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The International Situation

OUTLINED BY GEORGE CHICHERIN

The Concentration and Trustification of Capital

IF I am to sum up the results of my recent observations of foreign affairs, I must first say, speaking generally, that the most important feature of our period is the concentration and trustification of capital on an international scale. In some countries the process of concentration was already greatly advanced. Now we find, behind the scenes of events, a constant motive force consisting of a struggle towards the international alliance of the national trusts, towards the international extension of national trusts and their growth beyond national frontiers. This process of international concentration of capital, is being carried out within the post-war crisis and collapse. Consequently, it frequently assumes degenerated forms, and its gradual progress is accompanied by many morbid symptoms. The ruined and petty bourgeoisie, and the increasingly impoverished bourgeois, intelligentsia plunge into the extremist chauvinism, and create a heated political atmosphere. In France these elements support what is left of the National Bloc; in Germany they join the Orgesh organizations or simply vote for the extreme right! in Italy they form one of the motive powers for the complicated phenomenon of Fascismo. Their furious activity keeps war ever near, and within certain limits, even leads to direct military action. But there is no immediate danger of a new world war: The motive forces of a world war can only be fundamental antagonisms between leading economic groups, and these last have still to undergo a long period of development before their relations become so acute as to provide the possible conditions for a world war. Before the war the situation was different; at that time, large industry supported militarism, while the petty bourgeoisie supported pacifism; but now, large industry is, as a rule, the upholder of pacifism, and the petty bourgeoisie, at least its ruined section, is becoming the main prop of military and ultra-chauvinist tendencies.

Diplomatic life in Western Europe is based on the triangular relations between England, France, and Germany. The Anglo-French world-antagonism is by no means fully developed. And yet this antagonism permeates all present day diplomatic relations. Among the questions at present existing between France and Germany, the most important is that of their economic approach, of the understanding to be reached between the industrial capitalists of the two countries. This interesting example of an endeavour towards international trustification deserves close attention: In the sphere of the reparation question, this endeavour assumed the form of economic agreements regarding payments in kind. But it has much more important aims. The France of today differs very much from pre-war France; developing industrial capital is gaining an ever-growing influence over the politics of the country; it requires markets, it requires the development of economic relations with other countries. Thanks to the treaty of Versailles, France possesses a surplus of iron, and needs material from Germany for working up this iron. Negotiations are already being carried on between a number of French and German industrial undertakings with regard to contracts, trusts, and cartels. These efforts on the part of industrial capital, and its grow-

ing influence, were the cause of France seeking, particularly towards the end of last year, to resume official commercial relations with Russia.

The leading representative of the new policy of French industrial capital is the Banque de Paris et des Pays-Bas, headed by one of France's best economic functionaries, the banker Finali. These elements belong to that political grouping at present in course of development, if not in Parliament, at least in leading French political circles. Among this group one of the most talented French statesmen of the new generation, Loucheur, must be counted; he has connections with the industry of the North.

The Ruhr adventure, which has shaken the political and economic life of the whole of Europe to its foundations, and has also much injured Soviet Russia, who needs economic relations with other countries, is bound up in a most complicated manner with various tendencies within French industry itself. The bourgeoisie of course preserves the customary sacred unity against the national enemy, but already the industrial periodical *Journal Industrielle*, is openly expressing its dissatisfaction with the Ruhr policy. This policy, which leads to the impoverishment of Germany, brings no advantage to France, who is unable to utilize the riches of the Ruhr area without the aid of Germany. The indirect result is, further impoverishment in France, and injury to her industry. The main object of this adventure was to pacify the shrieking chauvinism of the masses. And it is possible that the idea occurred to some members of the governing group, that it would be good to carry out the chauvinist desires of the masses to a point of absurdity, and to prove, by actual demonstration, their utter nonsense; but this would be a very dangerous method of giving an object lesson. The Ruhr question is, at the same time, bound up with one of the most important points of contact between French and German industry. It is a well-known fact that the French heavy industry, possessing the ore of Lorraine, requires the Ruhr coal, and that German heavy industry, if in a lesser degree, requires French iron. Many have been inclined to explain the long planned occupation of the Ruhr by France's anxiety to lay hands on the coke it needs, which coke—it may be observed—she cannot produce without the organizatory help of the Germans. Thus, even the secret report of the chairman of the finance committee of the chamber of deputies, Dariae, which aroused so much sensation when published by the "Manchester Guardian" in November, and was regarded as the clearest expression of France's aggressive designs, recommended nothing more than a preparation for the separation of the left bank of the Rhine from Germany; but as French heavy industry is about to enter into a trust with German heavy industry, even this report goes no further than to demand the retention of the bridge heads occupied in 1921 (Dusseldorf and Duisburg). It is known that the Poincare government, shortly before the Ruhr adventure, prevented negotiations from taking place between the representatives of French and German heavy industry, apparently for fear that control of the reparation question might slip out of the hands of the government. Despite this, the industrial magnates of the two countries opened communication with one another, and the demands

from the French side were spoken of as too high. But though the formation of a trust with German industry can be of no enormous profit to the industry of eastern France, it would wreck other undertakings, for instance those of Normandy. It is difficult for an outsider to form a comprehensive idea of the struggle going on behind the scenes between the various interested groups; a very intimate acquaintance with all the circumstances is required to penetrate these secrets. Even those industrial magnates anxious for a peaceful understanding were not opposed to a trial of strength upon whose results the future division of the spoil would depend. This is of course a mere detail, and in no way alters the fundamental outlook of events for us. To the French militarists it is not a matter of indifference whether or not they gain possession of the raw materials which they imagine to be necessary for a future war between England and France. Industry, for its part, requires in its own interests a peaceful understanding with Germany, but at the same time a peaceful penetration into Germany. Even Schneider went over from the National Bloc to the "centre," and recently supported the policy of a peaceful agreement with Germany. It is possible that this mutual tendency, towards a peaceful understanding will not gain the upper hand at once; it is extremely difficult to find a way out of the crisis if the French government insists on its reparation demands, and if the German government insists on the evacuation of the Ruhr before commencing negotiations. But it is highly probable that the Ruhr adventure will only form an episode in the progress of trustification of the industries of the two countries. So long as the suffering German masses abandon themselves to nationalist feelings, so long will the elements of the right draw advantages from the extremity of the crisis. But at the same time the whole of Europe suffers from the consequences of this adventure.

The intervention of England, or rather the joint intervention of England and America, would lead to an immediate reconciliation, but both powers continue to wait and to observe the course of events. It must be observed that the closer political and economic approach of these two states to one another is one of the most important political facts of today. Under the rule of the present Conservative government, England is taking much more interest than before in the colonies and dominions, and is investing capital in them; still a great number of English banks are closely connected with the continent, and a considerable portion of German economic circles still follow England. In France there is a widespread opinion that England employed a number of skilful manoeuvres, forcing France to take the Ruhr plunge, and is now leaving France in this difficult situation with the intention of gaining time until England can play the role of the laughing spectator. The same Frenchmen would not be at all surprised to hear that England had simultaneously instigated Germany's resistance.

The Ruhr question, as also the Lausanne conference, increased the estrangement between England and France to actual hate, although as world competitors they are highly dependent on one another. There is no doubt that the breaking off of the Lausanne conference (Continued on page 7)