

The Revolutionary Age

A Chronicle and Interpretation of International Events

Vol. I, No. 24

Saturday, March 29, 1919

Price 3 Cents

Greetings to the Soviet Republic of Hungary!

THE proletariat of Hungary has taken all power in its own hands. Like a bolt from the blue the workers, soldiers and peasants of "conquered" Hungary proclaim their intervention in the arena of world politics—and the diplomats of Capitalism are thrown into a flurry of mingled rage and fear. While the wires were still hot with the news of the resignation of Count Karolyi, president of the provisional government of Hungary, as a protest against the peace terms of the Paris Conference, came word of the complete triumph of revolutionary Socialism and the establishment of the second Soviet Republic in the world.

With little or no resistance, with no intervening period of Socialist compromise, the Hungarian Soviet Republic rises to power and in its initial proclamation ushers in the dictatorship of the proletariat, decrees the socialization of the large estates, mines, big industries, banks and lines of transportation, declares its oneness of purpose with the revolutionary proletariat of Russia and its readiness to form an armed alliance with the Federated Soviet Republic. All over the country Workmen's, Peasants' and Soldiers' Councils are in action and take over the functions of government.

The despised and beaten workers, crushed by the landlordism and industrial tyranny of their own bourgeoisie, held in bondage by Austria-Hungary, forced into a disastrous war by German-Austrian Imperialism, and finally faced with the woes of the conquered by the Entente, have arisen and in one historic gesture swept aside their chains, and set out upon the march towards human freedom. What dark perils lie athwart their path, what dangers lurk in the mists of the future, trouble them not, their feet are planted on the straight path and their faces are turned towards the new day. Encircled with hostile nations, worn out by the drain of war, financially bankrupt, staring starvation and industrial ruin in the face, the workers have assumed control and with heroic courage set about the gigantic task of remedying the immediate evils, and, at the same time, constructing the new society of the workers which will eventually bring world order out of the present chaos created by Capitalism.

Against the successful accomplishment of this task the Hungarian workers will find arrayed against them the whole power of the capitalist world. Within themselves they must find the power to consolidate and maintain their victory, save for the exception of revolutionary Russia whose heroic audacity is their inspiration. To the Russian workers they have already appealed and Russia, who herself sent out such an appeal a few months ago only to be mocked by the echo of her own words, and who is still beset with foreign bayonets and internal reaction, has answered. The iron tread of seventy thousand workers marching to the rescue is Russia's answer—and the echo of that answer shakes the world.

Out of dark Russia, in the midst of the world misery of war, rose the flaming torch of freedom. From the ignorant peasants, the dumb workers, and the driven soldiers of Czarist Russia came the first faint music of freedom's song, and as the days passed on often the singers were choked with tears and often the notes became the strains of a funeral march, and sometimes it swelled into a crashing anthem of victory but always the song continued and always the fervid notes of faith mingled in the refrain—faith in the abil-

ity of the world proletariat to fulfill its historic mission. The dazzling flame of the torch and the wild beauty of the song, even in its most halting strains, caught the imagination of those who saw or heard.... And then came Germany to flare up in the white flame of revolt—and then die down, till only the embers still glow. And Austria and Hungary....

But the charred embers in Hungary, glowing so faintly that it seemed the fire was dead, have burst into new flame and the lowering clouds are red with the reflection. Russia's song of freedom is caught up by new voices and has quickened into a marching chorus. The glowing embers in Germany are crackling with new life and the faint refrain of the song can be heard in the wind.

So the Hungarian workers set about their task and the eastern sky is brightening.

Already the two Soviet governments have issued an appeal to the workers of all countries to sweep away the old system. The bourgeois press tells of the spread of Bolshevism throughout central Europe and the diplomats of Capitalism are turning this way and that to avert fresh outbreaks. But they are powerless. Every new move brings new complication; every award of territory here, brings discontent and adds to the "menace" there.

The war has awakened the workers and the inability of the diplomats to arrive at a satisfactory settlement is causing restlessness among the masses. The war has been fought and won, and the peoples want peace and a return for their sacrifices and sufferings during the fighting. But the diplomats are unable to arrive at a settlement that will satisfy their imperialistic ambitions without causing fresh hardship among the masses, and discontent among the peoples has become an active danger to Capitalism. Capitalist-Imperialism can only avert trouble by ceasing to be capitalist-Imperialism and this is impossible while the present system exists.

While the annexations in the defeated countries are presenting such a problem the situation in the victorious countries is also becoming serious. Whether in the victorious or the vanquished countries, the workers have paid the hideous price of war and while the vanquished are being forced into rebellion by new hardships the victorious are far from contented at being forced to continue to bear the hardships they have already borne. In Australia the workers are seething with discontent. News of mass demonstrations in the principal cities of the southern Commonwealth, often culminating in clashes with the police, is filtering through the press. The industrial union movement is making giant strides throughout the country and its spokesmen declare their determination to destroy the present system of society. The embers are smoldering and a breath may fan them into flame.

In Egypt the people are openly in revolt and while the movement is a nationalist reaction to foreign domination the Egyptian workers are on the road to learning that only economic freedom offers a solution to their sufferings. The rule of the conquerors in Egypt has met with continual opposition since its inception and this opposition has flamed in rebellion when opportunity seemed favorable, but coming now it is symbolic of the general condition throughout the world.

Throughout Spain, for the second time within the present month, martial law has been proclaimed by the government in its frantic efforts to crush the insurgent workers and drive them back to the slave pens of industry. Continual clashes between the workers and the police, who are often augmented by troops, are reported and the determination of the working masses is evidenced by the fact that each defeat at the hands of the government forces is a call to further action.

Industrial unrest is raising its head in war swept Serbia. Finding the burden of victory unbearable, the Serbian workers are seething with revolt. Lines of transportation are completely tied up save where military mobilization, for the moment, forces the workers to submit, unemployment is spreading over the country and the rumblings of the sympathetic strike by those at work, as a protest against the conditions of their brothers, are daily becoming louder and more distinct.

Within the countries of the Great Powers, themselves, the workers are massing for the assault on the citadel of Capitalism. Strike follows strike in quick succession, each defeat adding to the anger of the workers and each victory whetting their appetite for further triumphs. Cabinets and the ministries totter before the stirring of the masses. In England, through the agency of the reactionary leaders and the eleventh hour concessions of the government, a great strike of the three dominant labor organizations of the country has been narrowly averted, only to break out afresh in the form of a revolt against the leaders for their compromises. Dissatisfaction in the army grows as the delay in demobilization lengthens, while the discharged soldiers are disaffected at the growth of unemployment.

In France the workers, who in the first few days of the armistice were content with minor reforms, are insistently demanding relief from their burdens. In the army unrest spreads like wild fire, bursting into isolated revolt, particularly in the divisions occupying conquered territory when they are called upon to suppress the workers in the interests of the foreign bourgeoisie.

Europe is seething, unemployment and starvation stalk throughout the nations, every protest by the people's masses meets with fierce and brutal repression, the cry for bread and work brings down on the workers the Black Hundreds of Capitalism, blood flows in the streets of the industrial centers and the masses are forced back muttering among themselves, nursing their new wounds—and resentment swells the throbings of their hearts.

Europe is seething, the Peace Conference wrangles, and above it all rises revolutionary Russia's new song of freedom and in the eastern sky the dawn comes creeping up. And now in Hungary, the home of the wandering gypsies, the dark and backward people have swung into line with Russia's millions. Together they sing the new song, together they hold aloft the torch of human liberty, and together they call to the war worn peoples.... And the masses, in their misery, turn towards the creeping light of dawn and pause to listen to the song, and turn again to gaze into the depths of their own sufferings. And yet again they half turn towards the east—and hesitate....

The Revolutionary Age

A Chronicle and Interpretation of International Events

LOUIS C. FRAINA *Editor*
EDMONN MACALPINE *Associate Editor*

Contributing Editors

JOHN REED
N. I. HOURWICH
LUDWIG LORE

SEN KATAYAMA
G. WEINSTEIN

ISSUED EVERY SATURDAY

By Local Boston, Socialist Party

H. G. Steiner, Business Manager
885 Washington St., Boston, Mass.

Bundle orders 2c a copy, Subscription \$1.00 for
six months (26 issues)

The Soviet Representative

THE Russian Socialist Federated Republic of Soviets has designated L. C. A. K. Martens as its representative in the United States. Comrade Martens, who has been affiliated with the Bolsheviks since 1903, is instructed to arrange trade relations with the United States. At the moment when all forces are against the Soviet Republic, when it was declared that Russia was in complete chaos and that the Bolshevik Government was about to collapse, this appointment of Comrade Martens comes as an affirmation of the stability and the power of the Soviet Republic (since emphasized by the proclamation of a dictatorship of the revolutionary proletariat in Hungary.) The Soviet Republic could not have made a better choice than Comrade Martens for this particular position. His functions are political and commercial, not propagandist; and this imposes upon him the necessity of complete independence from any movement or any factions in the Socialist party. But if he participates in party affairs, it must be with the left wing. Fraternal and cordial greetings to our first representative from Socialist Soviet Russia!

Liberating Egypt

ACCORDING to Winston Churchill, British Secretary of War, the whole of Egypt is in a state of insurrection. Railway traffic, according to reports, is largely suspended because of revolutionary uprisings, and the movement for national independence is assuming formidable proportions. The facts of the insurrection are used by Secretary Churchill to argue in favor of the bill retaining an army of 900,000 soldiers in the service. In other words, the Egyptian movement for national independence is to be crushed by the military power of a government that went to war to "liberate" the small nations! Egypt has been demoralized politically by British Imperialism, which has prevented the development of normal economic conditions and a mature national status, making the Egyptians serfs. Every attempt of Egypt to bring about a national revival has been crushed by British Imperialism; and now that the people there are preparing to use revolution, the soldiers that fought "to make the world safe for democracy" are to make Egypt safe for British Imperialism. The small nations are the victims of international Imperialism, where they are not themselves imperialistic, as are Belgium and Holland. The destiny of the small and subject peoples of the world is interwoven with the revolutionary struggle of the international proletariat.

Cries That Pass Away

THE cries of protest that developed recently against the terribly unjust policy of the army courts-martial have largely passed away; now and then they flare up again, only to become gently stilled. The accusations were to the effect that unjust trials were granted soldiers and that extraordinarily severe sentences were imposed for the most trivial offenses. A Senator declared that judicial procedure in the United States Army was more severe than in the old German Army or the Army of the Czar; and the New York *World* spoke bitingly of "the thing called military justice." Ample proof was produced of these facts of military injustice. But what did they expect? Militarism is militarism; and in a country that jails men and women for ten and twenty years for expressing their ideas, that deports agitators, that during the war proved itself the most reactionary country in the world—in such a country dominated by a brutal imperialistic Capitalism, did they expect other conditions to prevail in

the army? Moreover, the attack upon the army courts-martial did not develop as a campaign against militarism but for militarism, in order to perfect the army and make it more loyal by cutting out the most flagrant abuses. Senator Chamberlain, the head and front of the militaristic and imperialistic forces in the Senate, was a central factor in the campaign. That clearly indicates its character. That the campaign has ended is due to the fact that it had no real basis, and that with the acute development of the Bolshevik menace, it was dangerous to expose military abuses. Capitalism is class conscious, come what may.

Bankruptcy

THE proclamation of a proletarian dictatorship in Hungary, of a Soviet Republic, has terrified the Peace Conference at Paris, and shaken international Imperialism. The menace of a revolutionary war,—of the international proletarian revolution,—is revealing the Peace Conference's utter impotence and complete bankruptcy.

The Peace Conference has been in session four months. It met to liquidate the war, to arrange peace; and at its sessions events imposed upon it the task of preventing the collapse of capitalist society and crushing the proletarian revolution. But failure was the portion of the Conference. The distinguished statesman, hampered by the implacable demands of Capitalism, were compelled to pursue an imperialistic policy. They dickered over territory; they formulated plans to crush Germany as an industrial and political power; they let loose wars of small nations against small nations; they spent most of their time, not in solving gigantic tasks, but in arranging quarrels and using verbal calomine to whiten the ugliness and decrepitude of their proposals.

The United States, through President Wilson, tried to infuse a larger vision into the Conference. This it could afford, since the United States has no territorial or directly imperialistic appetites in Europe. But the European powers could not; they were directly concerned in territory, in immediate imperialistic projects; and their acts, instead of preventing the collapse of Capitalism and crushing the proletarian revolution, accelerated the momentum of these two terrors of bourgeois society.

What did the Conference accomplish? It decided that the organization of a League of Nations was of first importance; and it organized a League. But, slaves of the implacable requirements of Capitalism, the distinguished gentlemen of the Conference organized an imperialistic alliance of the five great powers camouflaged as a League of Nations—a League *against* the nations and the peoples of the world. The stress placed upon the League of Nations, even the camouflaged version, was an admission of the fact that the bourgeois order has broken down, is verging on complete collapse; and that something must be done to prevent this—to the bourgeois—terrible calamity. But Capitalism cannot prevent its own collapse; it may try, but it writhes like a wild beast in the attempt and accelerates disaster. The League of Nations, developing out of the bankruptcy of Capitalism and trying to liquidate this bankruptcy, has revealed clearly that bourgeois society and its representatives are bankrupt.

Then the Conference set itself the task not only of preventing proletarian revolution in Germany—and Europe—but of repressing the proletarian Soviet Republic of Russia. But in this again—bankruptcy. The Conference revealed itself as completely incompetent to formulate any policy concerning Soviet Russia. It discussed and it proposed, it hesitated and fulminated; but it could decide upon one measure only, the invitation to the "Russian factions" to meet in Conference at Prinkipo; but where this invitation was considered by the sly bourgeois gentlemen as embarrassing the Soviet Republic, it increased the prestige of the proletarian government, and marked another defeat for the Allies. The Conference abandoned Prinkipo; there were many rumors and threats of more drastic action—and then all these "plans" were skewed awry by the proclamation of a Soviet Republic in Hungary,—proclaimed while the world of Capitalism was still chuckling at the "crushing" of the Spartacists in Germany.

The Peace Conference is bankrupt. Capitalism is bankrupt, and the Peace Conference is the representative of Capitalism. It represents a decrepit social system, that is rapidly becoming a stinking carrion. This system provoked the war, and cannot solve the problems of the war on the basis of Capitalism. It may tinker, it may patch, it may "adjust;" but the system of Capitalism is doomed.

Revolutionary events in Europe—and their inevitable repercussion in Italy, France and Great Britain—are isolating the Peace Conference. It represents nothing but an old system and old prejudices, which totter as the masses move. Power and destiny are in the hands of the international revolutionary proletariat, of revolutionary communist Socialism.

Next!

THE fear that weighs upon the world of Capitalism and the diplomats in Paris is: Who next? The proclamation of a Soviet Republic in Hungary is to them not a fact, but a symbol—a symbol of the onward sweep of the proletarian revolution, which may break loose in other nations.

Through this symbol looms Soviet Russia,—gigantic, mysterious and implacable. Despised by the world of Capitalism, intrigued against and vilified, isolated in the spaces of its own territory, attacked by the soldiers of the Allies—Soviet Russia, through the flaming energy of its proletariat and Socialism, has conquered in spite of all. The Allies, their Capitalism and Imperialism, are no longer a menace to Soviet Russia: it is now Soviet Russia that menaces the Allies through its own gigantic strength and the threat of the international proletarian revolution.

Slowly but surely, with the relentless onward sweep of destiny, Soviet Russia has organized its revolutionary conquests. Industry is on a normal basis—the workers of Hungary are securing the food from proletarian Russia denied them by the capitalistic Allies. The proletariat and poorest peasantry are in control, their initiative and energy loosened and organized by *their own state*. Economic and social changes, an up-flare of emotional and spiritual energy are characteristic of the *milieu* in Soviet Russia, where the new communist society is being constructed. And out of this has emerged a powerful army—not a hireling army of the oppressors, but a revolutionary army of the oppressed masses, prepared to defend the conquests of the revolution, prepared to co-operate with the revolutionary proletariat of the world.

This revolutionary army of Soviet Russia is expelling the alien invaders and the counter-revolution. It is threatening to clear Siberia of alien troops. It is pressing the Allies back at Archangel. It is clearing the Baltic Provinces of the invaders, giving opportunity to the masses to organize their own Soviet Republic. It is co-operating with the Ukrainian Soviet army, which has conquered the bourgeois dictatorship and menaces the French at Odessa. And this revolutionary army of Soviet Russia, massed at the frontier, is prepared to march into Hungary or Poland or Germany to co-operate with the revolutionary masses in any war that may be necessary against international Imperialism and for the proletarian revolution.

The situation in Germany is critical and crucial. The conquest of power by the revolutionary proletariat in Germany will assure the world revolution. The recent butchery of the Spartacists by the Government of "Socialist" assassins has not crushed the revolutionary masses; on the contrary, the masses have been aroused, the Ebert-Scheidemann government depending more and more upon the worst elements of the old regime; it is being isolated, and the workers are rallying to the Soviets. The Soviets of Workers and Soldiers are to hold a national conference in April, where they will be confronted with the problem of either decreeing all power to the Soviets, or of being annihilated and yielding power to the reaction. The Spartacist communists are preparing a new revolution *prior* to the convening of the Soviet congress, in order to face it with the accomplished fact of a proletarian revolution—precisely as did the Bolsheviks in Russia on November 7, 1917. And on the German frontier is a Bolshevik army prepared to link its might with the revolutionary proletariat of Germany.

Starvation and the horrors of the war, the tremendous problems of reconstruction, and the general collapse of bourgeois society, are accelerating the proletarian revolution in eastern and central Europe. And the distinguished diplomats in Paris, trying to prevent the proletarian revolution, are hastening it by their imperialistic policy.

Among the Allies, they are speaking of a German plot to use Bolshevism to secure an "easy peace," of the fact that the ruling class of Hungary is behind the proclamation of a Soviet Republic. But since when does a ruling class cut its own throat? The Soviet Government in Budapest has decreed the confiscation of the banks, of the large estates, and the socialization of industry: is this the act of a ruling class? But if it is camouflage, Soviet Russia will tear it to pieces. In Germany, when the proletariat conquers, there will be a complete overthrow of Capitalism, and the ruling class realizes this, hence their implacable hostility to Bolshevism and their overtures to form an alliance with the Allies against Bolshevik Russia, which the Allies stupidly rejected.

It is the proletarian revolution in action. From Hungary, it will spread, it must spread. Germany, Rumania, Poland, Serbia—who will be next? Out of the collapse of world civilization is coming a new civilization, the human civilization of Socialism. The international proletariat is not frightened at the revolutionary events in Europe; these events are its inspiration.

The "Centre" Appears

THE development of a conscious left wing movement in the Socialist Party, a movement to conquer the party for revolutionary Socialism, has developed an intense struggle for control. The "rights," the petty bourgeois moderate Socialists who have officially determined the party's policy, are on the defensive, are actually shaken. Precisely as, in revolutionary Russia and Germany, the bourgeoisie used moderate Socialism to preserve itself, so the moderates in our party are using the "radical" Socialists of the "centre" to fight the left wing. And the "centre," as usual, allows itself to serve counter-revolutionary Socialism by its instinctive tendency to compromise.

In the New York *Call* of March 23, under the caption "A Basis for Discussion," there appears a letter signed by David P. Berenberg, F. G. Biedenkapp, Evans Clark, Walter M. Cook, Benjamin Glassberg, Jacob Lawn, Flore M. Line, Louis P. Lochner, Ludwig Lore, Scott Nearing, Moses Oppenheimer, Albert Pauly and Henry Sipos. This letter, and the tendency it represents, is definitely centrist and is a direct attack upon the left wing movement. The letter follows:

The members of the American Socialist Party are face to face with a national and internal crisis. We who sign this letter, believe that the time has come for the party to re-state its principles and re-formulate its tactics. As a basis for discussion for the purpose of bringing about this result, we present the following suggestions:

1.—We believe in a uniform declaration of principles in all party platforms, both local and national, and the abolition of all social reform planks now contained in them.

2.—We believe that the party must teach, propagate and agitate exclusively for the overthrow of Capitalism and the establishment of an industrial democracy.

3.—A political party cannot organize the workers on the economic field; but we believe that the party should assist this process of organization by a propaganda for revolutionary unionism as a part of its general activities.

4.—We believe that the Socialist candidates elected to office should adhere strictly to the above principles under penalty of recall.

5.—We believe that the official party press, the educational institutions and all other agencies of the party should be under direct party control.

6.—We believe that the party should publish new literature in keeping with the policies and tactics above mentioned.

7.—We believe that the national executive committee should immediately call a special national convention for the purpose of formulating party policies and tactics to meet the present crisis.

8.—We believe that the Socialist Party should elect delegates to participate in any international congress to be attended by representatives of revolutionary Socialist parties of all countries, but that the party should refuse to participate in an conference called by "moderate Socialists and social-patriots."

9.—We believe in the immediate discussion of suggestions such as these in every branch and local, and trust that such discussion will put a stop to organized separation and division, to which we are unalterably opposed.

The clear purpose of this letter, which its writers cannot camouflage, is to strike at the left wing movement in the Socialist Party of New York City, which means to strike at the revolutionary movement in the party everywhere.

The first fact of importance that appears in this "proclamation" is that its "demands" are taken from the Program of the Left Wing Section of New York City, with alterations that indicate the compromising tendency of the group it represents. The Left Wing Manifesto urges "party ownership" of the party press, etc.; the "centre" changes it to "party control"—which may be interpreted to mean any and all things. Then there is the clause concerning the international congress. The "centre" declares in favor of a congress of "revolutionary Socialists," but against a Congress of "moderate Socialists." The Left Wing Manifesto says: "We demand that the Socialist Party shall elect delegates to the International Congress proposed by the Communist Party of Russia (Bolsheviks); that our party shall participate only in a new International with which are affiliated the Communist Party of Russia (Bolsheviks), the Communist Labor Party of Germany (Spartacists), and all other Left Wing parties and groups." This is clear, unequivocal and requires no "interpretation." Compare it with the "proclamation" of the "centre." Why did the signers of the "centre" letter change this to something indefinite, something that may be "interpreted"? It is characteristic, and is a tendency toward confusing the issue. This is typical of the "centre."

Moreover, the letter repudiates reformism, demands the abolition of all social reform planks in the party platform. But consider the signers, particularly Evans Clark. Comrade Clark is employed by the "Socialist" Aldermen of New York City, and his whole function is to provide the research material upon which they base their social reform measures. At least five of the other signers are reformists of the worst sort. What confidence can we place in their demand?

A revolutionary, a left wing program for the party should repudiate the errors and crimes, the policy and

tactics, of moderate Socialism. This the letter does not do in a single case. But, they may argue, this repudiation is "implied." The day is not the day for implications, but for vigorous, unequivocal formulations: let the dead bury their dead. Positively, the letter offers only a part, and a very small part, of the policy of revolutionary Socialism. The heart of revolutionary Socialism is comprised in the policy and tactics of mass action and proletarian dictatorship—mass action as the dynamic means for the conquest of power, proletarian dictatorship as the organized form of the new proletarian state as the means of annihilating Capitalism and introducing the new system of communist Socialism. The comrades who have issued this camouflaged blast against the Left Wing ignore completely, in their "basis of discussion," the fundamental aspect of the whole problem. Most of the signers repudiate mass action; Scott Nearing, at least, repudiates proletarian dictatorship; while the whole tendency of the others, with the exception of Ludwig Lore, is directly antagonistic to mass action and proletarian dictatorship.

The whole letter is an act of treason to revolutionary Socialism. At the moment when world events call upon Socialism and the proletariat to adopt the uncompromising policy of revolutionary Socialism, these comrades hesitate and compromise miserably; at the moment when the Bolsheviks have refused to invite the Socialist Party officially to the international Communist Congress, these comrades act against the organized left wing which was invited by our revolutionary comrades in Russia. This is revolutionary consistency and audacity!

The miserable character of the appeal for "discussion" is that they adopt certain planks of the left wing Manifesto, camouflage others, while they act against the spirit of the Manifesto and repudiate the movement that issued the Manifesto. Why? They claim they are against "organized separatism and division." This is an evasion. The left wing movement in New York City, in the party everywhere, is not "organized separatism and division;" it is a movement to conquer the party for the party, for revolutionary Socialism. It is the opportunistic bureaucracy, the right wing in New York whom these comrades of eternal compromise are protecting, who are trying to split the party by throwing out the revolutionary elements, by preferring charges against active individual left wingers, by refusing to act favorably upon applications for membership in branches which accept the left wing Manifesto, etc. The betrayers of Socialism are eager for a split; and the tactics of the "centre" are playing their game.

The left wing movement in New York City is a mass movement *within the party*. Their whole organization consists of a city committee, representing about 20 left wing branches; and this centralized expression is absolutely necessary in order to unify their forces and direct their struggle against the reactionary forces. To call this "organized separatism and division" is false, is precisely what the right wing wants, is acting against revolutionary Socialism. It is again a characteristic of the "centre."

The "centre" is the worst enemy of revolutionary Socialism and the militant proletariat. The "centre" Independent Socialists in Germany are much more dangerous to the Spartacists than the Ebert-Scheidemann gangsters; they hesitate, compromise, and betray the Revolution.

And what is Comrade Lore doing in this company of bourgeois intellectuals, compromisers and "centrists"? Has he abandoned his principles and policy? Is he so naive as to imagine that he is using the "centrists," while as a fact they are using him against the left wing? *The Class Struggle*, of which Lore is one of the editors, has done great work in developing the left wing; and now that it is in action, Lore acts against it. Has Lore definitely aligned himself as a "left centre"? Is he out to become a cheap American imitation of Hugo Haase?

The issue is clear: it is a struggle to the end. No compromise, no hesitation. The centre must be smashed as a necessary means of conquering the party for the party, for revolutionary Socialism. Life is with us and for us: revolutionary Socialism shall prevail.

For ways that are dark and tricks that are vain,
The Bolsheviks are peculiar...

Just when the American public was getting familiar with what our bourgeois artists think a Bolshevik looks like, these Russians go and appoint, as representative to America, a man who wears a clean collar, washes regularly and is even suspected of taking an occasional bath—to say nothing of the fact that he has no beard and was once seen in a barber's shop having his hair cut.

* * *

We learn that the selling agents of several of our big corporations have been instructed to join the Socialist Party in order that they may be able to begin their letters to the representative of the Soviet Government: "Dear Comrade."

Bolshevikjabs

In view of the way the Peace Conference has provoked Bolsheviks in Hungary would it not be possible to prosecute the American delegates under the Espionage Act? * * *

If it is found impracticable to take any action under the Espionage Act we would suggest that the anonymous organization which is spending so much money on newspaper propaganda against the Bolsheviks, direct its efforts towards the Peace Conference and leave the American public alone. If it could only convince the gentlemen in Paris that Bolsheviks are as horrible as its cartoons make out perhaps they would be brought to see the wisdom of signing peace before they do any more damage. * * *

Anyhow it's beginning to appear likely that if these gentlemen do not sign peace and hurry to their respective homes, they will not have any homes to go to. * * *

Miss Civilization, about whose treatment at the hands of the Bolsheviks, Spartacists, I. W. W. and similar undesirables the press is manifesting such uneasiness just now, is an orphan whose parentage is the subject of much dispute, the general opinion being that, like Topsy, she "just growed." However that may be she is a lady that has fallen much under the influence of Mr. Capitalism and as a result is constantly being menaced by various disorderly elements.

The recent unpleasantness in Europe resulted from the firm determination of each side to save her from the other, but the trouble is that she refuses to stay saved and immediately wanders into fresh trouble. Sometimes she is menaced in Mexico, sometimes in China, but generally she is in continual trouble in all small countries that are richly endowed in natural wealth. Wealth seems to exercise the same fascination over her as European titles do over American heiresses and she is continually wandering into all sorts of out-of-the-way places, usually accompanied by religious missionaries. She no sooner lands than trouble begins and Mr. Capitalism rushes to her aid with soldiers and machine guns. Owing to the fact that she has already visited most of the countries of the earth and been saved from the natives, she has recently got into the habit of getting into trouble in those countries where she was supposed to be well established. Just now she seems to have a genius for arousing the wrath of the working people who have lately become enamored of Miss Social-Revolution.

From her pictures in the newspapers she appears to be a very presentable and entirely harmless young woman with a penchant for wearing long flowing robes, draped to display a not unpleasing figure, and a fondness for carrying olive branches. But the workers say that this is an old photograph, taken when she was young and innocent, and in reality she is an old hag, drunk with power, whose face is disfigured by poverty, child labor, prostitution, hunger, wage slavery and mass murder.

The latest reports say that she has just got into trouble in Hungary and that the British workers have been carrying on a violent flirtation with Miss Social-Revolution and are contemplating banishing Miss Civilization from their affections until such time as she changes her ways.

The Oath of Enlistment of Soviet Soldiers

1. Son of the People, worker and citizen of the Russian Socialist Federated Soviet Republic, I enroll in the Workers' and Peasants' Army

2. Before the working class of Russia and the whole world I swear: to respect my position as soldier; to conscientiously undergo my military training; to safeguard the interests of the Army and the People, and to defend them with my heart's blood.

3. I swear to submit strictly to revolutionary discipline, and to obey without question the orders of my chiefs, designated by authority of the Workers' and Peasants' Government.

4. I swear to commit no action detrimental to the reputation of the free citizens of the Russian Soviet Republic; I swear to consecrate myself, in thought and in action, to our ideal of the emancipation of all the working classes.

5. I swear, that at the call of the Workers' and Peasants' Government, I will risk my life to defend the Soviet Republic against whatever dangers there may be, from wherever it may come, and that I will give whatever I have of strength and of life for the defense of the Soviet Republic, of Socialism and of the brotherhood of the people.

6. Let me be delivered to the contempt of the People and the severe punishment of the laws of the Revolution if I violate the oath!

Financial Problems of Soviet Russia

*Report of Peoples' Commissaire of Finances
N. N. Krestinskyi, at the First Congress
of the Northern District of Russia*

THE first report to the Congress was read by the People's Commissaire for Finances, Comrade Krestinskyi, in which he summarized his four months' activity in the People's Commissariat for Finances, and outlined the plans of the Soviet Government in the field of finance. The speaker indicated that four months ago the old financial institutions were still maintained in the capitals. On the other hand, in the provinces, there existed branches of these institutions, whose personnel were in strained relations with the local Soviet departments ("Sovdiepy") and aimed at independence from the local government and the maintenance of bureaucratic centralization. At the same time there existed financial departments which were striving to become the financial organs of the Soviet power in the various localities, but were frustrated in this ambition and had to continue as the local organs for finances. In its quest for means to cover the local needs, each financial department acted on its own responsibility, out of which there resulted a motley and distressing state of affairs in the situation of the local financial organs and in the local finances. The central administration strained every effort to put an end to the existence of this dualism and to the lack of contact between the local organs and the capitals, as the time had come to consolidate the country into one Socialist unit. In certain cases, the tendency to centralization may have given rise to evidence of bureaucratic centralization. In this respect the People's Commissariat for Finances prepared a decree on local financial organs, which met the desires and aims of the organs and workers concerned. But this decree which did not provide for the existence of provincial executive committees ("gubispolkomy") had to be amended when responsibility devolved upon these local organs. This was necessary because the various commissariats were not bound by this decree to carry out all their financial operations through the provincial executive committees. In the last days of November, decree on local financial departments was approved and in pursuance to this decree a number of old local financial organs were abolished and introduced into the financial departments. By the decree on local financial departments the hierarchical structure of the Soviet financial organs was definitely established. The liquidation of the old financial organs, which is now taking place in various localities, is carried out painlessly, as the financial departments no longer suspect the financial authorities, but use their staff of specialists, removing from these bodies only the counter-revolutionary elements. The reorganization of the old financial institutions has also reached the excise administration, which heretofore was also in charge of production and was performing some selling functions. These functions at present must be transferred entirely to the Commissariat for National Supplies, as provided by the decree on the organization of supplies. It already is possible to state to what extent the liquidation of these institutions is proceeding in various places. To the Commissariat for National Supplies are transferred all government wine stores and that part of excise supervision which concerns the control over the nationalized trade, also a part of the bookkeeping. The remaining part of the bookkeeping will be assigned to the Commissariat of Finances, which will fix the increases to the selling prices which are to form a state revenue. The excise taxes must, of course, with the introduction of this order, be abolished, but a certain surplus out of the sale should go to the treasury. The fixing of the amount by which selling prices and cost prices differ, as well as the control over the receipt of the revenue, is to be entrusted to the Commissariat for Finances. An analogous distribution of functions is carried out also in Petrograd and Moscow with the difference that the local wine shops, which during the war had charge of the chemical products industry, are transferred to the Supreme Council of National Economy.

The speaker referred furthermore to the problem of the attitude of the Soviet of People's Commissaires toward the division into districts and indicated the contradiction which arose at the time when the decree on the organization of organs of financial administration was being considered. This was a contradiction between the People's Commissaire for Finances, who was of the opinion that it was impossible to arrange all matters from the capitals, and the majority of the Supreme Council of National Economy, which removed from the draft of the decree any mention of district financial organs. The speaker pointed out that the problem had been settled in a way favorable to the districts. As a result of a prolonged work, a special commission had come to the conclusion that the following existing districts: the Urals, the Northern, and the Western, shall retain their independence and their financial branches shall be retained as organs subject directly to the People's Commissariat for Finances. It will be possible in all probability to issue in the near future a special decree concerning this matter. The

work of uniting the exchequer courts and the treasury branches in the Northern district has just started, according to available information, and the accomplishments of this Congress will surely impart a strong stimulus to the successful termination of this work. If it should prove impossible to accomplish this work up to January 1, we confidently hope that it will be terminated by the middle of January.

Considerable organization work fell to the Commissariat for Finance in another field—that of banks. The State Bank was annexed by the Soviet Powers as early as 1917. On December 14, of that year the All-Russian Central Executive Committee issued a decree concerning the monopolization of the banking business and the nationalization of private banks. This decree deprived capitalism of its main stronghold. But the work in the banking field is not brought to a conclusion. We had no clear idea, at the beginning, as to the structure of the Soviet People's Bank, alongside of which there still existed private credit institutions, as: the Moscow People's Bank, Mutual Credit Associations, City Banks, as well as the independent state savings institutions and the treasury departments. During the first month, when the economic life of the country had changed but little and private capital remained in power, our bank continued as an institution very much akin to the former financial apparatus. The accounting functions of this apparatus in respect to nationalized undertakings were slow in getting a start. In the work of nationalization there was a hitch due to the circumstance that, owing to historic necessity, some remains of private capital had to be retained so long as there was still private commerce. The breathing spell after the Brest-Litovsk Peace coincided with a period of feverish constructive work in the economic field. This was because we felt that the noose thrown around our neck by the Brest treaty could be thrown off only by way of economic construction; we therefore have speeded up the work of reconstructing the economic life of the country. It became necessary to create a uniform banking machinery; we advanced on this road, liquidating unnecessary credit institutions and uniting with the People's Bank such institutions as had to be retained in order to possess a uniform cash accounting machinery of the Republic. A decree was issued regarding the liquidation of mutual credit associations, which were growing in number because the People's Bank at the beginning was not working smoothly, but which in the period of reconstruction of the economic life of the country is absolutely unnecessary. A decree was issued regarding the liquidation of municipal banks. There remained the treasury departments, the savings institutions, and the Moscow People's Bank. The latter commands our special attention. This apparatus was extending credit to cooperative organizations, which worked along the lines of the aims of the Soviet power and was filling the gaps in the work of the Commissariat for supplies. The Moscow People's Bank took upon itself, however, after the nationalization of private banks, an unsuitability in getting money from the People's Bank. It started to grow on bourgeois accounts and became a speculative bank, hoarding paper currency and liberally supplying with money the bourgeoisie, which had difficulty in getting money from the People's Bank. In this way it has assumed a hostile position to the Soviet power. It must be noted also that the Soviet institutions, as well as the nationalized enterprises, transferred their means to this bank, whence it was an easier and simpler matter to get them. In consequence of this there appeared alongside the People's Bank a similar all-Russian Bank, which centralized the funds of the bourgeoisie, as well as of the cooperatives, and also of the government institutions. Its nationalization became a necessity. A number of measures were carried out in this direction. The free opening of branches was stopped; a decree was promulgated regarding the obligatory deposition of government funds in the People's Bank. The Moscow Bank could not execute the demand regarding the return of all deposits coming from government institutions and initiated of its own accord negotiations in nationalization. At the same time for the Petrograd district and in the Northern district we started a method of organized counter-activity to the Moscow People's Bank. A section for financing the cooperatives was created and attached to the People's Bank. It gained the confidence of cooperative organizations. At the present time the Moscow People's Bank is already nationalized.

We think that our banking machinery will take the following shape:

A uniform Central People's Bank is created with a net of branches in the provinces. In the capitals the bank is divided into sections corresponding with those branches of the national economy, which are in

its charge, namely: (1) section for state exchequer, taking care of all state revenues and all disbursements on the basis of the budgets of particular institutions; (2) section for nationalized industries, taking care of financing industry, which must possess in the bank for its apparatus supplying it with funds and for receiving the money derived from the sale of the products of industry; (3) section for supplies, entirely distinct from other institutions, looking after the expenses of the Commissariat for Supplies and the receipt of the corresponding sums from the population; (4) section for railroad affairs, taking care of the financial part of the exploitation of railroads; (5) section for cooperatives, taking care of the affairs of cooperative organizations along the lines of consumption, production, agriculture, and credit; (6) section for personal accounts; the guiding consideration which caused the creation of this section was the expectation that after carrying out the provisions of the ten billion tax, the majority of the current bourgeois accounts in the bank, which have existed till now, would be liquidated, but there would remain small accounts, representing the tiny savings of working people; and these are just the accounts which will receive the name of personal budget accounts, and will be placed in the charge of this section. When the payment of salaries is made in commodities, the record of the commodities given out will be kept also by this section; (7) foreign section, which is probably of a temporary character, and will care for the billing of commodities exchanged with the capitalists of foreign countries over whatever period and to whatever extent this may prevail; (8) section for insurance, to which will be transferred all insurance operations in mass, while the technical side of the insurance business will of course be left with the respective administrative institutions.

Such are the immediate organization problems of the banking business. The plan of the respective measures is already outlined and the work is now nearing the stage of realization of designs as originally planned, so that, on the anniversary of the nationalization of banks, it will be possible, in all probability, to issue a decree liquidating all former banking institutions and creating a uniform Central People's Bank whose statute will be published simultaneously. This bank will constitute the frame work upon which will be built the economic structure of Soviet Socialist Russia.

We have stated here everything that was to be done, that has been done, and that remains to be done in the capitals. As regards the provinces we expect now the taking up of that harmonious labor which will be carried on with the least loss of energy and will yield the greatest results. As a leading principle therefore, there should be adopted a sharp division between two sections of financial activity: (1) The budget tax matters in the broad sense of the word. Problems connected with this are not yet fully solved on an all-Russian scale. The tax machinery will be completed only when the new taxes are finally drafted. The ten billion tax, which constitutes a boundary line, as it were, between the old and the new systems, will be the touch-stone in this respect and will offer the possibility of a new tax inspection. A great field is here opened for local initiative and activity, which will afford the means for accumulating information in the capitals for the adoption of the respective measures. (2) The People's Bank, on the contrary, is to retain its general character. In the banking business strong centralization must necessarily be the rule, which must be carried out in order to lend full uniformity to the state financial system. The local financial organs may and should exercise control over the activity of the branches of the People's Bank; but any measures concerning the financial system as such and, still more, the principles underlying it, may be carried out in the various localities only with the knowledge and the approval of the central power. The plans of work in this direction may be drafted, but their execution is admissible only after they receive the sanction of the central power.

As regards the situation in the matter of taxation, it has radically changed, as compared with the past. The former system can find no justification at present. The indirect taxation, remaining after the cessation of the former direct taxes, is now also changing its character: insofar as the product becomes the possession of the state, its taxation for the benefit of the state would be fictitious. Instead of taxing the product it would be easier to sell it and to turn over the proceeds to the state. The state should exist on the proceeds of the product which is produced by the state. At the present moment we must take into account that not all industry belongs completely to the state. In the future, the whole system of state economy will be built without money circulation, especially if the revolution should spread to other countries. But this is in the future. Just now we meet our budget with a considerable deficit. Many viewed the deficit feature of

(Continued on Page 8)

The German Revolution — First Stage

THE logical result of the collapse of German Imperialism following the military defeat, was the revolution.

On November 4, the revolt in Kiel occurred. The ferment manifested itself first among the sailors. Rumors of revolt among the sailors were heard during the past year, and the Independent Social Democrats defended themselves against the accusations of complicity. Now it broke out anew, stronger and more general, "by mistake" as the *Vossische Zeitung* said. Revolutions often occur through such mistakes—the conviction amongst the sailors that the fleet was ordered out to hopeless combat.

The sailors organized a council, arrested their officers, hoisted the red flag and presented their demands to the government. The social-patriot, Noske, arriving in Kiel, attempted to stop them but in vain.

On November 5, the movement extended to Hamburg, where the dock-workers declared for a sympathetic strike; traffic ceased and the soldiers joined the revolution. Within the next few days the movement spread to Bremen, Wilhelmshaven, Lubeck and throughout the northern regions generally, while Wolff's Bureau sent out vague reports of the revolt and the prediction that it would be quickly suppressed. In Berlin the intrigue of new ministries continued. Max von Baden disappeared, the Social Democratic Party presented an ultimatum to the government and the *Vorwaerts* entreated the workers to remain "calm"—counter-revolutionary to the last. Meanwhile the revolution continued to spread; in Cologne, Munich, Stuttgart, throughout Germany.

Everywhere workers' and Soldiers' Councils sprang into being and imprisoned the officers and officials of the old regime, except those who declared their willingness to assist the revolution. Everywhere the new Republic was proclaimed, kings and princes abdicated and disappeared and finally on November 9, Emperor Wilhelm abdicated. Berlin, which remained calm until the last, went over to the revolution, the Soldiers' and Workers' Council took control without bloodshed and the police of the old regime disappeared from the streets. The movement extended to the Western front and Wilhelm was forced to flee from the General Staff Headquarters at Spa to the Netherlands.

With scarcely any resistance, in one assault, the revolution was victorious. This proves that the old system was already crumbling and had lost the entire sympathy of the masses, whose sufferings had reached their climax through the war and whose fear of the old regime was banished through the military defeat. This inflammable situation, where one spark spread the flames everywhere, enabled the secret preparations of the groups of the Independents and the extreme left for an armed uprising to break into action and thus leaders sprang up everywhere to take command. So with the fall of German Imperialism also fell the political form wherein it functioned: the absolutistic, feudal, militaristic, police state was replaced by the democratic republic.

Through its rapidity and unanimity the revolution rested on the surface of civil society and could not as yet penetrate into the depths of the people's masses. For those who accomplished it, the revolution, as all modern revolutions, is a proletarian revolution. But in its objects and results it is, as yet, only a purely political and therefore a bourgeois revolution. This is evident from the fact that the social-patriotic leaders, Ebert and Scheidemann, were selected to function as the heads of the provisional government.

It seems at first glance unaccountable, that the masses, driven to desperation on account of the war and its horrors, should overthrow and expell those responsible for the war and at the same time allow their accomplices, who always supported the war policy, to take the helm. But this is simply the result of political incompetence and traditional adherence to the old Social Democracy. The four years of war, through the pressure of the battle-field and the activity of the censor, made political development, except in small groups, impossible. The masses have destroyed the machinery that crushed them, they have won their political liberty, and now the political development, the orientation of what they further desire, can be started. They are still impressed with the naive illusions of the first days of the revolution—even as in Paris in 1848; these later revolutions must first go through the development of former revolutions—the illusions of the people's unity, of liberty and democracy.

The various denominations and reflections of these fantastic illusions: we speak of the People's Republic, the rulers are called the People's representatives, we pass motions against all discord and dissension. The reality of society, the class distinction of bourgeoisie and proletariat seems to have disappeared. As this reality again becomes apparent the class struggle will

By Anton Pannekoek
Of the Communist Party of Holland

burst forth anew. It will be sharp and violent in Germany because both the bourgeoisie and the proletariat are strong, their class consciousness is forceful and production is highly developed. This will be the next stage of the revolution, it is even now developing. (This was written in the latter part of Nov., 1918.)

How are these contending forces arrayed?

In normal times the bourgeoisie rules through its powerful and perfectly organized state apparatus, whereas the masses are divided into separate groups and thus are powerless. Revolutions occur when the masses are spontaneously inspired by one will and thus find power in their unity. New individuals take the helm, different forms of government come, but then the masses resume their daily tasks, the inspiring fire of one powerful will evaporates, they again fall apart as individuals and groups, while the bourgeois apparatus, that remained and was deprived of its power only temporarily, retakes its old position unopposed by any organized force, and again becomes the stable organization of rule. So, through the storms of the revolution, class rule grows and becomes stronger as the experience of the revolution teaches it to pretend, to adopt the external forms of democracy, the dress of people's rule—the rulers change but the rule over the masses remains. To destroy this rule it is necessary to break the old government's organization, the old bureaucracy, and to strengthen the temporary organization of the masses into lasting power. This happened in Paris in 1871 by the Commune, and in Russia in November by the Soviets.

In Germany the workers have created such an organization, the same as took place in Russia, in the formation of Workers' and Soldiers' Councils. These councils gave the revolution a direct power, which led to its initial speedy victory. They are the new instrument of power for the masses, the organization of the proletarian masses as against the organization of the bourgeoisie. They do not, as yet, know what they want, but they are there—not their program but their very existence has revolutionary significance. A revolutionary government, which wishes to be the organ of the Socialist proletariat, should commence now to remove the old functionaries and abolish their functions.

The government of Ebert, Scheidemann and Haase has done the contrary. It has attempted to force the Soldiers' Council into a subordinate commission of advice and to restore the disciplinary powers of the officers, which has resulted, in many places, in strong resistance and refusal by the soldiers. It has maintained the old bureaucracy and allowed it to continue its rule; it had done the same as every bourgeois party does when it assumes control—taken for itself the best positions and left all else in status quo ante. It has continued the old generals in command of the army and has made no attempts to further revolutionary propaganda amongst the soldiers. Thus by allowing the apparatus of the ruling class to remain intact, it openly encourages the counter-revolution. Already the bureaucrats openly denounce the "government of dilettantes," the generals at the front order the red flag hauled down, every reaction is encouraged.

The bourgeoisie is entirely satisfied with this government, especially since it announced that no change will be made in property rights and that the banks will not be nationalized. The reason for these announcements is that the government is trying to rely upon the whole population, upon the workers and the bourgeoisie alike, thus, upon the cooperation of the classes, it hopes to be the government of the "continued God's peace." This is a reflection of the unconsciousness of the masses, and will become increasingly impossible with the more forceful awakening of the class struggle.

For the time being the government swings between the classes, it has conservative deeds for the bourgeoisie and revolutionary phrases for the workers—because the bourgeoisie is alertly class conscious and not easily defrauded, while the workers are not yet fully awakened. The first part, the appeasement of the middle classes, is taken care of by Ebert and Scheidemann, while the nice radical speechmaking is the task of the so-called "Left Wing," the Independents: Dittmann and Barth, who were included in the government for this reason.

The majority Socialists lack confidence in Socialism and in the ability of the proletariat. They do not dare to socialize society against the bourgeoisie, they are afraid to rule without the old bureaucracy. The rule of the workers appears to them—even as to the bourgeoisie—to be chaos; their own theoretic inability

makes them fear the gigantic task which the historical situation imposes upon the German proletariat. For this reason they want a National Constituent Assembly, at the earliest possible moment, to relieve them of responsibility.

The middle class also wants the convocation of this assembly, because through it they hope to restore normal conditions, the establishment of a "stable" government which would send the councils of workers home with expressions of thanks for services rendered. This has made part of the workers reflect and, especially among the Independents, they begin to doubt and strive to delay the convocation of the assembly. The Independents occupy in the coalition, the place which the social-patriots formerly occupied in the bourgeois government, namely, to prevent the workers from rebelling against the government. But they are compelled, on account of the revolutionary tendencies amongst the workers, to resist the ultra-conservative dealings of the government.

This explains the growing friction between Kurt Eisner [since assassinated], the leader of the Bavarian Councils, and Barth on one side, and Ebert and Scheidemann on the other. The Independents also propose plans for moderate socialization—not all at once, no experiments! They propose beautiful plans for the upbuilding of Socialist production upon the basis of great industries and great agriculture whose support they must have. They do not think about the fact that Socialism is not a question of the nationalization of industry, but is a question of the power of the proletariat—in the theoretic writings of Kautsky nothing is said about this! The result will be that when the bourgeoisie again assume power it will make an end of all these plans, or realize them in its own way as State Socialism.

Besides, the Independents already go arm in arm with Jaffe, the Bavarian professor of economy, who during the war outlined a project for extensive State Socialism, which is better called State Capitalism. The two parties, the majority Socialists and the Independents, will without a doubt unite with the radical bourgeois parties upon this State Socialism program, provided the proletariat does not intervene. While the government is only concerned with externals and the maintenance of order—which in reality becomes increasingly chaotic—the friction between the classes develops. The bourgeoisie organize White Guards, the workers form Red Guards, and in secret reaction conspires and prepares for civil war. And while the arrival of the troops strengthens the reactionaries, the revolutionary spirit flames amongst the workers.

The great struggle which must develop will be between the bourgeoisie, openly or covertly represented by the Social Democratic and the Independent parties, and the revolutionary movement now called the Communist Party but which during the war was embodied in the Spartacus Group and the Bremen Internationalists. Although, as an organization it is not yet distinct and apart from the Social Democracy and the Independents, the Communist Party is in direct opposition, it defends the dictatorship of the proletariat as against democratic parliamentarism and is opposed to the convocation of the National Assembly; it demands the abolition of Capitalism and the annulment of state debts. It represents the ideal of Russian Bolshevik party although not directly connected with it, on account of friction between Rosa Luxemburg and Lenin. By the bourgeoisie and the Social Democracies the Communists are represented as being the Bolsheviks and all the denunciation and misrepresentation directed against the Russian Bolsheviks are also directed against them. Many motions adopted by the Soldiers' Councils—especially at the front where they are least developed politically, and where above all they desire rest and peace—express their abhorrence of Bolshevism. As yet the Communists are but a small minority and the social-patriots and the bourgeoisie use this fact to consolidate their forces. The influence of the Communists upon the workers, however, is growing by leaps and bounds.

The international situation, the threatening food shortage and the menace of the Entente troops are great obstacles to revolutionary developments in Germany. From a military point of view Germany is absolutely at the mercy of the Entente and economically she is also dependent upon the Allies. Her stores of foodstuffs are very small and she is dependent upon the goodwill of the Poles for grain from the Eastern provinces. Through the loss of Lorraine Germany has not enough iron ore to supply her industries. The Entente had already notified her that the delivery of grain depends upon the maintenance of order and the establishment of an orderly government. The Entente,

(Continued on Page 8)

The Socialism of Revolutionary Struggle

By S. J. Rutgers

(Written as a pamphlet for the Socialist Propaganda League, now merged with the Left Wing Section of the Socialist Party of New York City.)

THE development of capitalist society has reached a stage in which free competition rapidly gives way to monopoly, with export and destruction of capital as the only means to prolong the present system of exploitation.

This results in a new form of autocracy: industrial feudalism, the rule of the money kings and monopolists and the material and intellectual subjugation of the old and new middle classes and so-called independent capitalists under the control of an iron despotism. Internally this means brutal oppression of the workers, industrially as well as politically, the denial of the right to strike, suppression of free speech, press and action, reduction of the standard of living; internally this means a series of wars for world exploitation and wanton destruction of proletarian life and proletarian organization.

In this gigantic struggle of imperialistic Capitalism, parts of the workers, the intellectual workers, the upper layers of skilled labor, the labor bureaucracy and other groups that lack understanding, confidence or courage, betray the working class. They become the worst enemies in the class struggle, especially so, if their social-patriotism and social-Imperialism is presented in a form of Socialism and pseudo-Marxian theory liable to deceive the rest of the workers.

The fight against social-patriotism therefore in all its forms must be considered one of the foremost duties of revolutionary Socialism.

* * *

The class struggle between the Proletariat and Capital has entered the period of revolutionary struggles for the overthrow of the ruling class. The problem before us is either a revolutionary reconstruction of society on communist principles or the common ruin of the contending classes.

As long as the bourgeoisie had to defend itself against the remnants of feudal classes, it represented progress against reaction, and whatever class-conscious forces were already born in the new underlying working class had to support their exploiters in this struggle. As long as Capitalism represented the social and technical development necessary for the realization of the Socialist commonwealth, the class struggle was an important part of this development and although tending towards revolution it formed a part of the existing social order recognized as such and using legal means based on bourgeois conceptions and bourgeois morals. As soon, however, as the capitalist class has fulfilled its historic mission of creator and organizer of social and technical conditions for Socialism, it becomes thoroughly reactionary and the underlying class has to organize as a strictly independent revolutionary force. Society actually has reached a stage where it is split up into two great hostile camps, into two great classes directly facing each other—Bourgeoisie and Proletariat. Imperialism is the period of overdevelopment of Capitalism, is the period in which Capitalism can only maintain itself by wasting and destroying the wealth it creates. Imperialism is characterized by the production of means of production for the production of other means of production, combined with the production of means to destroy the means of production.

The imperialistic form of expansion through export of capital is one of the manifestation of the tendency to waste and destruction, war is another form and monopoly its economic expression.

* * *

The new development of Capitalism into its highest imperialistic form has a deciding influence on the forms and tactics of the proletarian class struggle. The capitalist State, under the control of big business, reduces the influence of Parliament and representative bodies in general to a minimum, putting the governmental power more and more in the hands of the Executive branches: president, governors, mayors, committees and judges. The old methods of parliamentary diplomacy whereby labor supported one group of capitalists against another, skillfully manipulating in order to try to secure certain advantages for the workers, have become obsolete. It is only the power of the workers themselves that counts and the power of the working class lies in the masses, its industrially and politically organized action. Representatives only count in so far as they are backed up and controlled by these masses. Parliamentary action thereby does not lose every importance but changes its character. It has only significance in connection with and as a part of mass action. The backbone of this mass action is industrial action in the basic industries, supplemented by general demonstrations, strikes of protest, political strikes, etc.

In order to become a revolutionary factor, industrial action has to accept general or political purposes, aiming at the overthrow of the present system of exploitation. In this it can co-operate with and back up

other forms of mass action and in such united action lies the hope and salvation of revolutionary Socialism. This unity, not as the result of some intellectual scheme but through necessity of facts and actions is on its way, and it is the duty of revolutionary Socialism to further such forms of organization that correspond with this process towards one general mass action of the Proletariat, with tactics and a program of plain, clear-cut class issues, within the grasp of the average worker.

* * *

Foremost in the mind of every worker is his will to improve his material conditions and fight against lowering his standard of living. This brings him in his industrial union into a fight for higher wages and shorter hours. But it is easily to be seen, that his standard of living can be effected either directly or indirectly. He may increase his wages, but if the buying power of the increased wage is reduced by high prices or unemployment, he may be worse off than before, as was most convincingly demonstrated during the present war. This struggle must become part of the revolutionary struggle, will develop into the revolutionary struggle.

The fight for higher wages including the fight for a guaranteed of such wages under all conditions of sickness, incapacity and unemployment, therefore has to be supplemented by such demands as: taxes on capital and income only, confiscation of war profits, repudiation of national debts, etc. This means that even in the most elementary struggle to maintain life under the present system of exploitation, political action has to supplement economic action, even if this political action has to be backed up by industrial action.

It is most evident that the greatest and strongest foe of the working class is monopolistic and financial capital. Therefore, we should demand confiscation of monopolistic industries, confiscation of the banks, etc., as the first act of a proletarian revolution.

This again is a political issue, for such a confiscation would effect the whole capitalist class, would be impossible as long as the capitalist State can rely upon its material and moral means of power to protect the capitalist interests.

We do not demand State Capitalism. If the state takes over or controls certain industries in the interest of the capitalist class, this simply means strengthening Capitalism, strengthening the State, concentration of the capitalist forces against labor. It generally means more exploitation, more slavery, more misery, and since this development on the part of the exploiters is the direct result of their imperialistic tendencies, it also means: more Imperialism and more wars. The interest of the workers, therefore, are opposed to State Capitalism, and labor has to fight it and especially its tendencies towards the suppression of freedom, suppression of the right to strike, suppression of democracy. But they have to use the most efficient ways of fighting.

We cannot "prevent" State Capitalism, as little as we could "prevent" other forms of concentration, trusts, etc.; and although we know that the present imperialistic form of concentration is not necessary for creating the economic conditions for Socialism, as were some of those previous forms of concentration, our fight does not try to turn back the wheel of history but seeks to increase our power to such an extent as to overcome the power of the capitalist class and the capitalist state. And whereas Big Business wants the nationalization of or state control of certain industries in the interest of financial and monopolistic capital, we demand confiscation of the very stronghold of our foe, confiscation of monopolistic industries and of the banks in order to bring them under the control of the workers.

We know that the realization of Socialism, that the seizure of power and the reorganization of society upon a communist basis, now depends upon the strength, the will power and the courage of the workers *only*.

The economic fight against the State as the most powerful exploiter coincides and becomes one with the political fight against the capitalist State as such. The line of division now lies between those workers who consider the State an institution above the classes, an institution to be influenced "democratically" by the "people," and those who consider the State an instrument of the capitalist class, a stronghold of our enemy. Here again the deciding factor is whether we accept and act in accordance with the class struggle or not. Once our action is based solidly and uncompromisingly upon the revolutionary class struggle all minor differences of tactics are overcome by the practical struggle.

* * *

The fact that equal rights are impossible in a society

based on class dominion necessitates during the revolutionary period of actual transformation of the old society into the new, what Marx called "the dictatorship of the proletariat." The power in the hands of the Soviets (councils of Workers, Peasants and Soldiers) with the exclusion of bourgeois influences was the corresponding demand of the Russian proletarian revolution, and only from the moment of realization of this demand dates the actual proletarian revolution in Russia. As long as classes are struggling for power, democracy can only be a form of supremacy of one class over another. The very principle of their democracy in connection with their conception of the class struggle dictated our Russian comrades to discard the Constituent Assembly.

This is by no means a betrayal of democracy but the first step towards its realization, through the overthrow of class dominion. Representing the ultimate interests of the working class, by far the most numerous and most important class in Society, it would be absurd and a violation of real democracy to back down in the struggle because our enemies have succeeded to a large extent in poisoning and fooling our own comrades to betray their and our interests.

It is high time to consider in all countries the organization of councils of the working class as a nucleus round which all revolutionary forces may rally for the seizure of power. We are in favor of *organized* efforts and an *organized* form of society, we are in favor of law and order but it has to be *our own order*, not the bloody disorder which Capitalism styles as the only imaginable "law and order."

The working class represents democracy because of the very fact that they are the over-whelming majority not only, but because the workers are the only class that counts in the reconstruction of a human society, and we stand for democracy within our own ranks because we know this to be the only way towards final victory. But we have the most perfect horror of and contempt for the hypocritical bourgeois democracy as well as for bourgeois disarmament and bourgeois internationalism.

We do not demand general disarmament under capitalist rule, we demand military strikes to prevent capitalist wars. We want to disarm in the service of capital, but we are willing to fight in the class war. We are opposed to imperialistic wars, and we know that any war on the part of the present capitalist states is bound to be imperialistic and reactionary. But we do not deny the right to India, China and other suppressed nations to use armed force in their struggles against imperialistic oppression. On the contrary, we are willing to join in such a war against the exploitation side by side with the Indians, Chinamen, etc., supposing there is any reasonable chance for our joint efforts to overcome our masters. We know that the day is not far distant when there will have to be waged a revolutionary war of the world proletariat against the capitalists of the world, and we welcome any co-operation in this struggle. We specially welcome the co-operation of the suppressed colonial nations, because we know that Capitalism at present only prolongs its bloody life through the support of capital in so-called backward countries in the form of new instruments of enslavement and exploitation for the sake of capitalist "civilization." The exploited in the countries of the robbers will have to join hands with the robbed countries in a war for democracy and world peace. Not a single man nor a single cent for the militarism of our masters against the proletarians, no matter whether it is asked for a standing army or for a so-called citizens army or militia. But when forced in the armies of the bourgeoisie, make the best of it: Knowledge of military science and military practice may be valuable to anybody. We are no pacifists, and when we ask abolition of the military service through military and general strikes we supplement this with the demand for armament of the people to defend their rights and for the overthrow of Capitalism.

"The proletariat, armed and experienced in this war, by forcing its demands through mass action, now that it has still the weapons in its possession, can overcome the capitalists and realize a Socialist society at least in Western Europe," says Dr. H. Gorter in his *Imperialism, the World War and the Social Democracy*.

The vital issue in practical actions and policies is the Social Revolution. Tactics must be based on this conception. This means a social process in which the defeats will follow victories; the duration of the period cannot be estimated. But one feature is clear above all others: the workers have to count on their own power alone, they have to work out their own salvation, uncompromisingly against all other classes, united as these are by the new ideology of Imperialism. The workers have to develop their own ideology of the Social Revolution, their own tactics of mass action, their own weapons of labor strikes and labor revolts.

Imperialism — the Final Stage of Capitalism

(Continuation)

THE rate at which the concentration of banking concerns has taken place in Germany during the 19th and the 20th centuries is well shown by the following table made up from figures furnished by Risser:

Affiliation of Six Large Berlin Banks

	Branches in Germany	Deposit and Participation in exchange German banking offices	corporations	Total
1855	16	14	1	42
1860	21	40	8	80
1908	104	276	63	450

We see how rapidly the thick network of ducts grows which gathers in all the capital of the country and transforms thousands of scattered businessmen into one nation-wide, nay world-wide capitalistic concern. What the word "decentralization" used by Schultze-Gaevering in a preceding quotation means is the subjugation by one central concern of a growing number of formerly independent concerns, or rather of economic units whose activity used to be purely local!

It is really centralization in the proper sense of the word, which gives more power, more importance, more resources to giant monopolies.

In older capitalist nations, that network of banks is even more closely woven. In England and Ireland, in the year 1910, the number of branches established by all the banks was 7,151. Four groups of banks had over 400 branches each, the smallest of the four groups having 447 and the largest 639 branches; four other groups had over 200 branches, eleven other groups had over 100 branches.

In France, three large banks, the Credit Lyonnais, the Comptoir National d'Escompte and the Societe Generale increased their operations and the number of their branches as is shown in the table below:

Provincial towns	Number of branches and offices		Amount of capital in millions of francs	
	Paris	Total	Own capital	Outside capital
1870	47	17	64	200
1890	193	66	258	265
1908	1,033	196	1,229	887
				4,363

As a characteristic example of the "connections" of a large modern bank, Risser mentions the number of letters sent and received by the Disconto Gesellschaft, one of the largest banking concerns in Germany and in the entire world. (In 1914 its capital amounted to 300,000,000 marks.)

	Letters received	Letters sent out
1852	6,135	6,292
1870	85,800	87,513
1908	533,102	626,043

The number of accounts carried by one Paris Bank, the Credit Lyonnais, rose from 28,535 in 1875 to 633,539 in 1912. (26)

Those bare figures show more conclusively than any long dissertations that, with the concentration of capital and the increase in the bank's turn over, the function of a bank becomes entirely different from what it used to be. Thousands of scattered capitalists become one single capitalist. By carrying the accounts of a number of depositors, banks seem to perform a mere technical operation. But when that operation reaches gigantic proportions, a handful of monopoly-holders assumes the control of all the commercial operations of the entire capitalist world, being enabled, through its banking connections, through its current accounts and its various financial operations, first of all to ascertain exactly the condition of the various individual capitalists, and then to dominate them, to influence their activity by extending to them or withdrawing from them financial assistance, by giving them or refusing them credit; it is able finally to decide their fate, to decide what their resources shall be, to increase their capital at will, or to allow them to increase rapidly their capital to enormous figures.

We mentioned previously the capital of the Disconto Gesellschaft of Berlin which is 300,000,000 marks. The increase in the capital of the Disconto Gesellschaft was one of the incidents in the struggle for hegemony between this bank and its rival for the place among the biggest Berlin banks, the Deutsche Bank.

In 1870 the Disconto Gesellschaft was still a small concern with a capital of only 15,000,000 marks. The Deutsche Bank had a capital of 30,000,000 marks. In 1908 the two banks had increased their capital respectively to 200 and 170 million marks. In 1914 the Deutsche Bank increased its capital to 250,000,000 marks, the Disconto Gesellschaft to 300,000,000 thanks to an alliance with another bank of first magnitude, the Schaffhausen Bank. And that struggle for lead-

By N. Lenin

Translated from the Russian by Andre Tridon

ership does not interfere with the mutually protective agreements made by both banks.

Here are the conclusions forced by this development upon specialists in banking affairs, who in their discussion of economic problems never overstep the line of moderate bourgeois reformism:

"Other banks are following that example," says the German review, *Bank*, discussing the increase of the capital of the Disconto Gesellschaft to 300,000,000 marks, "and instead of the 300 men who at present direct the economic destinies of Germany there may not be more than fifty or twenty-five or even less left in control. One cannot expect the present tendency to concentration to bring about only this one banking deal. The close ties uniting the various banks tend to bring about closer relations between the various industrial combinations which deal with those banks. Some morning we will wake up to behold with astonishment a few trusts and nothing else. Then we will have to transform our private monopolies into government monopolies. And in reality we shall not be to blame for anything except for letting things follow their course and somewhat speeding them up." (27)

This is an example of the mental impotence of the bourgeois press, from which bourgeois science only differs by its greater dishonesty and by its attempts at clouding the issue. Those people are "appalled at the consequences of concentration," they speak of "blaming" the government of capitalist Germany or capitalist "society," they "fear" to hasten concentration. A German expert on industrial combinations Tshirshky, is "afraid" of the American trusts, and "prefers" to them the German cartel, because the latter does not "hasten technical progress as much as trusts do." Could mental impotence go further?

Facts, however, remain facts. Germany has not trusts, but she has cartels, and she is controlled by no more than 300 men and the number of those magnates is being ruthlessly cut down. Ceaselessly, in every capitalistic land and regardless of the various banking laws which may be passed, banks will hasten the process of financial centralization and the establishment of monopolies.

As Marx wrote in *Capital* half a century ago: "Banks establish on a social scale the form, but only the form, of a general accounting and of a general distribution of the means of production." The data at hand on the growth of banking capital, on the increase in the number of branches and offices established by the large banks, and the number of accounts they carry, give us a concrete illustration of that "general accounting" of

the capitalist class and not only of the capitalist class, because banks gather in for longer or shorter periods all the cash receipts of the small businessmen, clerks and skilled laborers. "The general distribution of the means of production" is one of the lateral activities of modern banks, three of which in France and six in Germany have at their disposal billions and billions of marks.

Intrinsically, however, that distribution of the means of production is not general but strictly personal, that is, in the interests of large capital, in particular of the largest and most monopolistic forms of capital, which create a condition of affairs in which the mass of the population is near the hunger line. Agriculture lags behind industry, and in the industrial field the "heavy industries" with their subsidiary industries carry the day.

In extending the influence of capitalist finance, savings banks and postal savings banks have begun to compete with ordinary banks, these institutions being more decentralized, in the sense that they reach more and more localities, more and more out of the way places, larger and larger sections of the population. American reports on the relative importance of bank deposits and saving bank deposits enable us to draw up the following set of figures.

Deposits in billions of marks					
England	France	Germany	Savings Banks	Savings Banks	Credit Savings Banks
1880	8.4	1.6	?	0.9	0.5 0.4 2.6
1889	12.4	2.0	1.5	2.1	1.1 0.4 4.5
1908	23.2	4.2	3.7	4.2	7.1 2.2 13.9

Paying 4 or 4 1/4% on their deposits, savings banks are compelled to seek profitable investments for their funds, to discount commercial paper, to buy mortgages etc. The boundary line between banks and savings banks becomes less and less visible. Chambers of commerce (for instance in Bochum and Erfurt), are trying to prevent savings banks from engaging in purely banking operations such as the discounting of notes, and demand that the banking activities of postal savings banks be restricted. (28) Big bankers seem to fear the unexpected rise of a government monopoly of banking. But that competition does not go very far. The deposited billions in savings banks are, after all, at the disposal of the banking magnates and, on the other hand, government monopolies in capitalistic society are merely a means of increasing and insuring the incomes of certain industries which are nearing the bankrupt stage.

The change from the older Capitalism where competition reigned to the new Capitalism where monopoly is king, is characterized by the diminished importance of the exchanges. "Exchanges are no longer" to quote *Bank*, "an essential means of paper conversion as they used to be years ago when banks couldn't expect to market among their customers even a small part of the paper issued."

"Every bank is a stock exchange nowadays." This statement becomes, the more true as banks become larger and as concentration is more generally the rule in the banking field. (29)

"If once upon a time, in the seventies, the stock exchange, with its youthful rashness," (a veiled allusion to the panic of 1873 and other scandals) "opened the era of industrialization for Germany, at the present date banks and industry can fully take care of themselves."

The domination exerted upon the stock exchange by our large banks, is simply the concrete expression of the power wielded by the organized industries of Germany.

"If the action of the automatic economic laws becomes so restricted and the sphere of conscious regulation by the banks increases to that extent, there also increases to a terrific extent, the nation-wide economic responsibility of a few individuals." Thus writes Schultze-Gaevering (30) a defender of German Imperialism, an authority recognized by the imperialists of all lands, who tries to blind us to one trifling detail, that such conscious regulation by the banks simply means the exploitation of the public by a handful of well organized monopoly holders.

The duty of a bourgeois professor of political economy consists not in showing us how the system works, not in exposing all the tricks of the monopolistic bankers, but in throwing a veil over them.

Thus speaks also Risser, who is even more of an authority and a financial "operator" besides, and who tries to escape, through a flow of empty words, from facts which cannot be gainsaid. "The stock exchange is less and less the essential organ of finance it used to be without which financial paper could not be marketed and which constituted not only a very accurate moderating device but almost automatically regulated all the economic streams flowing through it." (31)

(To be continued)

SOCIALIST PARTY BOSTON LOCAL MEMBERSHIP MEETING

Sunday, March 30th, 1919

at 3 P. M.

DUDLEY STREET OPERA HOUSE

113-119 Dudley Street, Roxbury

Important business to be discussed.

Comrades, attend, the crisis is on!

INTERNATIONAL MASS MEETING

for the benefit of the

LAWRENCE STRIKERS

GRAND OPERA HOUSE

cor. Dover and Washington Streets, Boston

Sunday, March 30, 1919, 2 P. M.

There will be present a contingent of the Strikers Guard; also a number of wounded strikers.

Speakers:

P. P. COSGROVE, JOHN M. McDONALD,
FRANK MACK, IME KAPLAN and
SAMUEL BRAMHALL,
members of the General Strike Committee will
speak in the following languages: Italian,
Polish, Russian, Lithuanian,
Belgian and Jewish.

Financial Problems of Soviet Russia

(Continued from page 4.)

the budget as a disastrous omen and believed that all efforts should be strained in order to avoid a deficit and that expenses should be cut in all branches. This is not right. In the transitory epoch of revolution, which we are now going through, deficits are unavoidable. We must expend immense sums on the organization of socialistic industry. Like expenses are required for war and the support of the proletariat in foreign countries. At the same time, simultaneously with the liquidation of the bourgeoisie, the sources of revenues are diminished. We must be very careful in drafting our budget, not to reduce productive expenses, and expenses necessary for the meeting of real wants but to see that expenditures are in accord with expediency and limited to real necessity. Every necessary expense, resulting in the acquisition of necessary material goods, must be made, because simultaneously, with the creation of such material wealth we are working toward a converting of the deficit. At present we have taken possession of productive capital; but we must take into consideration the existence of financial capital. There is in the country a great quantity of paper money. We know how much of that was issued how much cash is in the People's Bank, in the government treasury; we may for the sake of expediency deduct something for bills, now in the Ukraine, in Siberia, in the Volga district, but about 25-30 billion of these bills are still in Soviet Russia and most of them put to no productive use. We therefore considered it possible to introduce a large income tax which would swallow all these unproductive means. This experiment could not have been carried out in a capitalist country.

We also may have recourse to such a tax only once more, perhaps, because by the imposition of this tax we annul the unproductive money means which are the object of taxation, preserving, however, such means as are expended in a productive manner. I may communicate to you some results arising from the introduction of this 10 billion roubles tax. We adopted this tax in haste and divided it among the individual provinces in a rather superficial manner, computing all statistical data with those materials which we had available. The levying of the tax should be completed about December 1. This term, if we consider the time of the adoption of this tax, our distances, and some irregularity in the mails, was chimerical, but around the middle of November, telegrams were arriving telling of the operation of this tax; requests were being received also regarding prolongations. Insofar as these requests were accomplished with some motivation, they resulted in prolongations of 2 weeks' or 1 months' duration. Prolongations were granted to the Kazan, Kostroma, North-Dvina, Mohilev provinces, to the city of Ryazan, to the Buzuluk county. A considerable prolongation was granted to the city of Saratov. Later on came request as to the reduction and removal of the taxes. Several such requests came from the "volost" communities, from one or two counties, and from two provinces. The Commissariat for Finance did not consider itself competent to look into the requests coming from the "volost" communities because this matter belongs to the provincial executive committees, which, if they find that the request is worthy of consideration, may reduce the amount of the assignment without redistributing it among the other parts of the province. Two provinces, the Kursk and Kazan, were granted a reduction of the amounts required from them. After a time, communications were received as to the termination of the levy, as well as a number of inquiries: is it admissible to transfer the tax to a current account; does the tax refer to subjects of foreign countries, in which manner to levy the tax on incomes of Soviet workers, receiving more than 1,500 rubles a month. The paragraph concerning the taxing of Soviet workers is, in the opinion of the People's Commissaire for Finances, in general a failure: experience has already shown that in the provinces it created misunderstandings; for the peasants who are subject to taxation cannot help considering the salaries of the Soviet workers who are exempted from taxation as extremely high. The reports from various localities clearly prove that the tax is being realized. But this tax constitutes for us, for the Soviet power, the touchstone by which our structure, in the financial field will be tried. In reconstructing our financial machinery we compel it, at the same time, to perform that great and serious work which requires penetration into the depths of the population. This tax will serve also as a measure of discipline. It is the first general state tax for two years, which is levied in the provinces, and which creates, despite some unpleasant, possibly even hostile, relations with the tax payer, a consciousness of the state power. Besides, by absorbing paper money from the populace, it raises its value here. Thus from being a declarative tax, for which it was first taken, it becomes a real tax. In fact, one must not resort to declarative taxes, for the collapse of a declarative tax would mean bankruptcy.

I should like to combine this tax with another one, which was levied on the same day as the above. It is a tax in kind and refers to tolls upon the products of agriculture: a tax, the operation of which has as a matter of fact not yet started because of certain technical difficulties. The grain supply campaign is at present still under way, and a considerable part of the peasantry is delivering grain to the Commissariat for Supplies. The supreme Council of National Economy proposed that the tax should not apply this year to those peasants who present certificates of a voluntary delivery of grain, without permitting at the same time any indulgences with regard to those who should not be holders of such certificates. A corresponding amendment to the decree on these tolls is carried out by the Central Executive Committee. To the Northern district this toll applies only in part, none the less some provinces will be touched by it. This tax is generally not of the character of a special tax. It is not an easy matter to take away hidden money. The decree regarding a compulsory keeping of books would remain a dead letter at present. The only way to introduce compulsory accounts is in the exchange of paper money. We shall now adopt this measure. But now it will not be connected with devaluation, as it was formerly believed, because devaluation strikes in the same measure both the rich and those who have moderate savings. It means a proportional but not a progressive taxation. We shall therefore issue new money and shall announce the date for the surrender of the old. In exchange for small sums new paper money will be issued to the full amount. If the cash of any person exceed the determined limit, he will receive a certain minimum in cash and the rest will be added to his current account. Later we shall have recourse to a new surgical operation, and the bourgeoisie of the Soviet era will be assessed with a new special tax. This measure, for technical reasons, is difficult to carry out. But the matter has its political aspect. A part of Russian territory is at present not under the Soviet power. In order that all paper currency may be surrendered to the People's Bank, it is imperative that we advance successfully into Ukraine, for the final consolidation of the Soviet power. At any rate, we are already nearing the time when we shall proceed to carry out this exchange of paper currency.

In concluding my speech let me dwell upon the connection between this transitory moment, that we are now living through, and the deficit feature of the budget. Money, after the completion of a cycle of economic measure, will be abolished and replaced by natural exchange. It will be of no concern to us then if the ruble is worth nothing at all. But it is important that we should maintain ourselves until then. The Russian workingmen and peasants believe in the strength of our economic organism. Our immediate neighbors do not doubt it either; some are glad and others are angry over the unavoidable victory of the Soviet Socialist power in Russia. We receive information as to a rise in the quotation of the Russian ruble, and this indicates that abroad they believe in our strength and in our victory. The deficit shown in

our budget is computed incorrectly. There are not indicated there any receipts from nationalized industries, which will surely amount to a sum of 3 billion rubles. Furthermore, 3 billions were assigned to the Commissariat for Supplies as a circulating fund. This sum for circulating expenditures may be considered as only a temporary deficit. A number of expenses, inserted in the budget for the first half of the year, which was approved only at the end of the second half of the year, has been transferred to the budget of the second half of the year, because of the closing, on August 31, of all credits and unexpended assignments. Thus it came about that there were expenses quoted twice to an amount justifying the reduction of the deficit by a further 3 billions. The real deficit, in this manner, would be about 7 billions. The amount of this deficit is smaller than the deficit for 1917, which was lived through under the reign of the Czar and under the government of Kerensky.

In November, in notes commenting on the budget, we asserted that there was no foundation for a budget pessimism. Now, with the whole world in commotion, and on the eve of a world revolution, we may with greater justification still feel confident that we shall carry through till the time of a world revolution.

The German Revolution

(Continued from page 5.)

which sent troops to suppress Communistic Russia and restore the bourgeoisie, is careful not to allow a revolutionary Germany to assist Russia, even morally; and *Vorwaerts*—ever the lackey of the powers that be, first of Wilhelm and now of the Entente—is terribly agitated against the proposal of Russia to send representatives to the German Congress of Workers' and Soldiers' Councils. *Vorwaerts*, the bourgeois press, and the government all combine to inspire the population with fear of the Entente threat, and to paint the economic situation as black as possible. They thus hope to stifle the revolutionary will of the workers and it is beyond doubt that they will be successful with a considerable section of the masses.

There is little doubt but that the Congress of Workers' and Soldiers' Councils called for December 16, will support, by a big majority, the bourgeois government of Ebert-Haase. These councils are not by any means pure proletarian institutions; in the Soldiers' Councils are the officers; in the Workers' Councils are the Trade Union and party leaders. These men will not allow the revolution to go any further if they can prevent it.

But there are other objective, material factors that will force the workers from the bottom up. In the first place the opposition between capital and labor—the first assault brought the proclamation of the eight hour day and the establishment of the Workers' Councils in the factories. Now that the reaction is setting in the manufacturers are endeavoring to take back these concessions and reduce wages, while, on the other hand, the workers are demanding further reforms. Here and there clashes, in the shape of strikes, are occurring which require extraordinary efforts on the part of the Independent agents of the government to conciliate. This will eventually compel the government to act and force it to choose between pressuring the bourgeoisie or having further sections of the masses arrayed against it. In the second place the economic want will effect the government still more. The misery and deprivation the war has brought has been so horrible that the workers will not be able to carry any further burden and if the government does not actively assist them—and this means that it must take from the possessors—then the revolutionary spirit will receive fresh impetus among the masses.

In times of want, such as confront Germany now and in the coming years only a government which by its deeds, and its viewpoint will not be opposed to the people's masses can exist. Consequently it is not to be expected that the present government of Germany will be successful in confining the revolution to its present purely political reform character, but the attitude of the masses now is assisting the government to a great extent and is therefore strengthening the bourgeoisie and will increase their power of resistance in the coming civil war.

Much depends on the class instincts of the coming Congress of Workers' and Soldiers' Councils, if they will lay the foundation for power, the power of the workers and soldiers, then the proletariat will be well armed for the coming struggle.

Pamphlets and Books of Real Importance

THE SOCIAL REVOLUTION IN GERMANY

BY LOUIS C. FRAINA

A comprehensive study of the revolution, which is equally a study in the purposes and policy of revolutionary Socialism.

108 pages; 25c a copy

THE CRISIS IN THE GERMAN SOCIAL-DEMOCRACY

BY KARL LIEBKNECHT, FRANZ MEHRING
and ROSA LUXEMBURG

Written some months after the war, this pamphlet is a splendid analysis of Socialism and war.

140 pages; 35c a copy

CHAPTERS FROM MY DIARY

BY LEON TROTZKY

A description of events during two and a half years of the war. Interesting information on Socialists' attitude.

48 pages; 10c a copy

REVOLUTIONARY SOCIALISM

BY LOUIS C. FRAINA

This book considers the fundamental problems of Imperialism and Revolutionary Socialism—war, moderate Socialism, the Socialist collapse, the nation, State Capitalism, nationalism and mass action, proletarian dictatorship, etc.

248 pages; 75c a copy

Special prices to locals and agents

The Revolutionary Age Book Dep't
885 Washington Street Boston, Mass.