own purpose. Let us take one concrete example which illustrates the point from every angle. In India the rising industry is pressing hard and successfully the cry of protection even against British goods (this cry has the additional significance in that the import of textile machinery into India was once prohibited by Britain in order to prevent the rise of a competitive Indian industry). This cry of protection is now being distorted by British capitalism in the following manner. Practically the whole of the locomotives of the Indian railways—state railways at any rate—have been provided by locomotive works in Britain. Now we find, according to the *Locomotive Engineer*, January, 1923, that the Peninsular Locomotive Coy., Ltd., an Indian registered company, asserted that if proper protection was given, it could by 1925 have supplied from its factory in India the whole of the needs of the Indian government railway department, *i.e.*, 400 engines a year. Now this company is a subsidiary of one of the largest British locomotive companies, Kerr Stuarts of Stoke-on-Trent. This simply means protection for Indian-owned industries—long-stifled by British capitalism—did not a Government report admit in 1921 that before the war “certain attempts to encourage Indian indus-

tries. . . were effectually discouraged from Whitehall" ?\* Thus, this cry of protection which was in consequence becoming of nationalist significance, has been distorted and turned into merely a measure for making more secure the profits of British capitalism.

Finally, to complete the picture, we find the Empire is not even a single Empire but that there are growing up within it independent Empires which are starting to challenge its authority. The most obvious example is South Africa which is reaching out to dominion over all the British protectorates, dependencies, crown colonies, etc., in Central and South Africa and has already got a huge enslaved coloured population to keep in subjection. Again, Australia has Papua and Nauru Island, and also has large influence in Fiji where the usual revolting features of imperialism can be seen. Canada is spreading her influence in the West Indies, and would like to absorb Newfoundland were it not for the existence of definite economic reasons such as its very large resources of iron ore that make its separate subjection of very great importance to British capitalism. Here we have another type of contradiction which is only beginning to make itself felt, but which will have profound reactions as it rapidly takes a more definite form.

### **Their Political Reactions.**

All these economic contradictions produce their reactions politically in the foreign policy of the Empire. Such well-known differences, *e.g.*, on the threat of a war with Turkey, the definite statement of South Africa that she would not again allow herself to be involved in a war in Europe; the recent suspicion aroused on the pact negotiations that Britain is entangling herself in European alliances; colonial insistence on some kind of Dawes settlement to restore the European market for their colonial produce; the insistence on returning to the gold standard with South Africa forcing the pace by taking an independent decision . . . All these points of conflict are tending to produce a state of stagnation in British foreign policy, thus preventing any kind of solution of the crisis of capitalism at the centre, which, in turn, has its reactions in the colonies.

Finally to sum up we find that both internally and in its relations with other capitalist units, the British Empire is

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\* Moral and Material Progress in India in 1921 (H.C. 171. (1922) p. 144.)

torn by an immense variety of contradictions only the most important of which we have developed above. Does not this prove that if these contradictions lead to a reduction in production, as is manifestly happening, it is no stable unit? But the British Empire is of sufficient importance to British capitalism that it is willing and is every day finding it ever more necessary to spend tens of millions of pounds in building immense military, naval and air forces solely to ensure the continued subjection of the enslaved peoples of the Empire.

### Labour's Only Policy.

This then is the phenomenon that all the various sections of the Labour Party wish to maintain in order, so they say, to transform it into an ideal, a "Socialist" empire, to utilise it to raise the conditions of the workers.

But in our investigations we have found that the Empire was not only built up by capitalism, but that the only "ties" that hold it together to-day are the military, naval and air forces, provided by this same capitalism to maintain its domination. And we have found further that this desire is not, as was once invented by capitalists or their apologists, due to an abstract desire for power or to an idea that the white is superior to the black, and, therefore, destined to rule over him. It is simply due to the desire and greed of a small class to continue to get profit out of the workers' labour.

But what have we found that this process is producing? *At home* a falling off in exports of manufactured goods; in other words *stagnation in industry and growing unemployment, leading to sweated conditions*: while at the same time capitalism compensates itself for the loss of profit at home by an increase in profit from its "investments" in the colonies. These sweated conditions have no possibility of being relieved because unskilled and unemployed, *i.e.*, capital-less workers are not needed by the colonies—the workers are as good as slaves. Finally, all these conditions make it necessary for capitalism to seek, for instance, a market for its goods elsewhere, and so produce conflicts which are the germs of new and more bloody wars. *In the colonies*, the process of the expropriation of the peasantry continues; industries develop but with British capitalism sucking the blood, the wealth from the colony, this intensifies the growth of the army of unemployed already inevitable under capitalism, *thus reproducing sweated conditions* and disorganising the whole economy of the colony. This process of bloodsucking in turn produces a rising nationalist feeling especially amongst the

subject nations while the rising industry needs protection, and the whole economic development produces interests diametrically opposed to those of Great Britain.

Both these pictures prove that if complete chaos is not to intervene, if industry is not completely stagnate, if the workers are not to die of starvation or be killed off in the next and world-wide war, every effort should be made to encourage and work for the break-up of this capitalist Empire. Every pretence of "Left-wing" leaders that sweating can be abolished without the necessity of breaking up the capitalist Empire—when indeed, this sweating is increasing before their very eyes—is but a criminal betrayal of the working class; it condemns the workers at home to starvation and sweating *now*, and death and slow torture in the chemical wars of to-morrow, while it condemns the colonial workers not only to starvation and sweating *now*, but also to death and slow torture *now* in the bloody suppression of their fights for freedom. By this means their mistrust and fear for all that is white even though it calls itself "Labour" is again a thousand times confirmed.

Accordingly, this left-wing Empiritis must be fought to a finish. To work to a World Federation of Free Peoples, we advocate the complete break up of the capitalist British Empire and are willing to work to help every single nation in the Empire to gain its independence. Further, we are willing to unite with the "Left-wing" to agitate against sweating not only within the Empire, but without it; we are willing to work with the Left-wing to help to form an anti-imperialist front throughout the world to fight against the oppression of the workers whether in Fiji or in Shanghai, in Anatolia or in Birmingham, in Winnipeg or in Melbourne. For in all these places capitalism is oppressing the workers, and in all these places sweating exists. Therefore, forward with the International united front of the working class and Down with the Capitalist Empires.

# Mikhail Frunze

*Commander-in-Chief of the Red Army*

**M**IKHAIL, VASSILIEVITCH FRUNZE was born in 1885 at Pischpek, the chief town of the district of Semirechinsk (Republic of Turkestan). His father, a Russian Moldov, was a peasant from the district of Zakhariievsk, in the government of Odessa; his mother was a peasant from Voronesh. After his father finished his term of military service in Turkestan, he became a hospital attendant in the municipal service.



Frunzé began his studies in a primary school, subsequently entering the college of Vierny (now Almata), where he proved an excellent student. His father having died, leaving the family in poor circumstances, the young Mikhail at the age of twelve took to giving private lessons as a means of livelihood.

Entering the Polytechnic Institute of St. Petersburg (now Leningrad) in 1904, Frunzé began to take part in

the revolutionary movement, working first in the student circles, then in the workers' circles, as a Social-Democrat. He took part in the November demonstrations in St. Petersburg, which led to his arrest and subsequent expulsion from the capital.

At the beginning of 1905, Frunzé worked in Moscow, then in the Ivanovo-Voznessensk factory in Vladimir. During the Party split into Mensheviks and Bolsheviks, Mikhail deliberately took the side of the Leninists. In December, 1905, he took part in the insurrection at Moscow. In 1906, as a delegate from the Party Committee of Voznessensk, he participated in the Third and Fourth Congresses of the Party at Stockholm.

In 1907, he was arrested at Chovia, where he had been working under the name of Arsène, and sentenced to a long term of imprisonment. Brought before the magistrates for belonging to the Social-Democratic Party, he was accused of having offered armed resistance to the police, and sentenced to four years hard labour.

#### Condemned to Death—Convict Prison—Escape.

After being tried five times in connection with this affair, during which two verdicts declared for the death penalty, Frunzé was finally condemned to an additional six years' hard labour. He served five and a half years in the central prison of Vladimir, then for two years in the prison of Nikolaev, and finally, in the Alexandrovsk prison.

Liberated in 1915, but sent to the district of Verkholsk in Irkutsk, Frunzé was soon arrested again for creating an organisation of the deportees. He succeeded, however, in escaping, and towards the end of 1915 turned up at Chita under the illegal name of Vassilenko. Here he collaborated on the editorial staff of the Bolshevik weekly, the *Oriental Review*. Discovered by the police, he escaped into European Russia, where, under the name of Mikhailov, he entered the Pan-Russian Union of Zemstvos, and worked on the Western front until the revolution of 1917. During his sojourn at the front he spent his time principally working to create revolutionary organisations in the Czarist army.

After the Revolution of February, 1917, "our Mik" became a member of the Workers' and Soldiers' Deputies of Minsk, a member of the Army Committee of the Western front, chief organiser and President of the Soviet of Peasant Deputies of White Russia. During the Kornilov mutiny, he was elected commander of the revolutionary troops in the sector of Minsk. Soon afterwards he returned to Ivanovo-Voznessensk, where he was elected president of the Zemstvo

in the district of Chovia, president of the municipal council, and of the Soviet of the district.

### **Defending the Revolution.**

After the October revolution, Frunzé became president of the Executive Committee of the Russian Communist Party in the government of Ivanovo-Voznessensk. It was at this time that he began his military career as military commissioner for the government of Ivanovo-Voznessensk. Following the insurrection of Jaroslav, he was named Commissar for the military district of Jaroslav, a post which he occupied until the end of 1918. In December, 1918, he was sent to the front as Commander of the 4th Army, which operated in the Urals.

At the height of the Koltchak offensive, Frunzé assumed command of the four armies of the Southern group of the Eastern front, and inflicted on Koltchak's troops the first defeat, which led to a decisive revival in our position upon the Oriental front. During the advance he was wounded by an anti-craft bomb. At the end of June, 1919, Comrade Mikhail was appointed to be commander of the whole Eastern front. With the advance of our troops of the Oriental divisions towards the Siberian and Turkestan fronts, he was then appointed commander of the Turkestan front and rapidly cleared the country of white troops, annihilating Koltchak's Southern army.

In August, 1920, during the Wrangel offensive in the south of Russia, and the Ukraine, Frunzé was appointed commander on the Southern front, and directed with energy the operations in the latter part of November which resulted in dislodging the whites from their last refuge in the Ukraine and in the Crimea. For his military services, our comrade received several decorations, two of these being the Order of the Red Flag, and a Sword of Honour.

After the liquidation of Wrangel, Frunzé became commander of the troops in the Ukraine and Crimea, and plenipotentiary delegate of the Revolutionary Military Council of the U.S.S.R. to which is attached the Soviet Republic of the Ukraine. In April, 1921, he was nominated Vice-President of the Revolutionary Military Council of the U.S.S.R.

Frunzé is a member of the Central Committee of the Communist Party of Russia, of the Central Committee of the Communist Party of Ukraine, and of the Presidium of the Central Executive Committee of the U.S.S.R. When Comrade Trotsky fell ill, he became Commander of the Red Army, and, on January 26th, 1925, he was formally nominated chairman of the Revolutionary Military Council.



# The Communist Party & the Fighting Forces

## *(Sailors', Soldiers' and Airmen's Programme)*

[In a previous issue of the *Communist Review*, we published a programme for Soldiers, which was to be followed by one for Naval and Airmen. The following combined programme cancels all previous publications, and is the complete statement of Party demands for the men in the fighting forces. We especially commend it to those of our readers who have relatives or friends in the services, particularly, in view of the grievances that are becoming widespread.—Editor.]

### 1. Political Demands.

(a) The right to join and form Sailors', Soldiers' and Airmen's trade unions.

(b) Lowering of the voting age from 21 to 18 years for soldiers, sailors and airmen of all ranks. Right of all men over 18 years to be elected to Parliament and other bodies.

(c) The right to join political parties and to organise branches of these parties in the Army, Navy and Air Force, and the right to attend political meetings and demonstrations.

(d) No compulsory Church attendances.

#### *Navy.*

(e) Abolition of the Admiralty restrictions on the lower deck friendly societies in order that they can fulfil the function of trade unions.

(f) Formation of ship and depot committees in every ship and depot composed of sailors' representatives from every department. Such representatives to be elected and subject to the right of recall at any time. This committee to be received by the captain on request, and to have the right to appeal direct to the Ministers and Members of Parliament.

(g) Abolition of Admiralty and War Office orders prohibiting men from writing to the press.

#### *Army.*

(h) The right to elect regimental, battalion and company committees to represent soldiers, and airmen's grievances on questions of legal rights, and barrack accommodation.

### 2. Legal Rights.

(a) No intervention by sailors, marine soldiers or airmen during industrial disputes. Right to refuse to act as black-legs.

(b) Complete abolition of court-martial in the Services. Sailors, soldiers and airmen to be subject in all instances to civil law.

(c) Drastic modification of punishments. Abolition of death penalty and corporal punishment.

*Navy.*

(d) Abolition of Admiralty order which makes all ranks liable to be called upon for duty in the submarine service.

### 3. Pay and Pensions.

(a) Immediate proportioned increases for all non-commissioned ranks in the Navy, Army, and Air Force.

(b) Married sailors and soldiers to receive marriage allowances. Abolition of regulation which only entitles sailors over 25, and soldiers over 26 years of age to this allowance.

(c) An increase on overseas and tropical services allowances.

(d) Extra pay for sundry and general holidays, for compulsory and unnecessary duties, for special ceremonial parades and guards occurring outside the ordinary duties.

(e) A gratuity to be paid to all men on conclusion of Service period.

(f) An all-round increase of pensions and provision of pensions for widows.

*Navy.*

(g) Wages to be paid at least equivalent to similar ranks in the merchant service.

(h) Extra allowances to be paid for night work if the ship is at anchor. This work only to be done if the safety of the ship makes it necessary.

*Air Force.*

(i) Flying allowances for every man called upon to fly, including mechanics and fitters.

### 4. Leave.

(a) Free railway warrants to be granted.

(b) All ranks to have the right to wear civilian clothes when on shore, outside barracks, whether on leave or "walking out."

(c) Increased leaves for overseas service.

(d) Abolition of naval and military patrols ashore for inspection of dress.

*Navy.*

(e) Right of three week-ends ashore in a month, when ship is in port. General lengthening of leave periods.

(f) In all ports, England and abroad, shore leave to be granted with permission to sleep ashore.

(g) Men who have been granted shore leave to finish work in order to have dinner on board before going ashore.

*Army and Air Force.*

(h) For soldiers and airmen the right to proceed on pass—without ration allowance—on every week-end when not actually detailed for duty. Right to an “early Friday to late Monday” pass at least once a month.

### **5. Terms of Service.**

(a) Time served in detention barracks to be included in the service period.

(b) Eight hours working day for all services.

*Navy.*

(c) Abolition of the existing 12 years service period in the Navy. Same terms of service in the navy as in the army.

(d) The signing of 12 years service by boys to be confirmed by them when they reach the age of 20.

(e) Strict adherence to the “make and mend” clothes, Saturday and Sunday rest.

(f) All ship companies to be divided into three watches, thus allowing two days shore leave in three.

### **6. Food and Accommodation.**

(a) Increase in the amount allocated for the daily rations

(b) Victualling committees to be elected each three months by the ships’ companies and regiments, representative of every department, and to be subject to the right of recall at any time.

(c) These committees to have the right to refuse any food considered unsuitable, and to have facilities to consult medical experts.

Naval and military canteens ashore and afloat to be controlled in this way.

(d) Improvement of the naval and military medical services, and energetic struggle against diseases. Regular attendance of civilian doctors.

(e) Improvement of the barracks accommodation, regular disinfecting and free renewal of bedding, provision of adequate laundry and washing facilities, both ashore and afloat.

*Navy.*

(f) Replacement of kitbags by lockers with three compartments on all H.M. ships for each rating.

### 7. Cultural Demands.

(a) Right to form clubs and organisations for the enjoyment of spare time.

(b) Abolition of Y.M.C.A., Church Army and other propaganda institutions.

(c) Right of naval and military sport organisations to affiliate to whatever organisations they choose.

*Navy.*

(d) Establishment on all ships, other than destroyers, and submarines of a hall large enough to hold at least a quarter of the crew, equipped similarly to a reading and writing room.

This is to be open from 8 a.m. to 10 p.m., and controlled by a committee of sailors.

(e) Sailors' homes to be established in all naval ports from Government funds, the control of which shall be vested in a board of management elected by the men.

### 8. Trade Training.

(a) Trade training to be instituted for all ranks and to be thorough and complete, and conducted by qualified civilian instructors, and to be under the control of the trade unions.

(b) Full trade union rates for soldiers in the military workshops.

### 9. Expeditions and Campaigns.

(a) Boy rating not to be sent on active service campaigns.

(b) Three months leave at the end of every 12 months' service abroad.

*Navy.*

(c) All lower deck ratings to have the right of a week or more leave in foreign countries on equal basis with the officers.

### 10. Navy.

*Special Demands for Engine-room Ratings.*

(a) Complete exemption for all engine-room ratings from all armed landing parties.

(b) Special room to be established on board all ships, other than destroyers and submarines, for a rest room to enable engine-room ratings to rest between watches.

# The Economics of Capitalist Production

By JAMES MCDUGALL (Scottish Labour College Tutor)

## What is Labour Power?

**L**ABOUR power is the energy contained in the human body. It comprises both physical and mental powers. As this energy is continually being dissipated, through loss of heat to the atmosphere, as well as by movements of the internal and external organs, it requires to be perpetually renewed. This is accomplished by the consumption of food, and by rest. Clothes, houses, fires, are used to conserve heat. Labour power is potential energy and may be compared with that of the pendulum at rest, when it reaches the height of its swing, or of water in a dam.

## The Expending of Labour Power.

When we set to work at any job, this means that we begin to expend our labour power. Labour power is the energy in its static form; when work is being performed, muscular and nervous tissue are consumed, and the energy is flowing outward, this dynamic form being termed labour. Labour can be compared with the idea of kinetic energy, as exemplified by the pendulum in motion or water flowing through pipes.

## Crystallised Labour.

When the work is completed, then the labour is found embodied or congealed in the product, cloth, wheat, locomotive, or whatever it may be, and the article is said to possess value. The energy created by the consumption of food, clothing and shelter, in the human body, has thus passed via the process of labour into the material and by changing its shape has given it value.

## The Process of Labour.

It must be distinctly understood, of course, that labour alone cannot create a useful article, *i.e.*, material wealth. For that nature also is required. Wealth, consisting of things useful to man, is the product of labour applied to nature—labour itself being simply one of the forces of nature. Thus coal is the result of mining labour applied to the natural basis, the coal seam; wheat is the product of farming labour applied to the field. This inter-action between man and nature is an eternal necessity of human

existence. Nevertheless, though the labour process is always the same, the form of this process changes whenever there is an alteration on a large scale of the tools of labour.

### **Pre-Capitalist Production.**

In the classic country of capitalism, England, this system is no more than four hundred years old, in all the other countries of the world its origin is still more recent. The mode of production preceding capitalism can be described as feudalism. Under this system industry was carried on in small workshops by handicraftsmen, who owned their own tools; the land was cultivated by peasants who were in effective possession of plots of land. Though production was largely for self-consumption, a certain amount of it was devoted to the market. This was the period of the simple circulation of commodities and its economic essence is summed up by Marx in the formula :

$$\begin{array}{c} C—M—C \\ \text{Commodity—Money—Commodity} \\ \text{or, corn—money—coat} \\ \text{and in values, } (\pounds 5)—(\pounds 5)—(\pounds 5) \\ \text{or 20 hrs.—20 hrs.—20 hrs.} \end{array}$$

As the producers at this time owned the instruments of labour, they had the means of consuming their own labour power, so that what they sold was not labour power but the labour product. The purpose of the exchange was use-value or utility; a person parted with corn of which he had more than enough, in order to get what he needed, say, a coat. The exchange, we also note, proceeded on the basis of equality, each party to it gaining certainly an article useful to him, but neither gaining any labour; the farmer parts with corn, in which is embodied twenty hours of labour, but the coat which he gets in exchange also contains no more than twenty hours of labour. As for the money, it has simply played the part of intermediary in the transaction, in virtue of its function of medium of exchange.

### **The Two Requisites of Commodity Circulation.**

Before wealth can circulate in the form of commodities, two conditions must be satisfied; (1) the article has to be a non-use-value for its owner, and a use-value for its non-owner; (2) both the parties to the exchange must mutually recognise one another to be the private owners of the articles.

### **How Labour Power became a Commodity.**

Obviously, as long as the producers remain in possession of their means of production, the first condition stated above, cannot be fulfilled, for their labour power will always have a use to them. Therefore, before labour power can become a

commodity, the producers must be deprived of the instruments of labour. Again, under feudalism, a peasant was not a free man; he was tied to a certain estate and could not leave it without the permission of his lord; so that the second condition also was absent. Now during the 15th century, there commenced in England a process of enclosing common lands which drove the peasantry from the soil, and turned them into proletarians. This went on with varying degrees of intensity until at the beginning of the 19th century there was no longer a peasant class in Britain. The same process of expropriating the peasantry from the soil has repeated itself in every country which has undergone the revolution from feudalism to capitalism.

At the same time new conditions, the great geographical discoveries, the flow of the precious metals into Europe from the New World, the growth of trade, had undermined the privileges of the guilds. Production began to be carried on on a larger scale by merchants, and the economies of this method resulted in the master craftsmen being competed out of the field; the artisans, too, had lost control of their means of life.

These economic changes brought about an alteration in the balance of power between the classes. The interests of the new bourgeois bankers, merchants and manufacturers, clashed with the privileges of the feudal orders, king, nobility and clergy. This antagonism first came to a head in Britain and was fought out in the revolution of the 17th century. A hundred years later in the classic French Revolution, the first breach was made in the feudal order of Europe.

Wherever the bourgeoisie triumphed, they abolished all hereditary privileges, and all hindrances on the free movement of capital, commodities and men. The peasants were now emancipated from feudal servitude and acquired the ownership of their own persons.

There had thus come into existence a great propertyless class, the proletariat, owning nothing but their labour power. "You are free!" the bourgeoisie apostrophised them; "no longer oppressed by feudal tyrants and with a law which is equal for all, nothing can now prevent your prosperity!" The reign of liberty, equality and fraternity had begun. The worker could enter into a contract with any employer on a basis of equality, the law even forbidding him to sell his labour power for more than a certain period, in case he should become a slave. Experience, however, soon revealed to the working class the hollowness of the claims of bourgeois democracy and liberalism. Under the free contract, there lurked the actual enslavement of labour by capital, under the democratic republic, the dictatorship of the capitalist class.

and under the mask of formal equality was to be seen the real inequality of rich and poor.

### **The Production of Surplus Value.**

#### **What is Capital?**

Most people look upon capital as a thing, such as gold, or raw materials or machines. This is quite wrong. Capital is not a thing, it is a social relation. Capital is the name we give to the social relation existing between the owners of the means of production and the producers, in a society in which wealth is produced in the form of commodities. But this separation of ownership from production is not an eternal characteristic of social labour, hence we say that capital is a historic category; that capital, in the modern sense, came into existence in the 15th century in England, because the expropriation of the peasantry, had created the necessary condition for its birth, namely, the proletarian class. Capital and proletariat, are the two inseparably united, yet vitally antagonistic, elements of capitalist society. Where there is no proletariat, ploughs, cattle, looms, etc., cannot be capital, they are simply means of production; similarly, in the absence of a proletariat money cannot become capital, it remains nothing more than measure of value and means of exchange.

#### **Early Forms of Capital.**

In pre-capitalist societies we encounter bankers and merchants; hence the earliest forms of capital were merchants' capital and usurers' capital. But these were merely half-developed forms, for they were in conflict with the law which lies at the basis of the production of commodities, namely, the exchange of equivalent values. The merchant got his profit by buying cheap and selling dear, swindling both the seller from whom he got the article, and the buyer to whom he gave it. The usurer gave no equivalent for what he received in interest; he simply fattened upon the misfortunes of peasant and nobleman alike. The bulk of the production of these days never saw any market, being directly consumed where it was created. Hence these forms of capital were mere exceptions to the general laws of the societies in which they arose.

#### **The Modern Form of Capital.**

These primitive forms of capital were simply parasites upon the productive organism of society, but the next form we have to observe was itself an organiser of production. The modern form, called industrial capital, which began to appear in England in the 15th century, is, as we shall see, very different from those which preceded it.

*(To be continued.)*



# Party Training Notes

The slackening down of Training activity during the summer, referred to last month, is emphasised by the fact that only two districts, Sheffield and London, have sent in reports for June. *Will all other districts please note.*

\* \* \* \*

The Agit-Prop. Dept. has had numerous enquiries respecting the T.U.C. Educational scheme. A special committee at headquarters has been appointed to go into the scheme, and a decision will be available in the course of a week or two,

It will not be out of place, however, to explain briefly for the benefit of members generally, what the scheme is.

The Trade Union Congress last year decided that the various organisations catering for working class education should be brought together and amalgamated within an official T.U.C. scheme of education.

The objects of the scheme are: "To provide working class education in order to enable the workers to develop their capacities and to equip them for their trade union, Labour and co-operative activities generally, in the work of serving social and industrial emancipation."

The W.E.A. accepts the scheme. They see in it an opportunity for much wider activity in the T.U. movement, and, as G. D. H. Cole says in the official organ, the *Highway*: "Our relations with Universities, with the Board of Education, and with local education authorities are in no way altered by the steps we have taken to make still closer than before our trade union and co-operative contacts."

The W.E.A. appears to have much to gain under the scheme, as the N.C.L.C. has lately gained ground over them in the way of trade union educational activities.

The N.C.L.C. accepts the scheme on the following conditions:

(a) "That organisations participating in the scheme must be entirely under working class control."

(b) Freedom "to carry on its usual propaganda . . . and to criticise those bodies that provide for the

extension to the working class of university or governing class education in the social sciences."

It is almost certain that the 1925 Trade Union Congress will ratify the General Councils' scheme.

The scheme provides for the setting up of divisional committees consisting of representatives from the educational bodies carrying on class work, and with a trade union chairman approved by the General Council. These committees' duties will include "avoidance of conflict between the various bodies in giving effect to the educational policy of Congress, and "to undertake propaganda with a view to extending educational work in the trade union movement."

It is safe to predict that conflict between the W.E.A. and the N.C.L.C. will be continued under the scheme.

It should not be forgotten however, by all Party members, that the only working class education of real value is that which provides for the building up of a revolutionary political working class party with its policy based on the class struggle, and that to separate working class education from a "Party" is academic and unreal.

Our own Party Training is essential to all Party members, and no other organisation can provide the need for it.

\* \* \* \*

One comrade writes to say that he thinks there is need for a "workers' political dictionary." He says he finds it difficult to follow the meaning of a number of the terms used in our writings and speech. We agree that there is need for a clarification of some of our terms, and will gladly assist any comrade through the medium of these columns.

This month we give the broad distinction between *agitation and propaganda*, as defined by our Comrade Bernard of the French Communist Party.

In *agitation*, he says, we launch slogans amongst the masses for the purpose of exploiting a moment of enthusiasm. *Agitation* counts upon passing effects, and very rarely upon effects of long duration. It appeals, above all, to sentiment, and the state

of feeling for the moment. It urges the daily political struggle.

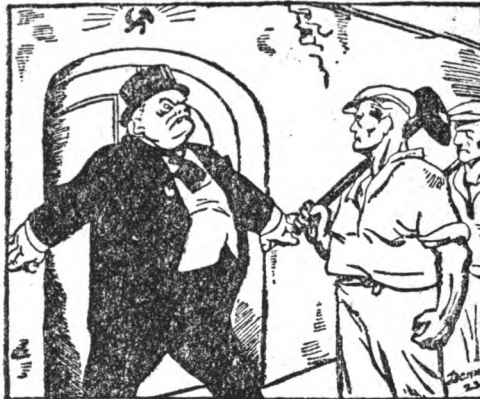
*Propaganda*, on the contrary, appeals to reason. Its task is to persuade by logic. It treats of a series of questions related to one another, not before the masses, but small groups of men. It seeks to obtain a lasting change in the ideas which men have upon this or that question.

In other words, we must not confound the class room with the platform; the pupils in the training group with an excited mass.

\* \* \* \*

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---

**“We are not pacifists. We are adversaries of imperialist wars conspired to divide the booty between capitalists.”—N. Lenin.**

# Book Reviews in Brief

*The Labour Revolution*, by KARL KAUTSKY. Publishers, G. Allen and Unwin. Price 7/6.

It is difficult to believe that Kautsky was ever regarded as a Marxian, and a revolutionary leader. One can only picture him now as a conceited old man writing long-winded rubbish and knowing little of events outside his study. He knows the writings of Marx and Engels certainly, but their revolutionary spirit is beyond him.

In this book, Kautsky bases a policy on two promises: one, that democracy growing wider and wider secures the advent of a Socialist government, elected by intelligent working people, and that this makes force and violence superfluous and harmful to the workers themselves.

Secondly, that the Russian Soviet Republic was and is a great mistake; Russia was not ripe economically and industrially for revolution, and the Bolsheviks have consequently had to "retreat and accept capitalism." Further, that the Bolshevik revolution in Russia has created famine conditions which will ultimately bring about the collapse of the revolution.

These two views are not argued, nor are any proofs whatever sought for or brought forward to support them. Kautsky merely states his theories, takes them for granted, and proceeds to build thereon his programme and policy as outlined in "the Labour Revolution."

In connection with his first theory of "Democracy," Kautsky says, p. 24, Marx declared "We know that the institution, manners and customs of the various countries must be considered, and we do not deny that there are countries like England and America. . . where the worker may attain his object by peaceful means." This was in 1874. Kautsky adds, "So far as I know, the Communists, who swear by Marx, have made no attempt to discuss this sentence, nor have they even taken any notice of it."

But Lenin, in "The State and Revolution," written in 1917 does mention this opinion of Marx, and deals with it also, thus: "This was natural in 1871, when England was still the pattern of a purely capitalist country, without a military

machine, and in a large measure, without a bureaucracy.

Hence, Marx excluded England, where a revolution, even a people's revolution, could be imagined, and was then possible, *without* the preliminary conditions of the destruction of the available ready machinery of the State."

To-day in 1917, in the epoch of the first great imperialist war, this distinction of Marx' becomes unreal, and England and America the greatest and last representatives of Anglo-Saxon "Liberty," in the sense of the absence of militarism and bureaucracy, have to-day completely rolled down into the dirty, bloody morass of military bureaucratic institutions common to all Europe."

Thus, Kautsky's quotation of Marx was met by Lenin seven or eight years ago and fully dealt with.

But, apart from this, Kautsky's admiration of the "Democracy" which he imagines is blooming everywhere is ridiculous. The open dictatorships in Bulgaria, Greece, Italy and Spain, and the domination of finance in German, French, British and American politics evidently conveys no lessons to Kautsky, nor does the Dawes Plan, the imperialist rivalries making for new wars, or the trickeries of capitalist politicians. He ignores completely the power of the capitalist press, the rise of Fascist organisations, and the efforts of colonial peoples to secure national independence.

This sublime unconsciousness of the forces operating in capitalist society to-day, of the changes which have been developing since the end of last century, and which are called "imperialism," leaves Kautsky struggling among what are to him unexpected difficulties. For these he apparently blames the Bolsheviks, whom he can not forgive for establishing a Workers' Republic in Russia. To this he returns again and again, and here he displays the same complete lack of regard for facts.

Kautsky thinks that the Soviet Republic *should* not exist, he cannot deny that it *does* exist, and therefore, ignoring all the evidence to the contrary, he insists that the people of Russia are starving, and in rag,

and that they will some day revolt against these conditions.

Kautsky's theories are not in accordance with the facts and for this reason his book will make no impression on working class opinion in Britain. It may expose his obstinate Liberalism, however, if, lured by his name, some workers purchase a copy. The wrapper of the book states that Kautsky is "one of the greatest living writers on socialism."

It is a relief to turn to Lenin's concluding note in his "State and Revolution." "It is more pleasant and more useful to live through the experience of a revolution than to write about it."

Kautsky will probably go on writing, but the results will be, as in this case, neither pleasant nor useful to his readers if they are of the working class.

*Letters of Rosa Luxemburg*, to Karl and Luise Kautsky. 2 dollars 50 cents. Robert M. McBride & Co. 7, West 16th Street, New York. (To be had from Communist Bookshop, 16, King St., W.C.I.).

The name of Rosa Luxemburg will be forever enshrouded in the hearts of all revolutionary fighters, particularly the Communists, for her single-minded devotion to the cause of the enslaved proletariat. A true revolutionary, she paid the price with her life—the manner of her death, and the brutality of the means but serving to show the extent of the hatred and fear she had aroused in her inveterate bourgeois enemies. This story has been told again and again in our Communist press.

What our movement has been lacking so far, has been some biographical glimpses into the life Rosa led as a revolutionary worker. Hitherto the only fragments available in English are the series of letters to Sophia Liebknecht (wife of Karl Liebknecht). Happily our information is now enlarged, and our literature enriched by the translation into English of these *Letters of Rosa Luxemburg to Karl and Luise Kautsky*, edited by Luise Kautsky and published by Robert M. McBride & Co., an American publishing house in New York.

The merit of this volume consists in the flood of light it throws upon the personality and career of one of the most remarkable women in modern political history.

Altogether we have 97 letters, covering the period from March 5th, 1896 to July 25th, 1918, divided into six periods. In the first period, from 1896 to 1899, we become acquainted with the writer and political controversialist of the *Neue Zeit*, a theoretical magazine edited for over thirty years by Kautsky. Here we see Rosa Luxemburg on the practical and theoretical problems confronting the Polish Socialist Party: battling against the social patriotism within that party, and the revisionism then creeping into the German Social Democratic Party.

The second series, from 1900 to 1904, introduces us to the numerous circles of friends amongst whom Rosa moved, throwing flashlights here and there upon such leading personalities in the movement as Wilhelm Liebknecht, Paul Surger, August Bebel, Clara Zetkin, Kautsky, etc.

The third series comprises the period of her imprisonment for *lèse Majesté*, at Zwickau to the first Russian Revolution. During her imprisonment she followed with the keenest interest the activities of and the discussions within the International, then largely dominated by the German Social Democrats. When a general amnesty was declared, on the occasion of the King of Saxony's coronation, Rosa, says Mrs. Kautsky, was very unwilling to take advantage of it, hating the thought of accepting anything from the hands of her enemies.

With the news of the revolution in Russia (1905) her enthusiasm knew no bounds. She must set out immediately for Warsaw to "go to work." Here in this series of letters we get a graphic picture of Rosa working day and night, of the revolutionary struggles of the Russian workers, and the *organisational* progress of the revolution, notwithstanding the shootings and prison bars.

From 1907 to the opening of the war in 1914, we find her back in Germany working on her books on Polish history and *The Accumulation of Capital*, which latter was published in 1913.

The outbreak of war, and the voting of credits by the Social-Democrats forced Rosa to break completely with the "fathers" of the movement in Germany, as she called the leaders of the Party. Then began the illegal activities with those brave workers who formed the Spartacus group.

Arrested for a speech she had delivered before the war, she spent a

full year in a woman's prison in North Eastern Berlin, where she continued to write the Spartacus Letters, and the famous "Junius Pamphlet." On leaving prison in February, 1916, she sought contact with the "left" elements in the party, and, with Karl Liebknecht, began the open declaration of Down with War at the great May Day gathering in 1916.

Taken into "Precautionary arrest" in July, 1916, she spent her days in first one jail, then another, until the "fraternising" of the soldiers with the people took place following upon the revolt of the sailors at Kiel. This last series of letters makes excellent reading, and reveals Rosa at her best as a revolutionist.

The story of her subsequent arrest, and murder outside the Hotel Eden is graphically depicted by Mrs. Kautsky in her introduction. But here we

see Mrs. Kautsky at "body-snatching" in her attempt to prove that Rosa Luxemburg had created a Frankenstein in the Spartacus group which insisted on going beyond the aims set by Rosa herself. While there isn't the slightest attempt made to fasten responsibility on the Noske's and Scheidemann's who acted as the bourgeois hangmen during this period.

Mrs. Kautsky, like her husband, seems only concerned with the "logical ending of the drama" of the revolution. Closely identified as the Kautsky's were with the private and personal life of Rosa, it were better had they caught the fire of her spirit, and been able to say with her: "I shall some day die at my post; in a street fight, or in the house of correction."

No militant should miss this book.  
P.R.L.

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### ARE YOU AMONGST THESE ?

It should not be necessary to point out the value of organisation, that an unattached Communist is of much less value than one whose work is part of an organised effort.

### YOUR CLASS AND PARTY NEED YOU.

There are some who, sympathising with, and appreciating the Communist position, will call themselves Communist without realising that the first duty of a Communist is to become a member of the Communist Party.

Therefore, DO YOUR DUTY,

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I wish to be a member of the Communist Party. Please put me in touch with local membership.

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# “Our” Empire

## CANADA : The Coming Elections

By MAURICE SPECTOR.

In no less a measure than the recent Royal-Union Bank merger, or the class struggle in Nova Scotia, the Federal Budget throws a glaring light on the condition of Canadian capitalism—which lives increasingly by the intense exploitation of the Canadian masses. The Public Debt at the end of the fiscal year for 1920-21 was 2,340 million dollars and the estimated net debt at the end of the present year 1924-25, is 2,431 millions—an increase in indebtedness in four years of over 90 million dollars. In addition the government has during this period guaranteed National Railway bonds to the extent of some 180 million dollars, and as the National Railways are burdened with the heritage of over-capitalisation from the days of private ownership, this additional amount will eventually have to come out of non-railway revenues. So a total National Debt of only half-a-billion dollars in pre-war days has swollen to the present tidy sum of two and a half billion dollars. More than a third of the public revenue is now expended in interest payments, the annual interest bill having averaged 135 millions in the last three years.

### PAYING THE PRICE.

How was this huge debt incurred, to whom is it owed, and who is expected to “pay the price” for it? The expansion of the National Debt to the sum of two and a half billion dollars was largely due to Dominion participation in the late imperialist world war. This fact, of course, partly explains the reluctance of the King government to embark on further war commitments spelling greater contributions to the maintenance of British navalism; it partly explains Dominion insistence on “status” and the differences with the British Imperial Government over the signing of the Treaty of Lausanne, the Geneva Protocol, and the “Security Pact” in connection with the Rhine.

In view of the penetration and influence of American Imperialism on the one hand, and the sharp antagonisms within the Dominion itself be-

tween capital and labour, between agrarian West and financial-manufacturing East, between French Canada and Orange Ontario, between the Maritime Provinces and all others—**PARTICIPATION IN ANOTHER WAR WITH THE HUGE DEBT OF THE LAST STILL BEARING DOWN, MIGHT SHAKE THE WHOLE STRUCTURE OF CANADIAN CONFEDERATION TO ITS FOUNDATIONS.**

But if this huge debt was incurred in the imperialist war, and if more than a third of the revenue is going into perpetual interest payments to **CAPITALIST BONDHOLDERS AND WAR PROFITEERS, AND IF, AS THE GOVERNMENT HAS ADMITTED, MORE THAN HALF OF THESE WAR BONDS ARE TAX-EXEMPT**, one great source of the deficit and the way to its liquidation becomes very clear. Up to the present, however, the idea of the capital levy has been advocated by nobody outside the Communist Party of Canada. The Government, the capitalist parties, the bondholders, and their crowd will not hear of anything that would make them pay the costs. The business interests already fill the air with their cries that taxation is “too high.” They howl for “economy”—at the expense of the workers and farmers.

### RAILWAY SWINDLING.

These capitalist interests point to the deficit on the Canadian National Railways, for instance, as due to the “inferiority” of government-ownership, and suggest as a means of wiping out this deficit, an offensive—not on the fixed interest charges—but on the railway workers’ wages. *If there is a deficit on the Canadian National Railways, it is due to scandalous over-capitalisation.*

The Canadian Pacific Railway (privately owned) with a total mileage of 19,103 miles, has a capitalisation of 623,960,000 dollars or 32,000 dollars per mile. The Canadian National with a total mileage of 26,751, has a capitalisation of 2,207,000,000 dollars, or 84,500 a

mile. The National Railway system must pay interest (on bonds, debentures, loans, etc.), on the sum of 1,581,000,000 dollars, a matter of 75,000,000 a year. The nationalisation of the Canadian Pacific and its unification with the Canadian National (after the latter had been cleansed by *thoroughgoing* nationalisation!) would certainly go a long way towards wiping out the deficit on the government railway system, and consequently on the National Debt. But any proposal of thoroughgoing nationalisation (without compensation) and unification, is met with the same cordial reception by the bourgeoisie, as the idea of a capital levy!

#### TARIFF SQUABBLE.

The squabble between the Government and the Tory Opposition over the reality or otherwise of the budgetary "surplus" is a manoeuvring for election position this coming Fall. The Liberals and Conservatives make their differences hinge about the immemorial fake issue in Canadian politics—the tariff. Both these parties are controlled by the same interests who use now the one, now the other, as occasion demands. The interests of the Canadian Manufacturers' Association and the Canadian Bankers' Association are protected by both; the interests of the workers and farmers are protected by neither. In twenty years, and with all the party hullabaloo over the tariff, it has not been revised one way or another more than a few cents.

When King made certain slight reductions in the tariff on agricultural implements, and Meighen, the opposition leader raised an outcry that this was ruining the implement industry, the Massey-Harris Company, largest Canadian implement manufacturers, published a statement that they were well satisfied. The "free trade" principles of the Liberals are a farcical insincerity. The slight tariff revisions last year (there were none of a downward kind this year!) were a dry bone thrown to the Progressive dog. On imports of all dutiable agricultural implements valued at 3,156,986 dollars from April to October, 1924, there was a reduction of 4.7 per cent. or an actual reduction of 148,378 dollars of duty paid by all the farmers

It is no pleasant spectacle to see the farmers so shamelessly betrayed by unscrupulous politicians who have

wormed themselves into their graces under the banner of the "Progressive Party." In the division on the budget, seventeen of these "Progressives," including the Whip of the Party, voted for the government despite the decision to the contrary of the party caucus as a whole.

#### 100,000 UNEMPLOYED

So much for the protection of the farmer. How about the workers? Last winter there were close on one hundred thousand unemployed. All this time the government agencies were working overtime artificially stimulating immigration by means of lying propaganda abroad. The immigrants came into the country only to swell the army of the workless. All winter the unemployed maintained an agitation for work or maintenance. They got neither. Unemployed marches on the Provincial governments were organised. Delegations went up to Ottawa from the Trades Councils (Toronto) to ask for maintenance either in the form of "doles" or insurance. The government replied that the country "could not afford it," that "doles" were "demoralising," that under the British North America Act the Federal Government had no power to deal with such a question, and was there any unemployment anyway? Meanwhile men starved or eked out a miserable existence on private charity. The budget maintains a perfect silence on the question of unemployed maintenance.

#### BUDGET FOR PEACE.

For months the miners of Western Canada carried on a desperate struggle against a wage reduction of 1.17 dollars a day. They were finally starved into submission by the operators and their union organisations broken by company unions. The whole world is aware of the heroic struggle of the Nova Scotia miners against a wage-reduction of ten per cent dictated by the monstrous British Empire Steel Corporation (BESCO). But the budget says not a word about mines nationalisation, not a word in the interests of the workers. WHAT THE BUDGET IS CONCERNED ABOUT IS THE PROTECTION OF THE BRITISH EMPIRE STEEL CORPORATION WHICH IS GIVEN AN INCREASE IN THE DUTY ON SLACK COAL OF FROM FOURTEEN TO FIFTY CENTS A TON. PREMIER ARM-

**STRONG OF NOVA SCOTIA, BESCO'S HIRED MAN HIMSELF ADMITTED THAT UNDER THIS TARIFF INCREASE BESCO COULD AFFORD TO PAY THE 1924 RATES THEY ARE TRYING TO CUT, AND AT THE SAME TIME ENJOY A FOURTEEN CENTS ADVANTAGE PER TON OVER THE SELLING PRICE THEY HAD CLAIMED TO EFFECT BY THEIR WAGE REDUCTION.**

But did the Budget make any provisions for the miners to be given a living wage at the same time that Besco was being given its handsome little tariff donation? The military in trench helmets and armed with machine guns who have invaded Nova Scotia to coerce the miners—that is the answer of the Government and Besco.

#### **ELECTIONEERING.**

All the usual signs and portents point to an election this fall. Appropriations have already been made for public works in constituencies of strategic importance for the Government. Five million dollars for the Quebec harbour, and many more millions for the Toronto viaduct and the Montreal south shore bridge. The Government's concession to American capitalists of the Carillon's

Water-Power may not be unconnected with the collection of a fat campaign fund. Government offices have been transferred to dependable landlords and the Home bank depositors who were caught in the failure of that institution will be given some financial compensation. The Dunning Government has been returned in Saskatchewan and now the Government is waiting for results of the impending election in Nova Scotia.

#### **COMMUNIST PROGRAMME.**

For the workers there is no other way out of the exploitation they are suffering but independent political action on the basis of the class struggle. The Communist Party will endeavour to rally the workers organised in the trade unions and the Canadian Labour Party, as well as those as yet unorganised, to make a stand for class issues, for the capital levy, for mines nationalisation, for nationalisation and unification of the railway systems, for the nationalisation of the banks, and industry under workers' control, for unemployed insurance, a national minimum wage, repudiation of the British North America Act, a six hour day, a Workers' and Farmers' Government, a Workers' and Farmers' Budget.