

Fred Ellis

German and American "Labor" Endorse the Dawes Plan



AFTER EIGHT YEARS—THE FRUITS OF VICTORY.

Fred Ellis

grows and the revolutionary movement develops more powerfully. In Germany industry has reached only forty percent of the pre-war level and the proletariat is weakened by its unbearable level of existence. France is on the eve of complete financial bankruptcy and on top of that has thrown itself into a long colonial war. Poland, Bulgaria, Roumania, Italy,—is it necessary to speak about the ever-recurring political and economic crises of these countries?

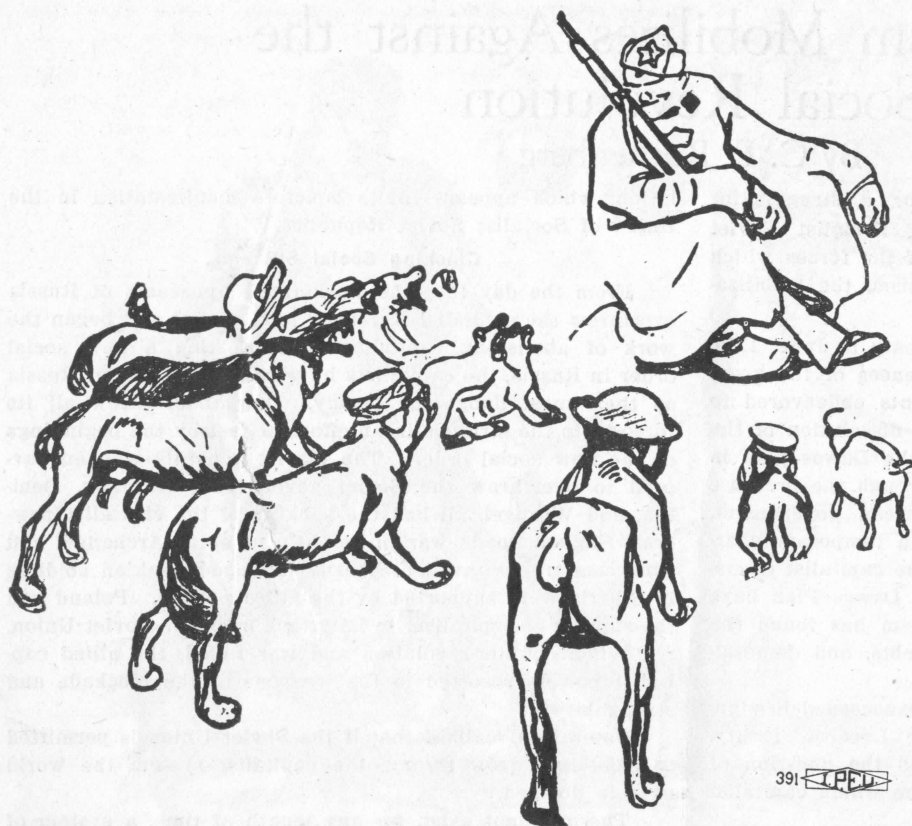
While the Soviet Union reconstructs with ever increasing rapidity, Europe rots in continuous crises. One need only read the bourgeois American papers, read what bourgeois economists say — for instance, J. Maynard Keynes — about the situation in Europe. Read, for instance, what is said about European capitalism of the latter days by the daughter of Lord Curzon, and one will see that even the bourgeoisie itself begins to understand that capitalism has reached the eve of its debacle.

Eight years are an insignificant period for the transition to Communism in a backward country like Russia, but its progress during these eight years is so tremendous that the bourgeoisie of all countries is terrified and reacts with fury. Notwithstanding all fables and all slanders the truth about the progress of Soviet Russia can be concealed no longer. A number of workers' delegations that have visited Soviet Russia in the late years have testified to this prog-

ress with citing of facts that cannot be challenged. Although the bourgeoisie and its tail, social democracy, are doing all in their power to refute the reports of these delegations, yet they are so frightened that they are taking measures to prevent further progress. This is the best proof of the progress of the proletarian dictatorship in Russia. But this progress becomes a source of new difficulties and new dangers for the Union of Socialist Soviet Republics. The greater the improvements, the greater grows the danger of new intervention and of a new war against the Soviet Union.

That is a serious danger for the proletarian dictatorship. The Soviet Union has quickly developed its defense on the basis of a militia, but a war threatens it with new destruction and new exhaustion. The main task that confronts the workers of all countries who sympathize with the Union of Socialist Soviet Republics in spite of their political and trade union leaders, must be to prevent a new war against the Soviet Union within the next five or ten years.

If this succeeds and if the Russian proletariat during this period is given the chance to build undisturbed on its new life, then there can be no doubt that the Union of Socialist Soviet Republics will strengthen itself internally to such a degree that no enemies and no wars can endanger it any more. And then the Soviet Union will be the strongest support of the world revolution.



The capitalist nations of Europe and America howl in vain while a proletarian Red Army guards the first workers' state of history.

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porary respite for itself, or the beginning which has been made in Russia will spread over the earth and destroy capitalism.

Fetters on the Capitalist Power

The question which immediately arises in one's mind is, if we accept this analysis of the conflict between capitalism and the Soviet Union as correct, why has not capitalism long before this launched an open attack against the Soviet Union through a declaration of war and an effort to destroy the Soviet Government.

On the surface it appears that the capitalist powers have carried on only a guerrilla warfare against Soviet Russia. They have financed and equipped counter-revolutionary czarist generals, they have endeavored to use Poland as their cat's-paw in an effort to destroy the Soviet Union, they have tried the strangulation of the blockade. What has prevented the hurling of a French, Italian, English and American army against the Soviet Union in an endeavor to crush out the first workers' republic?

It has not been a lack of will to do this on the part of the capitalist government which has saved the Soviet Union from such an attack. It has been the lack of power.

There are three factors explaining this lack of power. The first is the economic conditions which existed in all of the capitalist countries with the close of the war. Capitalist production was in a state of collapse; depreciated money and disordered exchanges, unbalanced budgets, spread the danger of the collapse of the financial structure of capitalism. The hardships and sufferings which these conditions brought upon the people of the capitalist countries, particularly in Europe, expressed itself in the wave of revolutionary struggle which swept over the continent and which threatened to engulf the capitalist governments.

The second factor was the support and sympathy for the workers' and peasants' government of Russia. When England threatened to intervene in 1921 at the time of the Polish war, the ruling capitalist class of England was answered by a Council of Action formed by labor in support of Soviet Russia. All over Europe, the workers went on strike and used sabotage to prevent the supplying of the munitions of war to Poland. It was the knowledge that an armed attack by the armies of the capitalist powers upon Soviet Russia would carry with it the danger of an uprising and revolutionary struggle at home that held the capitalist powers in check.

The third factor was the mutual jealousy and conflicts of interests between the capitalist powers themselves. Germany, beaten and economically raped by the victors of the world war, could not be depended upon to join in a united

talist countries to enter into the struggle against the capitalist social order and the government which upholds and protects it. The example of a country which, in relation to the undeveloped countries of the world, follows a policy of friendship and helpfulness and gives up all special privileges and rights of exploitation, as compared to the imperialist exploitation by the capitalist countries, is bound to make this country the rallying point for all oppressed nationalities in the struggle against their imperialist capitalist exploiters.

It is because the Soviet Union must and will inspire the exploited and oppressed workers of Germany, France, Italy, England and the United States in a struggle against their capitalist masters, because the existence of the Soviet Union with its policy of friendship toward the people of China, India, Morocco and other spheres of imperialist exploitation, a policy which springs from the fact that Russia is not a capitalist country, and therefore need not follow an imperialist policy, goes to make the Soviet Union a magnet around which will gather all the oppressed peoples in their struggle against imperialist capitalism.

Out of diametrically opposed economic systems of capitalism, and the growing Communist system of the Soviet Union, there develop conflicts which manifest themselves in far quarters of the world and in every phase of human existence. There can be no permanent peace between capitalism and the Communist social order which is being created in the Soviet Union. Either capitalism must destroy the beginnings of the new social order and thus win a tem-



"Face to the Village!" is one of the slogans of the Communist Party in Russia. Each big factory in a city takes charge of the political education of some small village nearby. Here we see a Communist speaker addressing a group of peasants.

effort to eradicate the beginnings of the social revolution. All of Central Europe reeked with conflicts which might easily lead to new struggles within the ranks of the capitalist nations.

The Soviet Union gained a breathing spell because capitalism itself was so weakened, so torn with dissension and had within itself a working class sympathetic to the Soviet Union.

The Situation Today.

The vital question in relation to the new mobilization against the Soviet Union is whether capitalism has overcome those factors which in the past few years have prevented a united attack upon the Soviet Union. Have the capitalist powers today accomplished what they have been unable to do during the past eight years?

The reparations problem was one of the most serious disturbing factors in the European economic and financial situation. The adoption of the Dawes Plan, under the whip of the American bankers, established a temporary equilibrium in relation to this question. The intervention of the American bankers to settle this problem averted the collapse of the German financial and economic systems. As ex-Chancellor Wirth declared, in his recent speech in Chicago, "I wish to say that your assistance in every form has greatly helped to avert the final social collapse of my country." The staving off of the collapse in Germany and the temporary stabilization of industry there has had its effect in strengthening the whole economic and financial system of capitalism in Europe and the United States. Capitalism has not overcome the forces of destruction generated in the war, but it has obtained a temporary breathing spell.

The settlement of the question of Europe's ten billion dollar war debt to the United States was of equal importance to the reparations problem in relation to the rehabilitation of capitalism in Europe. Here also something has been achieved. Refunding agreements have been signed between the United States government and England, Belgium and

Czechoslovakia. The negotiations with France have thus far been unsuccessful, those with Italy are still to come.

In these settlements of the economic and financial problems of capitalism, the method has been that of postponement. The Dawes Plan postponed the drain of reparations payments upon German industry by comparatively small yearly payments at the beginning, and the debt settlements made by the United States provide for comparatively small annual payments for the immediate future. Capitalism has therefore not solved these problems, but postponed their solution.

The Locarno treaties, which are hailed as the establishment of the peace of Europe, and which are at the same time the unification of capitalism for the struggle against the Soviet Union, may be said to follow the same method on the political field that capitalism has followed on the economic field in order to gain a breathing-space. The treaties provide for methods of achieving settlement of the conflicts, but do not actually achieve the settlement. How far they establish the peace of Europe is indicated by the ironic commentary on the paeans of joy in the form of threatened war between Greece and Bulgaria, American warships steaming towards Syria, and the Riff war going forward with all its intensity in the midst of the songs of joy over the achievements of Locarno.

Treaties have become scraps of paper before when it served the interests of the capitalist powers to consider them as such.

The vital interests of the European powers which signed the various treaties at Locarno will be as effective in making scraps of paper of these treaties as were the interests of Germany in making a scrap of paper of the Belgian treaty in 1914. The best that can be said is that capitalism has secured a breathing spell. The rulers of capitalism may consider that this breathing spell gives them sufficient strength for a desperate struggle to wipe out the Soviet Union and the beginning of the social revolution.

The United States, which has played such an important role in the adoption of the Dawes Plan, has maintained a consistent position of uncompromising hostility toward the



After the political meeting, the Communist workers mingle with the peasants in games and dancing.



During the Lenin Enrollment.

Immediately after the death of Lenin, the doors of the Communist Party were thrown open to the workers of Russia, and over 200,000 new members were taken in. Each applicant was examined as to his fitness for Party membership before the workers of his own factory, shop or mine.

Soviet Union. Both Hughes and Kellogg have declared that there can be no recognition of the Soviet Union while it pursues the policy of abolishing capitalism and creating a new social order.

These are the indications that the capitalist powers feel themselves strong enough for a new struggle against the Soviet Union and that we are on the eve of sharpened conflicts in which capitalism will throw all its powers into an effort to crush the first workers' and peasants' republic and with it the developing social revolution.

Forces in the Conflict.

Examination of the relative forces in this impending struggle between capitalism and the new social order, shows that the Soviet Union is in a much stronger position than at any time in the past.

While capitalism has temporarily solved some of its problems, it has not overcome the forces of destruction which the imperialist war generated. We need only to look at Great Britain in order to find proof of this. British industry is still far below the pre-war level. It has not been able to recover the ground it lost as a wealth-producing nation during the war. The taxation required to meet the draft upon its budget and the expenditures growing out of the war is absorbing financial resources. There are more than a million unemployed and the need to subsidize such an industry as the coal industry to prevent a strike. These facts depict the straits in which England finds herself.

With it, there is a swing of labor to the left and the beginning of a powerful revolutionary movement directed at the destruction of English capitalism. Undoubtedly English capitalism became the prime mover in the adoption of the Locarno treaties because of its fear of the Soviet Union. How far can England go in a struggle against the Soviet Union without precipitating the very thing it is seeking to destroy: the Soviet Union—the Social Revolution?

A second factor in the situation is the new attitude

toward the United States which is developing in capitalist Europe.* By insisting on its pound of flesh in the settlement of the war loans made to the European countries, the United States has established a common bond of resentment against this country on the part of the European debtor nations. This enmity and resentment against the United States is bound to grow as the financial enslavement by American capitalism proceeds. The Dawes Plan increased American investments in Germany. The debt settlements, usually followed by new loans, are similarly increasing American stakes in other European countries. The interests on old debts, new loans and investments in European industry will continue to increase American financial control, for there is no other way in which Europe can pay than by giving to American capitalism greater and greater control of European industry through the re-investments of the interest on old loans, new loans, and profits on investments of the past. As American capitalism becomes the financial master of Europe, the enmity of European capitalism will increase, and this enmity prepares the ground for new conflicts.

World capitalism also has still to deal with the people who are suffering under the yoke of imperialist exploitation. While capitalism hails the dawn of peace, the armies of France and Spain are suffering defeat after defeat in the struggle against the Rifians. Capitalism hails the dawn of peace and the powder-magazine of the Near East explodes in Syria. Throughout Asia, Africa, South America, the victims of capitalist imperialism are stirring and mobilizing to cast off the yoke under which they suffer. Every revolt of oppressed people is a blow at the whole imperialist capitalist system, for capitalism cannot exist today without imperialist exploitation of undeveloped countries. When the Chinese masses unite to cast off their foreign imperialist exploiters, capitalism and the capitalist powers receive a blow which accelerates the operation of the forces let loose by the war which are destroying capitalism.

The Dawes Plan and the Locarno treaty may bring the capitalist powers a breathing space, but they have not overcome the forces which are preparing the destruction of capitalism.

The Strength of the Soviet Union.

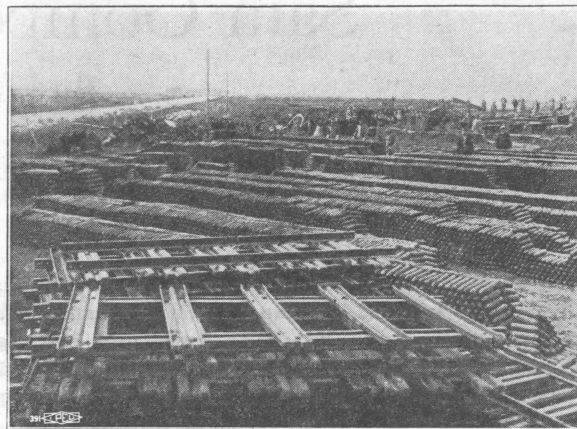
The Soviet Union faces its capitalist enemies stronger than at any time in the past. Through the herculean efforts of the workers' and peasants' government, the industries of the Soviet Union are being reconstructed. Production is being improved and with the improvement in industry and in production goes hand in hand the improvement of the standard of life of the workers. Not only mining, manufacture, and transportation have improved in Russia, but also Russian agriculture. It is not a country torn by war and counter-revolution such as Russia was in 1924 that faces capitalism today, but a country that has made great progress in overcoming the destruction wrought by capitalism and which has made great progress in building and organizing its economic powers.

The progress of the Soviet Union in improving the



Work in the Fields in Soviet Russia.

The peasants, who have so long been tilling the soil with primitive methods, are now anxious to learn the latest methods and obtain the most improved agricultural machinery.



Before Munitions Works in Russia.

These works turned out the munitions which helped to beat back the foreign invaders in 1919 and 1920.

standard of life of the workers and peasants of that country is having its effect within the capitalist countries. The report of the British trade union delegation on conditions within the Soviet Union was a big factor in the movement toward the left and toward the Soviet Union by the British working class. Trade union delegations of practically all the European countries are visiting the Soviet Union and bringing back similar reports to the workers of their home countries. The knowledge that the workers and peasants of Russia are winning their struggle to create a new social order, that they have already made substantial progress in building that social order, will inspire new faith and courage for the struggle for the social revolution in the workers of the capitalist countries of Europe.

Thus, at a time when capitalism is mobilizing for its struggle against the social revolution and its visible expression, the Soviet Union, the forces are gathering within the capitalist countries to strengthen the movement for social revolution there.

The Test of the Communist Parties.

The impending sharp struggle of capitalism to overcome the forces of social revolution and to destroy the Soviet Union will be a test of the Communist Parties. The Communist Parties are the outposts of the social revolution in the camps of capitalism. The strength they can muster in mobilizing the workers in support of the Soviet Union will weaken the offensive of capitalism against the Soviet Union. Every mobilization of the workers in the capitalist countries for a struggle against their capitalist masters strengthens the Soviet Union. Every revolt of the peoples of the oppressed colonies against their imperialist masters threatens the strength which can be directed against the Soviet Union by capitalism.

Our Party in the United States faces the task of bringing pressure to bear upon the center of capitalist power. It is American capitalism, which today is reaching out over the world to rehabilitate and strengthen capitalism. It is

American capitalism which forced upon Europe the Dawes Plan and gained for it a breathing space. American capitalism is the leader in the struggle against the social revolution.

The immediate task of the Workers (Communist) Party in relation to the titanic struggle which is developing is to show that even American capitalism is not free from the forces within the United States which can place a check upon its power. The force of the Soviet Union is the strongest issue for an appeal for a struggle against American capitalism. On this issue the Workers (Communist) Party must and will rally the working masses for an attack upon their capitalist rulers.

* * *

The answer of the working class to the capitalist mobilization against the social revolution and the Soviet Union must be a mobilization for the social revolution. The coming attack upon the Soviet Union will bring such a mobilization. Capitalism, in endeavoring to destroy the social revolution, will strengthen the forces of the social revolution which will carry it nearer to its goal.

NEXT MONTH

Why a Labor Party? By John Pepper
Super-Profits. By Bertram D. Wolfe
Taxation. By Max Bedacht
The Movement towards World Trade Union Unity.
 By William F. Dunne.
The Story of the Russian Revolution of 1905

COMING!

A series of five articles analyzing five political parties in the United States.

January. The Democratic Party. By H. M. Wicks
February. The Republican Party. By Jay Lovestone.
March. The Third Party Movements and the Labor Party. By Max Bedacht.
April. The Socialist Party. By William Weinstone
May. The Communist Party. By C. E. Ruthenberg

claimed to possess about 10,000 photostats of the original writings and rare printed material of Marx and Engels.

Publishing Activities.

The collection of all published and unpublished writings of Marx and Engels, including letters, notes, addresses, etc., properly classified, edited, and annotated by the various research workers of the Institute will offer an opportunity to reconstruct as completely as possible the great scientific achievements of Marx and Engels. Thirty years after Engels' death there appears the possibility of seeing in print the material which Marx intended for his *Capital* and other economic treatises; also important writings of Engels on natural science, physics, chemistry, military science, etc. the publication of which was neglected by Engels on account of his work on *Capital* and other Marx manuscripts after Marx' death. Letters of Engels to Bebel, Adler, Kautsky and Bernstein dealing with important tactical questions will be brought to light. Probably the fact that the Marx-Engels Institute was preparing to publish Engels' letters has caused Bernstein to bring them out recently in Germany.

The complete edition of all writings of Marx and Engels in Russian will consist of thirty-six volumes. There will also be an international edition in which the writings of Marx and Engels will appear in the languages in which they were written. The smaller works, pamphlets or articles will

be arranged chronologically, Marx' writings beginning in 1837 and Engels' in 1839. This will take seventeen volumes. Volumes 18 to 25 will contain the correspondence between Marx and Engels and letters from Marx and Engels to Lassalle, Wedemeyer, Kugelmann, Freiligrath, Liebknecht, Bebel, Sorge, Becker, Bernstein, Adler, Kautsky, Zassulitch, etc. Volumes 26 to 34 will contain the economic works of Marx; *Capital*, *Theories of Surplus Value* and some unpublished economic writings. The last two volumes, 35 and 36 of this ambitious collection, will be devoted to a complete index of names, subjects and cross-references, and will contain a great deal of biographical and bibliographical material. The completion of this stupendous undertaking will be an event of great significance to our movement. In addition to this definitive edition of the writings of Marx and Engels, which will be primarily for students of Marxism, the Institute is also preparing popular editions of the most important works with explanatory notes in order to make these works more accessible to the masses.

Extensive Research Planned.

4. If the Marx-Engels Institute had set for itself only the task above described it would have earned the lasting gratitude of every Marxist, and we could take additional pride in the Russian Revolution for having made it all possible. But the Institute has still a larger program in view.



William Gropper

THE PHILOSOPHERS OF THE SECOND INTERNATIONAL TRYING TO DE-REVOLUTIONIZE MARX AND ENGELS.