

WORKERS
OF THE
WORLD
UNITE!

THE MILITANT



Weekly Organ of the Communist League of America [Opposition]

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The Revolver at the Head of France

The Hoover Reparations-Debts Scheme

The multi-millionaire representative of the American government, Mellon, has arrived in Paris and is holding the revolver to the head of the French bourgeoisie: Swallow the Hoover plan for a war debt-reparations holiday or—prepare to engage in combat with us, your superiors in every field! As these notes are being written, no final accord has yet been reached between France and the United States. Driven by the pressure of the trans-Atlantic colossus the Frenchmen have already yielded to the point of discussing only whether the suspended reparations payments are to be made up by Germany in five years or, as Hoover proposes, in twenty-five years. Whether the compromise is reached on a ten or a twelve year period will not radically effect the essence of the whole scheme.

What is the nature of this proposal which has been acclaimed almost universally by the bourgeoisie of most countries, hailed by the social democrats of Germany, England and Belgium, and given the accolade of approval by such lesser socialist and liberal "statesmen" as Morris Hillquit and Oswald Garrison Villard? In two words: Germany is allowed to suspend all reparations payments for a year; the European debtors are allowed to suspend all war debts to the United States for the same period.

What has necessitated this proposal, made so suddenly by Hoover, pressed with such impatience and intolerance of discussion or revision?

Germany is being wracked by one of its severest crises, acutely accentuated by crushing burdens of the imperialist treaty of Versailles. Its individual life, which must be maintained in order to make possible the payment of reparations to the Allies, is being stifled because the same Allies cannot afford to yield to Germany a greater share of the world market. Taxation rises to tremendous heights. The army of the unemployed increases without abatement. The wage level reduced to a miserably tenuous existence. The financial condition of the country is just short of catastrophic. Its gold reserves diminish at an alarming rate. The last Reichsbank report showed a decline of 750,000,000 gold marks, or one-fifth of the reserve. Ever-increasing sums of money are being exchanged for foreign currency. A marked flight of capital to other countries is observable. So ominous has the situation become that the Reichsbank—in the face of the crisis in which discount rates have dropped universally—was compelled to announce, effective from June 13, a sensational rise in the discount rate from 2 percent to 7 percent—with America's rate at 15 percent, France's at England's at 2.5 and Switzerland's at 2.

The Crisis in the Young Plan

The world decline in commodity prices has had a unique effect on Germany. German industry must now produce 40 percent more in order to pay the charges under the Young plan, fixed in marks. Chancellor Brüning reports that instead of alleviating the Dawes burden by an annual 700,000,000 marks, the Young plan—under the conditions of the crisis and of price falls—has caused an additional payment of 200,000,000 marks annually.

The way out? Union with Austria perhaps? Hardly! Even were the French buccaneers to countenance it its effectiveness is "Zukunftsmusik"—music of the future. The open road to the Danubian grain-producing countries is traveled only one way, by their exports of grain to Germany, but not by their imports of industrial goods. Higher taxes? The measures already taken have only multiplied the general misery and advanced the question of social revolution to the top of the social agenda. The vicious system of Versailles is wreaking havoc throughout Europe. The only way but for the masses is the proletarian victory.

But the tenacious bourgeoisie have one final resource: the assistance of the powerful, fabulously wealthy master across the sea who saved them once before. Suspend the reparations payments ere we perish under their pressure! Do not bleed to the death Germania, the bulwark against Bolshevism! With these cries on their lips, Brüning and Curtius pled their case before MacDonald at Chequers. His Majesty's Most Loyal Socialist Footmen, no less the foe of revolution than the Germans, were only too willing to accede to the latter's demands—if only the United States would let up on the war debts. That is why the London Observer warned the grasping Americans to this effect: Do not be shortsighted. Consider your own interests. The bankruptcy of Germany, a revolutionary wave flooding Central Europe, mean the end to the annual interest payments on your huge German investments!

It is this warning that Hoover has heeded in the new plan. In 1924, the U. S. saved Germany from the effects of a revolutionary crisis which the revolutionists had fumbled. In 1931, it hopes to prop up decadent German capitalism from the impending revolutionists. The Hoover plan is de- as direct a blow to the revolution as was the stab in

the back delivered by Hoover's agent, Captain Gregory, to the Hungarian revolution in 1919. But American imperialism is not merely interested in the maintenance of the German bourgeoisie for their own sake; its interests are less "generous".

Why is Hoover so ready to forego "for a year" the millions due the U. S. in war debts, providing reparations payments are suspended? Because there is more than that involved if Germany is forced to go into bankruptcy and perhaps yield to the victory of a proletarian revolution. The United States according to the Department of Commerce, has more money invested in Germany (end of 1930) than in Great Britain, France and Belgium put together. Some sources put the figure of the total American investments in Germany (government loans, municipal loans, industrial enterprises, securities, etc.) at about 4 billion dollars! With a return on these investments of from 7 to 8 percent, "our" investors stand to loose the lucrative annual income of almost a third of a billion dollars. American bankers have more involved in their loans and investments in the municipality of Berlin and the Berlin City Electric than in the original Dawes loan (\$200,000,000) or the Young loan (\$100,000,000). Why not forego—for the moment—the war debt payments in face of the bankruptcy or revolutionary threat to the bankers' interests?

There is yet another point. Under pressure from the ruthless Americans, England has lost considerably in influence, power and prestige on the Continent. The U. S. has gained, but so has France, the best armed power in Europe, the most lavish spender of money for armaments. After England—comes France. Through its delegate McKelvie the United States has already spiked the French plan at the London Grain Conference to organize a Danubian grain-producers' entente under its hegemony. McKelvie simply made the hardly veiled threat to dump the tremendous American surplus. Now the United States is laying the ground for cutting into France's military strength by financial blackmail. Of the important countries involved, only France stands to lose substantially by the Hoover plan. Unlike England, even after it pays the U. S. war debt, France

(Continued on page 4)

«Permanent Revolution» Barred in Canada

"The Permanent Revolution", the book by Leon Trotsky just published by the Pioneer Publishers has been barred from entry into Canada by the government customs division. The authorities apparently regard comrade Trotsky's work, for which there is a considerable demand in Canadian revolutionary circles, as "too seditions" for consumption by Canadian workers. The barring of the book was announced in a letter sent by the authorities to a Toronto worker. We reproduce the letter in full:

NATIONAL REVENUE, CANADA
(Customs and Excise Divisions)
Port of Toronto, June 17, 1931

Mr.
Toronto, Ont. Re: Parcel No.
Dear Sir:

In connection with the above numbered parcel we wish to advise you that the Commissioner of Customs has refused entry of the contents, a book entitled, "The Permanent Revolution"

It may however, be returned to the sender by payment of postage in the amount of six cents, by you.

Failure to do this within ten days from the date thereof a seizure will be made in accordance with the regulations of the Customs Tariff.

Yours very truly,

(Signed) S. Taylor

Supt. Customs Postal Branch.

In the particular case under review, the authorities do not seem to have heard of the official Stalinist theory that Trotsky's work is "counter-revolutionary" and that he is an agent . . . of British imperialism. Or if they have heard of the theory, it appears that they do not agree with it.

A PICNIC

To Celebrate the Appearance of the Weekly Militant

The New York branch of the Communist League invites all militants to join with it at the Picnic to celebrate the appearance of the Weekly Militant. The affair will take place on

SUNDAY, JULY 12, 1931

at TIBBETTSBROOK PARK

Games — Races — Rowing — Baseball

Directions: Jerome Ave.—Woodlawn subway to the end of the line. Hike or take street car to Park; Plot 8.

Miners Strike Against Wage Cuts and Starvation Conditions

During the last two weeks the striking miners in Western Pennsylvania, Northern West Virginia, and the Eastern part of Ohio have gained thousands of new recruits. More mines were shut down, picketing activities and mass demonstrations increased. With it increase also the murderous brutality of the coal and iron police, and the state Cossacks, in combination with the dastardly strike-breaking efforts of the official remnants of the United Mine Workers of America. This is their desperate way of attempting to prevent further expansion of the strike.

The Heavy Strike Toll

Several miners have already been killed, fallen victims to this brutality many have been wounded, and scores are held in the jails under almost prohibitive bail. Such is the heavy toll of this strike. Yet its powerful proportions testify eloquently not only to the terrible starvation conditions existing in these mine fields but also to what has become proverbial—the militancy of the miners. "Strike against starvation" has become a powerful slogan, effectively rallying

the coal miners.

It is worthy of note that it is particularly in this section of the bituminous coal fields that the mechanization of coal mining has reached its highest point and most extensive practice. It naturally resulted in immensely increased speed-up and in the most heavy imaginable pressure of exploitation. It is also precisely in this section that union organization during recent years has been fought most determinedly by the coal operators. It is natural that with a combination of these factors the working class power of resistance should demonstrate itself in such a splendid manner.

The National Miners Union is in the leadership in this strike. It is furnishing a fighting program. The sympathy of the striking miners in its overwhelming majority embraces the National Miners Union. It has good prospects for growth. These factors are also the practical evidence of the valuable lessons learned by the coal miners from the role played by the type of union officialdom of John L. Lewis and his henchmen of the U. M. W. While the striking miners now

demonstrate in reality that this is not their kind of union, they just as concretely demonstrate their understanding of the need of organization—of militant organization. It is interesting to note that in this strike the Pittsburgh Terminal Company was the first company to sign an agreement with the U. M. W. officials. Not that any of its striking workers were members, not that it had the slightest love for the U. M. W.; as a matter of fact, this company three years ago, was the most unscrupulous contender in the onslaughts upon the United Mine Workers. It signed this agreement in an attempt to drive the miners back to the shafts, to utilize the state police and the U. M. W. gunmen, to accomplish this, and thus drive a wedge into the solid ranks of the strikers. If further lessons should be necessary we may add that the miners have now had one more serious experience in the role played by the forces of the state government on the side of the bosses. Likewise they are learning a good lesson about the role of the so-called "progressives" in the capitalist parties like Gov.

Pinchot who helped negotiate this agreement to break the strikers' ranks.

In face of these conditions the miners' strike in Western Pennsylvania, Northern West Virginia, and the Eastern part of Ohio, assumes greater importance even than the numbers involved would imply, imposing though they are. It shows definite working class advance; it proves the great reserve power of resistance of the American workers. Unquestionably it is only a beginning of working class resistance against the wage-cutting onslaught on a far more extended scale. In this sense it is a harbinger of the future prospects for growth of militancy, for building of unionism in the basic industries.

In this strike situation the Communist leadership faces two important problems. The one is caused by the brutal attacks of the combined capitalist forces upon the miners. It necessitates an energetic fight on a correct basis for the full establishment of the democratic rights of the workers, the right to strike, picket to assemble, to select their own representatives, the elimination of injunctions, of the state cossacks, etc. The second problem which is of still more importance is the one of continuous and tenacious building of organization, not merely the organization for the strike but union organization. It means the building of the National Miners Union not so as to disappear when the dramatic aspect of the strike is over but to build on a lasting basis. Organize!—Organize to be able to extend the struggle and actually secure victory to the miners. Organize to hold the key to the future.

Relief Urgent

For the working class in general this strike also brings to the fore a problem of vital importance. Relief must be forthcoming to feed and clothe the fighting miners. It should be sent to the Miners Relief Committee 611 Penn Ave., Pittsburgh, Pa. Defense must be furnished. Assist the I. L. D. to defend all those strikers thrown into jails. This is a battle of the working class as a whole.

Ferment among the miners is also growing elsewhere. The Kentucky strikers are standing solid. In the Illinois fields some progress can be recorded toward breaking with the remnants of the treasonable U. M. W. But there are still the inherent weaknesses of the Musette "progressive" leadership which to an extent has come into the direction of affairs in Illinois. At a conference held in Staunton the early part of the month in June, 500 delegates, representing 150 local unions, took part, and decided to call a convention on July 6th to "declare the offices of the district union vacant, proceed with the election of new officers, to change the constitution and to devise ways and means for a national policy." The greatest weakness is in the pussy-footing about the building of a new union and in the danger that the John L. Lewis forces may still maintain their foothold. To militant workers these weaknesses are no surprise when one understands the inherently reformist position of the Musette type of "progressive". However there can be no real guarantee of success until these weaknesses are eliminated.

Today the relationship of the various coal fields presents itself somewhat as follows: In the anthracite region where production and with it employment has remained more "normal", the United Mine Workers is still the union in control. There the task of the Communists and the militant miners is certainly the one of building a Left wing within the union. In the soft coal fields the United Mine Workers as a union, with its reactionary leadership, is utterly discredited and practically out of existence. There the only alternative is the building of a new union. With the present sweep of possibilities of the National Miners Union as represented by the strike; with the developments toward a new union in other territories, one might ask again what would become of the miserable Lovestone Right wing policy of abandoning the new union movement and returning to the U. M. W. That would spell defeat for the miners' struggles. One may also ask what would it mean to continue this boycott practised by the official party leadership toward the new union movements not under their mechanical control. A continuation of such a policy would similarly be disastrous to the future prospects of the miners' movement.

There should be no question of a doubt that the only correct policy growing out of this strike must be one of further intensive organization, of building the new union movement, of amalgamating the various separate and sectional unions with the National Miners Union as a prelude to the building of one militant union firmly lodged on a class basis embracing all the coal miners. With such a policy the future can be faced with the confidence that within the perspective for coming sharpened struggles lay the possibility of victory for the workers.

An Appeal for Communist Unity in Spain

A Letter to the Political Bureau of the Communist Party of the Soviet Union (Bolsheviks)*

THE FURTHER FATE of the Spanish revolution depends entirely and completely upon whether an authoritative Communist party, capable of struggle, will be constituted in Spain in the coming months. Under the system of artificial splits imposed upon the movement from without, this is not realizable. In 1917, the Bolshevik party consolidated around itself all the currents kindred and close it. Carefully guarding the unity of its ranks and the discipline of action, the party at the same time opened up the possibility of a broad and all-sided consideration of the basic problems of the revolution (the March council, the April conference, the pre-October period). Can the proletarian vanguard of Spain elaborate its views and be imbued with that indomitable conviction in their correctness which alone will permit it to lead the masses of the people towards the decisive storm, through any other ways and methods? The mere fact—I adduce it as an example—that the official Communist party is compelled in the present situation to characterize Andres Nin as a counter-revolutionist, cannot but lead to a monstrous confusion, primarily in the Communist ranks themselves. Upon ideological confusion, the party cannot rise. The defeat of the Spanish revolution rendered inevitable by the further dismemberment and weakness of the Communists, will lead almost automatically to the establishment in Spain of genuine Fascism on the style of Mussolini.

*The letter published above was sent by comrade Leon Trotsky on April 24, 1931 to the Political Bureau of the Communist Party of the Soviet Union (Bolsheviks). Because no reply was received to the letter and the policy of the Comintern in Spain is still moving in the same rut, the author considers it necessary to make his letter public.

It is needless to speak of what consequences this would have for the whole of Europe and for the U. S. S. R. On the other hand, a successful development of the Spanish revolution, under the conditions of the far from terminated world crisis, would open up tremendous possibilities.

The profound differences on a series of questions pertaining to the U. S. S. R. and the world labor movement, should not stand in the way of making an honest attempt at a united front in the arena of the Spanish revolution. It is not yet too late! The policy of artificial splits must be stopped immediately in Spain, advising—not ordering, but just that, advising—the Spanish Communist organizations to convene in the briefest possible period a unity conference which should assure all shadings, under the necessary discipline of action, at least that degree of freedom of criticism which in 1917 was enjoyed by the various currents of Russian Bolshevism, which was in possession of incomparably higher experience and temper. There can be no doubt that if the official Spanish party understands the disproportion between its weakness and the tremendous tasks, and makes a serious attempt at the unification of the Communist ranks, it will meet the fullest support on the part of those revolutionary Communists who at present have their own separate organizations for reasons you are aware of and nine-tenths of which lie outside of the conditions of the Spanish revolution.

In order not to create even external difficulties, I made this proposal of mine not in the press but in the present letter. The course of events in Spain—there can be no doubt of this—will every day confirm the necessity of uniting the Communist ranks. The responsibility for a split, in the given instance will be a tremendous historical responsibility.

April 24, 1931

L. TROTSKY

Philadelphia Oppositionists Convicted of Sedition

Bernard Morgenstern and Leon Goodman, two members of the Communist League of America (Opposition), were found guilty of sedition under the notorious Flynn Act in a trial before Judge Reed on June 24. Sentence has not yet been rendered in the case. Steps are being taken for a new trial.

The case was tried before Judge Reed, a reactionary-minded jurist of Cambria County, sitting specially in the Philadelphia court. The state simply offered in evidence the leaflet issued by the Communist League on unemployment, which was in the form of appeal for a united front with the Communist party. The section which was the basis for the sedition charge read: "Agitation slogans and immediate demands can present no

solution in themselves and should not be so assigned. They are, by the very nature of the class struggle strictly limited in their character. That is, they can offer means of temporary amelioration. And they must be a help to unite the workers on the basis of their common interests and to set them into motion against their class enemy. They cannot solve the problem. Only the proletarian revolution can do that." The distribution of the leaflet was, of course, admitted.

In arguing with the Judge, Defense Attorney David Wallerstein, of the Civil Liberties Union, was told that Reed had never seen a leaflet of this kind before, and that this was his first experience with the Sedition Act; that upon the question of fact as to whether there was an intent in the leaflet to overthrow the government by force and violence; and that he personally thought there was.

Attorney Wallerstein explained to him that the circular was almost in exactly the language of that in Fiske vs. Kansas in which case the Supreme Court of the United States reversed a conviction under the Kansas Syndicalism Act. Reed replied that he knew nothing about that case or any of the other cases on sedition. Nevertheless, he presided over the case and refused the defense request for a charge to the jury to dismiss the case. The bill was again fixed at \$1,000, the same as before. In addition to the motion for a new trial to be made by the defense, there will also be a motion in arrest of judgment. The defense is prepared to go to the United States Supreme Court on the case if necessary.

Th report of the trial would be incomplete without a reference to a most disgraceful action on the part of the Stalinist commanders of the International

al Labor Defense, the party, and the Daily Worker. From the very inception of the case, the I. L. D. officialdom has deliberately and criminally sabotaged the case. The need for a campaign in behalf of these victims of the Flynn Act was ended and rejected. The I. L. D. would not even furnish the defendants with a lawyer! The defense had to be conducted by the Civil Liberties Union attorney. The entire party press has not written one single word about the case. The Daily Worker and Freiheit have not even mentioned the conviction. The whole Stalinist conspiracy of silence and treachery is based solely upon the fact that besides the "crime" of sedition, the defendants have committed the "greater crimes" of being Left Oppositionists. The I. L. D. has defended anarchists, socialists, syndicalists, A. F. of L. men and others in the past. For Left Oppositionists, however, the I. L. D. officials find no better manner of acting than to give aid and comfort to the capitalist prosecution! Protests that have come from various I. L. D. and members have not yet changed the official attitude. These protests must multiply and pile up to such an extent that the I. L. D. and party bureaucrats are compelled to stop disgracing and discrediting the revolutionary movement by their sabotage.

The Philadelphia defense committee for Morgenstern and Goodman needs the assistance of every militant worker in the country. Financial aid, agitation, the development of a united movement against the Flynn Act and for its victims—these are urgent needs. Let those who stand in the way of such work, who undermine the defense of workers caught in the net of capitalist justice, be branded by their proper name!

IN THE INTERNATIONAL OF LABOR

Reviews and News of the Working Class and Revolutionary Movements

Two Social Democratic Congresses: The Collapse of the 'Lefts'

The French Socialists and National Defense

PARIS.—The socialists have returned to Tours, ten years after the convention at which the workers drove them out of the party. The "dissidents" of yesterday, who began with 15,000, today boast in their bulletin of a victory full of dangers for the proletarian movement: 130,000 members, 126 members of parliament, 1,100 local mayors. Against whom do the party politicians brandish these figures? With great joy, Paul Faure proclaimed at the meeting: "In Sweden, the socialists obtained 43 percent of the votes, the Communists—1 percent."

The convention precedes the great "consultation" of 1932 at which the socialists expect to gain power through the electoral committees. But in reality, the politicians are preparing their batteries behind the scenes of parliamentary strategy. The principal feature of the conference was the academic resolution on the National Defense.

Tours 1920 and Tours, 1930. After an interval of ten years, the capital question that has served as an historic touchstone for the revolutionary movement, is once again up for debate. But ten years ago at the conclusion of the hideous massacre, the revolutionary workers under the guidance of the Third International arose against the betrayal of the socialist politicians. Whereas in 1930, after the collapse of the Second International, after the years of the great butchery, and after the creation of the Communist party they have returned to Tours to debate the very question that caused their downfall and their betrayal.

To what purpose? Louis Levy posed the question. "What can you decide now that was not decided at Stuttgart before the war?" Indeed, the Stuttgart motion and the amendments by Lenin and Rosa Luxemburg, calling to struggle for the downfall of the régime in case of war, still remain excellent texts today. But the socialist politicians already stood the test of putting it into effect in August 1914. Under the present conditions, they can repeat a second time. "Why make believe that the party of Marx," added Levy, "is capable only of debating to distraction in vague and uncertain terms?"

Today this economical solution can no longer prevail. Precisely because the socialist party must answer today and tomorrow the vague and uncertain preoccupations of the workers who are not concerned merely with the distribution of posts—and because a large national reform party, arisen from the working class after the existence of revolutionary proletarian parties, must needs adjust its ideological baggage.

Working class action was absent from the agenda of the debates. This point was sensed by Dumoulin, cleverer than the rest. "No one has mentioned the thirty million unemployed." In the texts presented by three principals and the two extreme tendencies, there were opposing formulations. Renandel said at the convention: "This defense of the country has been confirmed by the party," and Lagorrette declared: "Our slogan is the transformation of the capitalist war into a war of liberation." But he pronounced himself in favor of drawing up a unity motion and expressed his belief that a unanimous resolution is quite possible for international action.

In reality, the positions of the speakers all converged toward "pacifism through the extension of our organizational work." Within this framework of vague concepts, the socialist party is reserving for itself its "freedom of action." Twelve years after the war, not a single voice was raised to demand guarantees, to impose the control of the workers, to revolt against the fact that the party is in the hands of those who betrayed the working class into the hands of the imperialist butchers.

This "common fund"—far more important than all the formulas borrowed by Paul Faure from Austro-Marxism—became even more apparent by a series of embraces between Right and "Left" which shows that all the tendencies are staking everything on the 1932 elections. Therefore the exonerations of the seven deputies who voted for confidence in the Laval cabinet; the authorization of the *Populaire* to carry financial advertisements; the silence on President Bonis; on Paul Boncour, despite his rabid manifestations of chauvinism; only one vote against the political report, etc.

These may be the perspectives of the socialist politicians, but all the objective factors, with which the "party of Marx" did not preoccupy itself; the economic unrest, the European crisis, the critical situation of the German régime, the Spanish revolution—regarded not as the "liberation of the socialists" today but as the emancipation of the working class of tomorrow—and the great working class movements like those which have already broken out three times in one year in the North, will interfere with the perspective of this convention.

Even on this same question of imperialist war, the voice of the workers forced by the crisis to face the realities of the class struggle, did not make itself heard at the Tours convention. That is for its vigor and for its strength

action against the enemy class. In the period which has just begun, in which the proletariat experiences the sharpest and most direct antagonisms between the opposing classes, the differentiation of the troops still held captive by the reformists in the service of the bourgeoisie depends upon the positive actions of the Communist party, its ability to reach the masses and to share the experience of the struggle with them.

In order to wrest them away, more is needed than the ritualistic conclusion of Bonté's articles (in *L'Humanité*). "Therefore, all honest socialist workers, draw your conclusions . . . Desert the social democracy, this rampart in the army of world imperialism." Nor the progress which he makes all by himself, twenty-four hours afterwards: "The socialist workers will not be deceived . . . They will desert the S. F. I. O. [French section of the Second International] the agents of the bourgeoisie." The theory of social fascism even in the modified form given it by the XI Plenum, will hardly be a better weapon.

At the present moment while the struggle of 120,000 textile workers is going on, the Communist party and the Red unions must wrest away the workers who are already engaged in struggle from the influence of the reformists, and along with them, from the social democracy, by the application of a broad and realizable united front policy. This will be the first effective answer to the dangers represented by the pacifist and bourgeois democratic politicians of the party of Noske and Paul Boncour against the working class, in time of peace as well as in time of war.

—LA VERITE.

* A dispatch from Paris on June 5, reports that in the last issue of the periodical *La Vie Socialiste*, Renandel and 25 socialist parliamentarians renounced even this compromise resolution. In their declaration they say: "When it becomes a question of protecting the independence and the boundaries of France, the socialists will also be prepared to vote for war credits." This is the real picture of the "socialist unanimity" of Blum Paul Faure and Co.—Ed.

League Activities

Two of our very active New York comrades, Tom Stamm and George Clarke have established their domicile in Cleveland where they are working to build the Left Opposition. Despite the fact that we have many good supporters in that city we have not had a functioning branch of the League. That prospects are very good for such a step is apparent from the reports of the two comrades. The *Militant* and our general literature is being received eagerly and new contacts are already gained. We know that these two comrades will spare no effort to build the movement on a substantial basis. They are now conducting regular open air meetings and we know we will be confirmed in our expectations for Cleveland.

Street meetings are also being conducted regularly by the branches in New York, Chicago and Minneapolis. In the two first-mentioned cities the audiences often run into several hundred, and while it cannot entirely be termed a steady audience, nevertheless the results in literature sales and contacts gained have been very gratifying.

George Saul is putting in a busy week doing organization work in Philadelphia. His immediate efforts are concentrated in helping to build up a defense movement for our comrades Morgenstern and Goodman who are now on trial for sedition. The complete failure of the I. L. D. to lift as much as a finger to take up the defense of these two class war prisoners made it necessary for our League branch there to establish its own defense committee. The case itself and the open sabotage by the I. L. D. is described elsewhere in this issue. Suffice it here to emphasize that our branches everywhere as well as the working class in general will be called upon by the Philadelphia defense committee to lend their most active support in every way to collect contributions to help wrest these victims out of the hands of capitalist class justice.

Our St. Louis branch has overcome its period of lethargy which obtained some time ago. It is now taking up active work and soon we expect to be able to report progress. The Boston branch organized a lecture for comrade Cannon on June 7. The sixty workers present discussed very seriously the problems of the American revolution taken up by the speaker. Systematic educational activities of this character, which is one very important aspect of the revolutionary movement, is gaining valuable contacts. In Boston, it has so far been expressed mainly in very favorable and extensive circulation for our literature. Our members there are consciously utilizing every such opportunity in addition to their active functioning in the very

The Sanction of Betrayal at Leipzig

At the beginning of June, the Social Democratic Party of Germany held its convention at Leipzig. Like the convention of the French socialists meeting simultaneously at Tours, it was a manifestation of the crassest sort of parliamentary cretinism. The actual problems confronting the German proletariat were painfully avoided. All the sessions were occupied in the main with inner party machinations.

The organizational report presents us with a picture of a big reform party, strengthened and consolidated in the years of revolutionary ebb, on the back of the disastrous defeat of the proletarian upsurge in 1923—and at the cost of the vacillating, adventurist policies of Stalinist centrism. A party one million strong, and what is for us even of greater import, proletarian to the extent of 50 percent of its composition. This great, organized proletarian mass is a decisive factor in the German class struggle and one with which the Communists must reckon. During the period of reaction, the defeated, scattered proletariat has been able to slowly collect its forces again, to rebuild its political and trade union organizations. Fatigued by the heavy defeat the working class was open largely to a reformist ideology, to contentment with wresting away mere crumbs from the table of the resuscitated and rehabilitated bourgeoisie. The social democracy took advantage of the situation.

Today the bourgeoisie is once again gripped by a crisis. The "generous" American imperialists who gave it a helping hand in 1924, are themselves in the midst of an economic debacle, the Hoover "moratorium" does not enjoy the support of France, herself facing a growing economic slump, as did the Dawes plan. The German bourgeoisie is on the offensive against the workers. It is trying to hold itself erect by taking it out on the bodies of the proletarians. Social legislation, the puny gains of the workers in long years of patient, tenacious struggle is slashed out of existence under the knife of the ruthless capitalist class. For the workers it is no longer a question of "snatching crumbs", but of retaining them. And this desperate defensive fight is inseparably bound up with the struggle for existence itself. The social democrats by their entire "policy of tolerance" toward the reactionary, anti-working class Bruening government are playing their customary role of ignominious treachery against the workers who follow it. What is this policy based on? Every concession must be made to Bruening so as to avoid the onslaught of fascism! In order to avoid the institution of a formally fascist government, every act that directly prepares and paves the road for a victorious, unresisted fascist overturn, is sanctioned. The class consciousness of the workers is lulled to sleep, the rising spirit of class revolt dampened. The Leipzig convention indirectly, but with an overwhelming majority approved this policy of stabbing the working class in the back.

The social democracy itself is slipping down more and more from its shamefully gotten government posts. Bruening is extending the government base to the extreme Right. But the socialists are still cowardly exerting every effort to keep their workers back from open resistance. Bruening cuts and slashes the last vestiges of working class legislation. The socialists are behind him. Bruening instead, uses the budget for the construction of armored cruisers. The socialists give their acquiescence. Now, an entire party convention is devoted to chastising the nine "Left" social democratic deputies who refused to vote for the armored cruiser "B", because they see the influence of the "party" damaged by this act in the eyes of the workers. And here even "the nine" capitulate. "The unity of the party must be preserved at all costs!" Unity for what? Unity in the attempt to uphold the crumbling capitalist regime, to act as "physicians to the sick bourgeoisie," as Tar-now declared in the main report before the convention. "Is the working class prepared for struggle?" asked one of the delegates. He was answered with a thunderous roar of yes. Then why all this cautiousness? Why all this fear of struggle? Because the proletariat in struggle spells the bankruptcy of the social democracy and the conciliation of the proletarian mass with the Communist vanguard.

The social democratic mass is fermenting with revolt. The working masses are no longer inclined to suffer the abuses of the hostile government. The latest "Emergency Decree" of the Bruening government was met with volleys of stormy protest from every section of the country. The more enlightened bourgeoisie realize its danger. Thus, the Berliner *Tagblatt* pathetically appeals to the great "stable party of the German citizenry" to cease its policy of tolerating the Bruening government to head off the tempestuous revolt of the masses. But the social democratic lackeys are even more reactionary than these layers of the bourgeoisie, they are determined to go to the last ditch—for their capital-

Already the rebellion within the very ranks of the social democracy itself is deepening. While the convention was in session at Leipzig, the former Reichstag deputy Jacobshagen and numerous local groups of social democrats and social democratic youth declared their adherence to the Communist party. In the galleries of the convention hall at Leipzig, the voice of the social democratic rank and file made itself heard more than once, in the almost unanimous applause for the isolated delegates of the extreme Left, in the cheers at the mention of the Soviet Union, etc. The social democratic workers will not tolerate the treacherous, kowtowing passivity of their leaders much longer. Their last conquests are being wiped out by the government of fascist preparation. Unemployment insurance cut in half. The burden of taxes heaped higher on the workers' backs. The Schiele Wheat Laws make the cost of living unbearable. Democratic rights are summarily suspended with the full collaboration of the social democratic police commissioners. At Leipzig, the S. P. fell victim to a decree against demonstrations promulgated by their "own" police commissioner, Fleissner. Against all this, the social democratic workers are prepared to fight with the rest of their class, despite and, in due time, even against their ignoble leaders.

The way to unite all workers in common struggle lies in the united front under the leadership of the Communist party. The social democratic workers cannot be won over for united struggle by Thaelmann's denunciation of their leaders as social fascists, nor by empty appeals to break with Breitscheid, Wels and Co., to join the C. P. G. They can and will be convinced of the correctness of the Communist positions, and lined up for the red front of proletarian victory, by united action against the outrageous decrees of the Bruening government, by united struggle against wage reductions and for economic collaboration with the U. S. S. R. Up to the present the Communist party, hampered by its centrist baggage, has been unable to take full advantage of this promising situation. The sooner the German Communists rid themselves of their confused and vacillating Stalinist leadership, with their slogans of "national liberation" and the "people's revolution", with their theories of "social fascism" and their splitting tactics in the trade unions the quicker will the mass of workers still under the influence of the social democracy be liberated from it, the quicker will they become attached to the Communist vanguard, the quicker will the road be cleared of all reformist obstacles for the victorious upsurge of the proletarian revolution.

—S. GORDON.

The Provisional Government in Action

On Monday, May 11 a general strike was declared in Madrid by the C. N. T. [Anarcho-syndicalist trade union center]. The U. G. T. [General Workers Union], the reformist organization of the Labor minister, Largo Caballero, was against the strike, which was declared in spite of the reformists, through the solidarity with the victims of the working people of Madrid in the clashes with the monarchists on May 10, after a meeting of followers of the king who was expelled from Spain by the people and in a demonstration against the reactionary daily, the "A. B. C."

The Madrid people arose against the government of Maura and Alcala Zamora who showed exceptional tolerance toward the monarchists while continuing the policy of anti-working class repression of the previous governments. The minister of the Interior, Maura, proved himself a violent enemy of the revolution. It was he, who gave the monarchists the permit to demonstrate. He it was, also, who ordered to fire against the proletariat demanding work and bread, at Bilbao Seville, etc.

The liberation of Berenguer, the general responsible for the disaster of Morocco in 1921, the second dictator, the vicious reactionary who executed Galan and Garcia Hernandez, the same Berenguer who most violently applied dictatorship and repression against the proletariat in order to save the crumbling monarchist régime, has greatly outraged the people of Madrid and of all Spain. In such a situation, the strike of Monday May 11, took place at Madrid, amid the greatest excitement. The people of Madrid hurled itself en masse against the clergy, burning the churches and the convents and stressing with these actions the tasks concerning the "responsibilities", forgotten by the government of the republicans and the socialists. After their ascendancy to power they have forgotten those responsible for the past and the clergy continues to exist under favorable conditions even with the republican régime. Cardinal Segura has been permitted to carry on a struggle against the Republic. It must not be forgotten that Messrs. Maura and Alcala Zamora are fervent Catholics.

To be sure, the people have given the government a serious warning and the latter has been forced to take the greatest measures of precaution and even to arrest several monarchists. But most of Alfonso's followers have already been set free, secretly and unobserved. First however, M. Maura and some of the governmental organs started a violent campaign against the Communists and accused them of making a bloc with the monarchists. It is true that reaction against the Communists became manifest in a large measure and that to a certain degree, the people believed the news of the press. A sentiment of hostility arose against the Communists, the government profiting by it to begin persecutions of Communists, especially

in Madrid, where fifty were arrested outside of the Monarchists, who were the real provocateurs.

The provisional government has been committing arbitrary acts, far more scandalous than those of the Primo de Rivera dictatorship; Primo, at least always manifested his reactionary character openly, without hiding anything. He made governmental arrests and called them such. But the government of the Republic arrests Communists without any legal grounds, in spite of the law, in spite of "republican democracy", and throws them into the prisons, maintaining all along—the Director of Public Safety (Police) is speaking—that "there are no grounds for arrests some are due to mistakes on part of the police". But Madrid was in a state of martial law and the military judge tried very hard to find something to stage a trial against the Communists—without success. After the state of martial law was lifted, the judge had to acquit all the prisoners, but then, the same director of Public Safety, the "very democratic" Radical-Socialist, M. Galarza, one of those who protested most loudly against arbitrary arrests when he was a prisoner of Berenguer, forgetting all these declarations arbitrarily kept the Communists of Madrid imprisoned. This is the point of departure toward the scandalous and criminal illegality resumed by the republican government in the same place and with even greater violence than the former reactionary government.

Spain is approaching constituent elections and the republicans are determined to get rid of the Communists and the revolutionary workers even before the elections.

The official Spanish Communist Party is always ready to commit stupidities without taking into account the situation, without considering the existing revolutionary opportunities, which are very favorable for the creation of a Communist party capable of organizing the working class for the seizure of power. But the official bureaucracy no longer lives in the domain of revolutionary reality. They forget that the party does not exist, that it must be organized, that Soviets have not yet been formed. The party leadership issues empty slogans "for the immediate insurrection", without a party, without Soviets, without a working class prepared for the struggle. The Spanish "Leninists" of the "third period" have forgotten the teachings of Lenin during the struggles in July 1917 at Petrograd. The irresponsible bureaucracy of the C. P. S. is very "capable" of playing at insurrection—contrary to the teachings of Lenin—but not of making the revolution.

The Left Opposition has a great task to fulfill and is already actively engaged working with all its forces to succeed. Madrid, Solitary Prison, May 21, 1931

—H. LACROIX.

* Leaders of the popular military revolt at Jaca, last December.—Ed.

Organization Notes

Our Subscription Campaign

With this issue the special subscription campaign comes to a close. Although the results show a steady upward climb on our mailing list, both for individual subscriptions and for bundle sales during the period, they have not been as great as they should be. The Chicago branch heads the list with 44 subscriptions to its credit. It wins the first prize. The New York branch comes next with 37 subs to its credit entitling it to the second prize. Third is the Minneapolis branch with 22 subscriptions to its credit. The St. Louis branch turned in 23 subs but at the time of closing had not entirely completed the payments.

We are in this tabulation counting only actual completed subscriptions and the total results would indeed look very modest if it had not been for the fact that a good portion, the most substantial portion, is made up by many subs coming in direct through individual efforts of supporters and readers scattered throughout the country.

There has, of course been the great difficulty in the way that the subscription campaign was conducted during the period of the semi-monthly appearance of the *Militant*. This counts against the past but very much in favor of the future. Therefore while this stage of our subscription drive is closed we should now be able to begin anew, and begin on a much more favorable basis. We have reason to believe that all our comrades and supporters will now, with the *Weekly* actually in existence, undertake in a systematic manner the continuous extension of the circulation of the *Militant*. It can be done by renewing the expired subscriptions, by obtaining new subscriptions, by building up newsstand sales and by increasing the present bundle order sales.

Our Program of Expansion Campaign

With this issue the second step of our Expansion Program has become a reality. First we established the Pioneer Publishers, now the *Weekly Militant* is here. Although we were by July first a few dollars short of the stipulated sum of \$1,000 collected on the expansion program we can nevertheless say that we have succeeded through the splendid efforts of our comrades and supporters.

On the financial aspect of this program some branches have not responded as well. For example the contributions from Chicago and from Toronto have been rather small. We do not believe that the possibilities in these two cities have been particularly restricted, but rather that they have not been followed up so well. There are yet quite a good number of pledges which have been made for the Expansion Program which should be collected either immediately or in installments whichever basis was provided for. And that is true not only in Chicago and Toronto but also elsewhere. There are undoubtedly still some sympathetic supporters who could be visited and additional sums secured. Now we have also issued regular contribution lists for the *Weekly Militant* which should be used to pick up small change from any worker willing to give support. A systematic effort in this respect, with every comrade participating, can become a substantial help. The sums turned in on these lists will also be credited to the branches as their part in the Expansion Program since it is already such a part by virtue of being for the establishment of the *Weekly*.

With the accomplishments already recorded, although modest, but a real accomplishment for a small revolutionary group, we have all reason to feel confident that we can proceed quite rapidly to the next step which is to be realized with the collections reaching \$1,500. In

speaking of the further steps it should not be overlooked that the part which was really reserved for the final goal of the program, that is the building of a staff, is already also on the way to accomplishment.

	2,000—	
New York (Cannon)	\$1.00	—1,750
New York (E. Goodstein)	28.00	
New York (Hoffman)	5.00	
New York (Capelis)	2.00	
New York (Friedman)	1.00	1,500—
Los Angeles	.50	
New York (Berman)	10.00	—1,250
New York (S. C.)	2.00	
Boston	20.00	
New York (Feldman)	.50	1,000—
New Haven	5.00	
Pittsburgh	3.80	—750
New York (Lewitt)	5.00	
New York (Anonymous)	4.10	500—
	\$87.90	
Previously reported	901.50	—250
Total to date	\$989.40	

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ON THE WORKERS' FRONT

Opposition Appeals To Milliners

We print below the principal extracts from a leaflet issued to the Left wing workers in the headgear market of New York by the fraction of the Communist League (Opposition).—Ed.

To All Militant Millinery Workers (Blockers, Operators, Trimmers, Cutters)

The growth and steady ascent of the Cloth-Hat-Cap and Milliner Worker International from the period of 1921 to 1927 had been checked by the reactionary hand of Mr. Zaritsky. The greatest gains for the union were recorded at until the "worthy President" per the 1927 convention and lasted only fected the machinery for the coming betrayals of the millinery workers. The vicious campaign against the workers started with the ruthless elimination of every bit of militant leadership in the different parts of the country as well as in New York. The President together with the G. E. B. succeeded in their planned campaign to undermine the strength of the New York Local 43, of Boston Local 7, of the Chicago Capmakers organization, etc., and came to the 1929 convention with greatly diminished forces and broken ranks. The elimination of the Left wing from active participation and leadership in the International meant the virtual destruction of working conditions in the cap and millinery shops. . . .

The millinery workers are becoming more and more convinced of the evil of the present policies and where they lead to; their hopes are in the Left wing. The dissatisfaction and ferment in the ranks of the millinery workers is deepening and found its expression recently in the opposition to the signing of the collective agreement. Had a well-consolidated, organized Left wing existed in the millinery trade at this time, our bureaucrats would pretty much shake in their back door deals with the bosses. A Left wing force which will be a challenge to the hand in glove work with the bosses must rise on the wave of the discontent of the broad masses of headwear workers. Therefore the task of the United Rank and File Committee at present is to rally all millinery workers ready and willing to fight against the present officialdom and its policies in Local 42 and 24, and regardless of their political opinion, solidly into one compact force which would act as a militant group for the interests of the workers within the locals and the International.

To accomplish this task we must proceed immediately to the calling of a rank and file conference leaving the basis for a real broad representation of all rank and file millinery workers; to such a conference all workers called must be given the opportunity to express their view and opinions on how to conduct the struggle against the treachery of the officials. A narrow rank and file committee mechanically controlled will only shout phrases but will not succeed in rallying the millinery workers and directing their discontent into fighting channels, as recent experiences have taught us.

The call for the conference must contain a restatement of principles. Up till now the position of the U. R. F. C. has not been made sufficiently clear to every worker in the millinery trade. At the outset when the U. R. F. C. was constituted, the policy prevailing was to work under the direct supervision of the Needle Trades Workers Industrial Union with the aim in mind to break away from the Right wing controlled union as soon as "feasible", which would mean the breaking away of small and insignificant sections of the millinery workers and leaving the bulk of them at Zaritsky's mercy. Naturally we who helped hasten the movement of the U. R. F. C. and helped crystallize the sentiment against the collective agreement did not and could not subscribe to such a policy. At present the U. R. F. C. utterances do not mention at all its attitude towards the N. T. W. I. U. The present negative attitude is equally incorrect. We Left wingers cannot ignore the N. T. W. I. U. Fear of the R. F. C. to mention the N. T. W. I. U. and to take a positive stand is only misleading to the workers who should know our views and duties to the Industrial Union.

It should be made clear that while we are building an opposition within the Right wing controlled union with the objective of changing the Right wing policy and with the aim in mind to transform the union into a fighting weapon of the workers, we at the same time do not deny our loyalty to the principles of the N. T. W. I. U. and industrial unionism and we will continue our struggles for such principles and will fight for and demand a united front with the N. T. W. I. U. in its work of organizing the unorganized as a step toward the eventual establishment of one industrial union for all needle trades workers.

Nevertheless a great departure has been made by the U. R. F. C. from its original course and this makes it possible for all elements to find a basis for united work. We millinery workers, members of the Left Opposition, call upon the militant workers to rally to the support of the United Rank and File Committee. We must give ample and serious thought to the imperative need of united action of the Left wing in the task of preventing further betrayals by the Right wing administration in New York as well elsewhere.

all upon the U. R. F. C. to issue for a rank and file conference

which will establish unity of all genuine Left wing forces and consolidate into a strong factor that will fight against the reactionary policies of the Zaritsky in the locals and within the International. The demands of this conference should be:

- immediate establishment of a bulletin system for the division of jobs, controlled by a committee of workers duly elected at local meetings; the jobs available and distributed should be publicly displayed for all workers in the union headquarters;
- Shop committees of all branches employed in the shop should be elected at regular shop meetings;
- exempt stamps and all union rights for unemployed millinery workers;
- no overtime should be permitted in any shop;
- abolition of temporary working cards;
- lowering of dues for those employed;
- unemployment insurance to be raised through a percentage paid in by the bosses;
- an immediate lowering of wages for the officialdom which would correspond with the average earnings of the millinery workers;
- an organization drive to abolish the sweat shop; this organization drive should be carried on by all millinery workers ready to serve the union and should be substituted for the reactionary proposal for a stoppage.

We propose the adoption by the Left wing of the slogan **THE SIX HOUR DAY WITHOUT REDUCTION IN PAY**, and as a union demand to be attained immediately the **forty hour, five day week** for all millinery workers—a burning necessity at this period of widespread economic crisis. A shorter week would insure more work for the unemployed and help check the undermining of union standards.

We call upon the United Rank and File Committee to adopt and act immediately upon these proposals.

For a united and effective Left wing in the millinery trade!

Millinery Workers, Members of the Communist League of America (Opposition)

Cleveland Party & Unemployment

On Friday the nineteenth there was an unemployment demonstration in Cleveland called by the party, in which we took part. Hardly a thousand participated. There were only three placards displayed in the whole rigmarole. And besides it was quite spiritless. Sam Don, the D. O., stood in command from behind. The demonstrators marched on the City Hall where they were allowed without any resistance whatsoever to enter, en masse, the city council chamber, where the city council men awaited them for a hearing. And here lies the crux of the matter.

The party has changed its slogans and its position on the question of unemployment. It no longer demands unemployment insurance—\$15 per week and an additional three for each dependent. Today it asks for relief (!) and it does not even specify how much. This brings it into conflict not with the capitalist class or its government, but with the charity organizations! As a matter of fact, the whole hearing with the councilmen was devoted in the main to proving whether the charities were corrupt or not, whether they had denied food to this individual or not, whether they had given five dollars instead of nine. The unemployed council even produced, three cases to prove the graft of the charity organization. And the witnesses! Owners of houses, insurance policies, hundreds of dollars in grocery bills, and what not. The party has sunk into the worst kind of opportunism. Not unemployment insurance because that requires a difficult struggle—but the path of least resistance—only relief; it's easier to get, appears to be the attitude of the party. The whole unemployment struggle degenerates into whether the charities association shall pay its relief in cash or in kind. And to make up for this kind of opportunism the party tells the workers in an adventurist bragging, "If they won't give us this relief we will go and take it." By the way, the police were completely conspicuous by their absence. Only three mounted cops were visible on the whole line of march; not a single cop in the city hall to be seen.

—GEORGE CLARKE.

Illinois Miners on the March

CHRISTOPHER, ILL.

The new developments of the most outstanding significance in the Illinois mine fields can be enumerated as follows:

- The sub-district convention of Franklin County adopted something like 104 resolutions pertaining to changes in the constitution. The preamble changes the notorious retreat of "an equitable share of what we produce" back to the fighting principle of "the full share of our product". Further, the convention changed the constitution to the effect that no official in the organization can succeed himself in office. Giving more power into the hands of the pit committees, and less power to joint group boards of conciliation.

- The present rank and file movement is the greatest and most effective uprising of the Illinois miners.

- The honesty and devotion of the majority of the leaders that have sprung up in the course of this new turn cannot be doubted.

- The movement is so drunk with rank and fileism that no officials of the organization are allowed to address the miners.

- The division of the rank and file miners since the Lewis-Fishwick fight was practically liquidated outside of a few imported henchmen that invaded the conference for the purpose of causing confusion and spreading disorganization. However, the convention overcame these tools and resolved to exterminate from within the ranks.

The convention call sent out to every local union in the state is of great importance. The convention will have much work to realize as a real miners' convention has not been in effect since the old pre-war days. The sub-district convention of Franklin county was very much alive with discussion and fire from the delegates. The convention deliberated over 12 days, adopted over 200 resolutions and did other things to perfect its organizational machinery.

The greatest danger before the rank and file miners at the present time is the fact that the Illinois movement can be converted into a tail of Lewis and the movement can further come under the wings of the Lewis machine as a whole. There has been hesitation on the party of some of the leaders to come out

straightforwardly in opposition to Lewis as well. They have taken refuge: under phrases like "I am willing to do what the rank and file want to do." Yet at the same time, they refrain from boldly attacking Lewis. They are most militant in opposition to the district officialdom led by Walker. The miners must organize themselves so strongly that any leading individual will be instantly crushed when he pulls anything to divert the rank and file movement from its proper course.

I know that the rank and file will not "save" the U. M. W. A. I know that Lewis is determined to go down the line with the union under his arm if it means its destruction. But the time is not far off when the West Virginia miners' union, the Illinois rank and file movement, the National Miners Union, and other groups throughout the country will constitute the material that will form a powerful miners' industrial union. This objective is the only way out.

—GERRY ALLARD.

(Other miners' news on page one)

THE SECOND CONVENTION OF THE C. L. A. (OPPOSITION)

During the latter part of the Winter months we expected to set the first week in July as a tentative date for the second national conference of the Communist League of America (Opposition). The final date of course must be conditioned upon the publication of our theses of future perspectives and tasks. These are now practically completed and being sent to the non-resident N. E. C. the exact date together with the various minutes. We expect their publication as a special supplement to the issue of the Militant dated July 18.

There will then follow a two-months period for discussion of the issues raised, to be conducted in the columns of the Militant. We are therefore orienting upon a final conference date of about September 15. However, the official call which is to be issued very soon will specify the exact date, together with the various regulations for the conference.

The Unemployment Councils at Work

In a more than a year the party has not developed out of the rank and file of its unemployed councils a single leader of even secondary caliber, certainly not one of real stature. To expect the latter is to ask the mouse to bring forth a mountain. But the mountain has brought forth mice in plenty. The party has developed in the apparatus of its unemployed councils a host of little functionaries, petty careerists, badly trained ideologically and politically. It is enough to participate in one or two demonstrations, play a more or less prominent role, subscribe without reservations to the party line, obey orders, heap abuse and slander on the "renegades"—to be assured of some little position in the apparatus and sit on the platform when Foster debates Muste.

Originally, too, the party can show only a minus for its unemployment work. The unemployed councils are largely paper organizations. Workers joined, attended a demonstration or two, listened to general demands unconnected with their local, most immediate needs and drifted away. Or their attendance at best, even now is irregular. This is due to the fact that they have been recruited from the breadlines and must arrange their time by that of the breadlines or other relief agencies at large distances from their homes. This source of the councils' membership explains why there are almost no working class women and children in them.

Because of this floating membership and irregular attendance, it is necessary to hold business meetings every day to organize each day's work. It is impossible to organize the details of work more than one day in advance. A worker who will distribute leaflets on Monday cannot be counted on in advance to do it again on Tuesday, Wednesday, etc. This applies as well to party members assigned to the councils, who are frequently shifted about from one council to another council or party organization or activity. This day-to-day organization of each day's business results in a terrible monotony of mechanical business routine. More hours are spent each day in indoor business meetings than in actual work. This further discourages the workers from attending the meetings regularly.

The floating membership and irregular attendance make it necessary for a small group, usually party members and apparatus functionaries, to carry on the work. Small as it is, the work is too much for the working nucleus, who protest and complain about the inactivity of the membership. This results in sporadic "discussions", futile, paper plans to activate the general memberships and in a deepening chasm between the "active" and the "inactive" members.

A general looseness pervades the inner organizational work of the councils. Motions are passed and promptly forgotten. A motion initiating socialist competition among the councils in their organization of tenant's leagues, is passed unanimously by an executive body and never heard about again. Motions calling for reports on finances, on the sale of literature, etc., are passed and result in nothing. Committees and delegations are elected, do not work, make no reports and are not brought to account. Small sums are continuously stolen by unemployed workers. Efforts at elementary workers' education are as irregular as the attendance of the rank and file. A course in public speaking by Brodsky is dropped when half completed without explanation given or demanded. The ideological level of the "education" is unbelievably low. Thus Johnstone on the unemployment program of the I. W. W.: "The program of the Trotskyists, as I will show, differs only by a hair's breadth from the program of the I. W. W."

The external activities of the councils suffer from the same looseness. The distribution of leaflets is unsystematic and haphazard. Some workers throw them away. What tenants' league work is done is equally unsystematic and haphazard. Meetings with house committees are not followed up. No minutes of these meetings are kept. No further steps are taken to spread the organization to neighboring houses. In restoring the furniture of evicted workers, the council proceeds to the scene of the eviction without leadership, etc., etc.

No adequate technique has been devised for fighting evictions. The procedure in vogue at present can be compared only to fire fighting. An eviction is reported to a council. The council is mobilized and proceeds to the scene. If it outnumbers the police ten to one the furniture is restored. Obviously this is a ridiculous procedure. Should the councils be able, from the point of view of time, numbers and other factors—which they are not—to restore the furniture of every evicted worker, they would be reduced to a society for restoring evicted furniture. But in that case, the police and the municipal governments would be more than equal to the problem. Their organization is as yet stronger, more mobile, better disciplined and trained. In New York City, one or two patrolmen in a position to summon more, are stationed at the scene of every eviction in the neighborhoods where the councils are known to function.

—THOMAS STAMM.

Where Does British Labor Stand?

By the thesis of the Eleventh Comintern Plenum we are informed that the growing contrasts between the systems of Soviet economy and capitalist economy is the "kernel of contemporary international relations". Without for one moment overlooking this growing contrast, it is necessary to observe the "slight" error of estimate made by the authors. The kernel of contemporary international relations is not yet this growing contrast. No, this kernel is still to be found in the increasingly furious contest between the main imperialist powers for hegemony of the world market.—More precisely the rivalry between the United States and England.

Both of these powers are in the throes of the deep-going capitalist world crisis. The unbridled expansion of American imperialism is already forcing England to the wall. In actual practice it is now being demonstrated that the former, in order to overcome its economic difficulties will proceed yet more ruthlessly further to establish and maintain its world hegemony against Europe, and particularly, against its main competitor—England. It is in this sphere that the most gigantic conflict yet is being prepared. New wars and revolutions which will shake the world to its foundation. The storm clouds are gathering and moving with ever increasing velocity. This which has been assigned only secondary place in the Eleventh Comintern Plenum thesis, is the "kernel of contemporary international relations."

Maneuvering for position through economic and diplomatic means has so far characterized the contest between these two powers; that is, with a few engineered revolutions thrown in for good measure. All a prelude to the continuation which will take the form of open warfare. The five power naval conference seemingly hung the shield of a diplomatic victory on the chest of the grotesque British premier; but in reality American imperialism carried off the laurels of victory. It will soon stand out much more clearly to what extent the results of this conference means a settlement of naval supremacy in favor of the power with the strongest industrial resources.

—in Europe

From the more recent Chequers conversations similar prospects have opened up for American imperialism in regards to land armaments. The German Chancellor suggested a downward revision of reparations payments. Of course, such a proposal would need the sanction of Wall Street by which the reparations payments are finally pocketed. However, President Hoover was not slow in grasping the opportunity. His moratorium proclamation aims at two simultaneously "great" accomplishments—to knife the developing German revolution and to lend force to the counter-demand of reduction of land armaments of the European nations.

Such land armaments, of course, do not merely involve the question of soldiers, of standing army, but of the whole war machinery, of implements, of air fleets etc. Thus we see in the field of land armaments similarly the economic pressure by American imperialism for a settlement in favor of the power with the greatest industrial resources.

The "Armaments Year Book" of the League of Nations reports the sums laid out for military and naval expenditures in 1928-1929 by the principal powers to be:

United States.....	\$ 772,964,000
Great Britain.....	\$ 550,080,000
France.....	\$ 357,556,000

We may rest assured that American imperialism will fully utilize this opportunity and swing its economic whip to reduce the armaments particularly of its nearest rival and secure its own supremacy unchallenged. Such are its preparations for the more open and more brutal inevitable conflict. It will also be another step toward more definitely putting the European nations on rations. While these undoubtedly are the perspectives of American imperialism there remains still the American working class to be heard from.

The Essential Question of Destiny of England

What is the position of England in this conflict? It is showing the scars of a declining empire. It has fallen to third place as a world exporting power. Inch by inch it is being forced further to the wall by its most overwhelming competitor the United States. Her dominion empire is shaken by the growing differentiation of interests of each separate part. In the colonies, serious revolutionary movements are developing. Thus, now that the sun is actually beginning to set over her imperial domain it coincides with her advance toward a revolutionary situation. The question of the greatest importance, however, is the one of the readiness of the working class for such a situation; and above all the question put by Comrade Trotsky in his book "Whither England":

"Will it be possible to organize a Communist party in England, which shall be strong enough and which shall have sufficiently large masses behind it, to enable it, at the psychological moment to carry out the necessary political conclusion of this ever sharpening crisis? This question involves the entire destiny of England."

Where is the Proletarian Vanguard? In the Dec. 1923 parliamentary elections, coming right upon the heels of the defeat of the German revolution and the American intervention for reestablishing German capitalism, the British Communist Party polled 53,000 votes to the Labor party's 4,350,000. By the 1928 elections the relationship of votes were 50,000 to 8,000,000 respectively. Thus, if parliamentary elections register anything, this intervening period registered a victory of reformism over Communism,

and that during a period of heavily growing unemployment. During the general strike year the C. P. membership reached its highest membership, about 12,000. It was a force within the trade unions and to an extent within the labor party, despite expulsion barriers. The Minority Movement was supposed to have a following of close to a million; but alas, the fatal weakness: it was mainly based upon the "prestige" of the "Left" gentlemen of the type of Purcell Hicks and Cook. The party weekly organ reached a circulation of about 70,000 and the Minority Movement weekly organ about 110,000. Today the party finds itself frightfully reduced to a position of serious isolation, its daily organ not reaching much above a 3,000 circulation. The Minority Movement has become a skeleton organization of the party without any serious influence. The Communist vanguard has so far remained unable to draw upon the great and growing resources of working class disillusionment with the MacDonald labor government.

While we shall reserve an attempt to make an analysis of this specific situation until a later article, it is necessary to bear in mind, when looking at this contrast of the past with the present, the disastrous policy of the Anglo-Russian Unity Committee. From this the British Communist Party has not learned one single lesson. As a matter of fact by its bureaucratic leadership of Stalinist faction agents, the membership has been prevented from making any such attempt. Thus the heritage of this false policy, while remaining uncondemned and uncorrected, today still weighs like an albatross upon the party. And surely a fundamental change of orientation, of policy and of tactics is necessary before the Communist party will be able to play a serious leading role in the coming struggles now being inexorably prepared by the developments of England's crisis—not to speak of the coming revolutionary situation.

MacDonald Preparing the Road
Meanwhile the road of England heading directly toward new serious class battles is clearly discernible. The situation is being described by her leading industrialists as one of "unrelieved gloom". But statements by them are, of course, not in the least concerned with the terrible pauperization and squalor of the working class. There is a growing demand from the financial interests for a complete overhauling of the industrial machinery. But right there the demand strikes a snag which with this gentry, finds its formula: "England is living on a higher standard than her continental neighbors".

Naturally this is not to be interpreted as having any reference to the standard of the capitalist masters and hence all efforts are aimed at reducing the working class standard of living. Throughout England there is a systematic heavy wage slashing now carried into almost

every industry. The workers to be sure having registered a growing dissatisfaction and increased attempts at resistance but they have not yet taken the form of a consciously prepared defensive. In the wage slashing campaign a definite role has been assigned to the MacDonald government. Prior to its taking over the reins for his majesty, these Labor party politicians were rather unsparing in their demands for capital investments for expansion of British industry. Usually, this followed with a veiled "threat" that if capitalism could not run industry, the workers would. Not that this was intended for the ears of the workers and for them to carry out the practical conclusions therefrom. Far from that. It was intended as a pressure upon capitalism. And today history is drawing the conclusion for MacDonald and his colleagues. It flows inevitably from their position as his majesty's ministers, as lieutenants of capitalism of the most miserable but also most cunningly treacherous social reformist stripe. There is now the particular task, no longer of mouthing phrases about workers running industry, but of applying the instruments of capitalist state coercion to reduce the workers' standard of living; to assure the basis for rationalization and further exploitation. That it is precisely also the labor government which is assigned the task of making preparations for the coming imperialist conflict—disguised under peace palavers—coincides with its position.

But the plans of the capitalist masters of England including the specific tasks assigned to the Labor government, have not yet fully materialized. Thus, despite the menacing clouds which now so frequently threaten the much cherished jobs of these royal ministers they will, barring unforeseen developments, still be able to hang on for some time. But that will make possible the further completion of the process of disillusionment and make the break more decisive. It will make the coming class battles more decisive also. Yet the all important question remains the clarity and definiteness of working class direction. Will the Communist forces be able to lead?

—ARNE SWABECK.

Note: This is the first of a series of articles on the present situation in England and the tasks of the Communists. A second installment will appear in the next issue.—Ed.)

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EDITORIAL NOTES

THE CAPITALIST OFFENSIVE

Wage cutting began with the first manifestations of the crisis and have been proceeding ever since at a continually accelerated pace. For quite a while this practice was masked by denials and all kinds of subterfuges. The notorious conference of employers and labor leaders at the White House, at which the solemn pledge to maintain wage standards was issued was the first big smoke screen behind which the movement began. It was followed by a campaign of reductions all along the line. But the fiction of holding up the levels was maintained, and the wage cutters resorted, primarily, to indirect methods, such as laying off and re-hiring at reduced rates, in order to conceal the actual trend.

But now the process of beating down the living standards of the workers has reached a new stage. The figures on wage cuts are accumulating in such a volume that the facts can no longer be hidden or denied. And there is no point in it, for the exploiters, emboldened by the practical absence of labor resistance have begun a real assault on the wage scales. They are coming out in the open with this policy.

This was indicated several weeks ago in the blunt declarations of the leading bankers that wages must come down still further. In these statements the keynote of capitalist policy was sounded, and the offensive against labor standards began to widen its scope. The figures of the Labor Bureau, Inc. show 155 wage reductions, averaging about 10 percent, and distributed over 175 manufacturing enterprises, for the single month ending March 15. The campaign continues in full swing. The pious sermonizing of the early months of the crisis about keeping up the wage scales is giving place to editorial apology for the lowering standards.

The New York Times, the most influential and authoritative organ of the capitalists, salutes the program of retrenchment at the expense of the workers and recommends it to them. "Economists and practical men" says the Times editorial of June 7, "are not all agreed that it has been wise . . . to insist upon the maintenance of high wages." And not only that. The Times does not think it "wise" to insist on other conditions and standards which interfere with the workers' efficiency as profit-makers for the bosses. "Is it not fair to ask of them that they contribute something to the general effort to tide over the days of hardship?" it asks. They haven't contributed enough yet. So now, according to the Times, they should "yield something in the way of special privileges, and even arbitrary rulings, which have been established in good times, but which might be relinquished or modified." In this sugar-

coated declaration of war there is the essence of the capitalist policy for the ensuing period: an unbridled offensive against the workers.

Will the workers fight back? Will they take up the defensive struggle on a wide front within the year? There are a few signs of such a development, but they are isolated and sporadic as yet. It must be admitted that a serious defensive struggle, involving masses of workers, has not yet begun. The Department of Labor figures, just published, show fewer strikes in the year 1930 than in any year since 1918. 653 strikes and lockouts last year against 3,330 in 1919 a comparative picture of the state of labor activity. The first three months of 1931 showed 146 strikes and lockouts a slight decline from last year's low average.

These figures, taken by themselves, may well prove to be highly deceptive. The capitalists, proceeding full swing to a further attack on the workers, are quite likely to collide with an explosive factor hidden behind the bare figures of the strike movements for the past fifteen months. The figures alone take no account of the accumulation of grievance and discontent as yet unexpressed and therefore unspent. It is by no means assured that the new encroachments will pass unchallenged. On the contrary, they are more apt to bring matters to the combustion point.

The capitalists, bent on loading the burden of the crisis onto the backs of the workers are preparing thereby the necessary conditions for a labor revolt. In this way they will convince the workers, as propaganda has been unable to convince them, that there is no way out but to fight. Under such conditions the prospect of a series of stormy battles, of which the American workers have many times shown themselves capable, is by no means unreasonable. In that event the Communists would get hearing like the life of which has not been granted before.

THE UNION SQUARE MEETING

When the meeting at Union Square last Saturday was opened by the chairman with the announcement that the official Communist party has not been invited to send a speaker for the occasion—which was ostensibly a united front demonstration in behalf of the Centralia prisoners—the representative of the Communist League, comrade Swaback took his name off the speakers' list and withdrew from the meeting. In this demonstrative action there was the protest of the conscientious revolutionist against the prostitution of the interests of class war prisoners to debased and reactionary factionalism.

Just consider! Here was proclaimed a union of all forces for the Centralia martyrs—a most commendable undertaking in which every militant worker

worthy of the name would boldly participate. Every radical and pseudo-radical organization that can be thought of was represented by a speaker: yellow socialists and Right Communists, liberals and anarchists, Mustelites and I. W. W.s. Everybody was welcomed—everybody but the Communist party. This, with its ten of thousands of members and supporters, was deliberately and speedily excluded. Do you call that a united front for class war prisoners? It is a contemptible fraud, using the Centralia victims as a shield for a reactionary demonstration.

You will not get our support for such a game. Comrade Swaback's withdrawal from the meeting was a way of saying this. He might have made the protest by taking the stand and denouncing the shameful procedure. That, however, is a secondary question and a debatable one. There is something unspeakably repugnant to an honest militant in using the platform of a labor defense meeting for polemics. The prisoners, and their burning appeal for solidarity, are apt to get lost in the shuffle. This is what actually happened at the Union Square meeting. An anarchist windbag, taking his tip from the chairman's announcement, gives a lecture against the proletarian dictatorship in Russia. Other speakers poisoned to the marrow by the phobia against Communism, aired their prejudices. The result? The meeting degenerated into a demonstration against Communism. Those who hold the Centralia men in prison have no reason to object to that.

The leaders of the I. W. W. are directly responsible for this miserable performance and their guilt is in no way extenuated by the fact that the Stalinists boycotted a similar meeting last year. That action of Foster and Co. was a crime for which the Communist workers will yet call them to account. The Union Square meeting was conducted on the same plane. By their actions its organizers said to the Stalinists: Solidarity in behalf of labor prisoners means just as little to us as it means to you; we will prove that we are just as rotten as you are. That is what they said. That is what they proved. It is by such an attitude—in which the officials of the Communist party on one level—that a real movement of genuine solidarity in the fight for the Centralia victims is thwarted, and sabotaged, and made impossible.

This affair of last Saturday was rich in other instructive lessons. Despite the formidable list of organizations represented, a scant few hundred came to the meeting. Doesn't that show where the present strength of labor militancy lies? Doesn't it show that the Stalinists paid only lip service to the demonstration and that they give no real support to the issue?

The I. W. W. has come to a sad pass when, in the crusade against Communism, it falls into the company of this black gang and finds itself at home there. But this is the logic of the fight against Communism. Communism, despite all the worthless bureaucrats who disgrace its banner, is the only revolutionary doctrine the only revolutionary class movement of the proletariat. Whether they wish it or not, those who dedicate

A New Slander Against D.B. Riazanov

Pravda of March 12 published a note entitled "Marx on K. Kautsky" and signed "the Marx-Engels Institute". This note has subsequently been reproduced without any comment by the world press of the Comintern. Externally, the center of gravity of this note lay in the remarkable passage from the letter of Marx in 1881 which gives a crushing characterization of Kautsky, a characterization which was, in short, fully verified by the future.

The publication of the note solemnly signed by the whole Institute has, however another aim: to befoul the person who created the Marx-Engels Institute and was at its head. Here is what is said at the end of the note: "The original of this letter was turned over to Riazanov by the well-known Menshevik Lydia Zederbaum-Dan already in 1925. Riazanov carefully concealed the letter."

During the trial of the Mensheviks, Riazanov was accused before the whole world by the attorney general of the republic of collaboration in the conspiracy against the dictatorship of the proletariat. A few months after this accusation, the whole of humanity has communicated to it a new crime of Riazanov: he has, it seems, again into the bargain . . . concealed the quotation from Marx's letter of 1881. Nothing but this need of advancing against comrade Riazanov such circumstances to make his case worse, and which are all out of proportion to the first accusation shows that the so-called conscience of Messrs. accusers is not tranquil. By combining, as usual, disloyalty with rudeness, these people only discover things with their aid, and only betray the fragility of the prop.

We explained at the time in a hypothetical form how the accusation against Riazanov originated. Everything that is written us from Moscow on this subject fully confirms our suppositions. It is not difficult to reveal the mechanism of the supplementary accusation launched today by the same accusers under the pseudonym of the Marx-Engels Institute. "The Menshevik Lydia Zederbaum" turned over the letter of Marx to Riazanov back in 1925. Why did she give it to him? As a token of Riazanov's back in him? As a token of Riazanov's friendship with the Mensheviks, and of their future collaboration in the conspiracy against the dictatorship of the proletariat? The subject "the Institute" is speechless on this subject. The word "the Menshevik" ought to shut the mouth of all who hesitate, all the more so because since 1925, Riazanov "carefully concealed" the letter. Why did he conceal it? Obviously in order to safeguard the interests of Kautsky and of world Menshevism. It is true that between 1925, when Riazanov entered into conspiracy with the Mensheviks to conceal the historic docu-

ment, and 1931, when he was mixed up in the conspiracy against the dictatorship of the proletariat, Riazanov published not a few documents and works which caused Menshevism considerable vexation. But nothing doing. The readers of the press of the Comintern must be guided along the old formula of the devout: "I believe it no matter how absurd it is."

Good, the reader will say, but what did happen with the letter? Is it authentic, did Riazanov really hide it? And if he did, then why? It is enough to look at the quotation in order not to doubt the authenticity of the letter: Marx cannot be falsified, even by Yaroslavsky in collaboration with Yagoda. As to the circumstances under which the letter was "concealed", we can, again only propose a hypothesis whose verisimilitude, however, is guaranteed a hundred percent by all the circumstances of the affair.

Riazanov could receive the letter only from the hands of those who held it. The management of the heritage of Engels has fallen into the hands of Bernstein by force of the same historical logic of the epigones which today permits Yaroslavsky to dispose of the heritage of Lenin. Riazanov manifested an exceptional perseverance an ingenuity in gathering together the heritage of Marx and of Engels. Like the Lenin Institute, the Marx-Engels Institute bought numerous documents from the Mensheviks and through the intermediary of Mensheviks: it is enough to refer, for example to the archives bought by the Lenin Institute from Potresov*. It is beyond doubt that the "Menshevik Lydia Zederbaum" did not simply turn over the letter to Riazanov, but she probably sold it as an intermediary for Bernstein or someone else among the old men who had the letter by Marx. It is quite natural that

in selling this letter, which draws a crushing picture of Kautsky, Bernstein or the other proprietor of the document from the same circle, put as a condition for the sale that the letter should not be published while Kautsky was alive or while the one selling it was alive. The rigorous manner in which Bernstein submitted to this sort of censorship the correspondence of Marx and Engels is sufficiently well known. There was no other choice left to comrade Riazanov: in order to get possession of the letter, he was obliged to accept the condition imposed upon him. Anybody else in his place would have acted in the same way. After having accepted this condition, he naturally carried it out. It is only thanks to this extreme prudence and loyalty in all matters of this kind that Riazanov has been able to extract from the hands of adversaries precious elements of the heritage of our classics. We think that it is now clear why Riazanov "concealed" the letter. Whoever knows Riazanov will not doubt for an instant that more than anybody else, Riazanov burned with the desire to publish his valuable find. But he waited for the proper moment to strike. By means of a raid, the letter of Marx was found at Riazanov's and it was not only made public, that is, not only was the engagement made by Riazanov broken, but it was turned around as a proof against Riazanov. What should we call such a manner of acting? Let us call it by its right name: it is a way of acting à la Stalin.

L. TROTSKY.

* Potresov, former Menshevik collaborator of Lenin and Martov in Iskra. Today an emigre, he publishes in Paris an organ which fights, at the extreme Right wing of the Mensheviks, against Soviet Russia.—Ed.

The Hoover Reparations-Debts Scheme

(Continued from page 1)

still has a gratifying surplus left from the German reparations. Does it complain about that? Mellon and Hoover will soon suggest a "way out of the complication". Balance your budget, M. Laval, by cutting down on armaments expenditures. This ingenious form of blackmail turned the trick for America at the Washington Naval Conference in 1921, where it first achieved "parity" with the British. It worked at the London conference in 1929. In short, the dominance of the American dollar has torpedoed more British vessels than the Germans could hope to sink in the Battle of Jutland. Why should it not succeed in being just as effective against France? MacDonald the faithful outpost in Europe of Wall Street, has already advanced the idea, with an eye at France, in the House of Commons.

A Solution of the Crisis?

But the crisis? Will it be solved by the Hoover plan? Fantasy! The stock market may experience a few jerky rises and falls for a while, but the army of

unemployed remains just as large, industrial production just as low, the markets of the world just as contracted and congested. More than Hoover's suspension plan will be required to undo these difficulties.

Then the German crisis, at the very least? Beyond a doubt it will be ameliorated. But only for a brief time. The postponement of the big collapse will only make it more earth-shaking when it does take place. There is an inexorable fatality in Wall Street's plans to save Germany from Bolshevism: The Dawes plan lasted almost five years before it had to be scrapped for the Young plan. The Young plan never outlived its father—two years of life and it is mourned at the grave only by France. The Hoover plan? Will it last even two years? It is doubtful. In the ability of the German Communists to solve the crisis of misery and despair by a successful proletarian revolution, lies the final answer to all the plans of imperialist conquest and slavery.

—MAX SHACHTMAN.

Economic Crisis -- What Next?

Almost two years have elapsed since the current crisis began, and still the bourgeoisie has made no progress toward understanding it or formulating a solution. At the April meeting of the Academy of Political Science, a group of bankers, business men, and professors of economics gathered for two days, under the chairmanship of a Morgan partner and later of a former chairman of the Federal Reserve Board, to discuss the crisis. Every man for himself, they presented the following "explanations":

1. There is no crisis—world production of commodities keeps increasing with only minor setbacks of which this is one. And will continue to increase to new high records. 2. The war and its after-effects. 3. Continuing political insecurity. 4. Tariff barriers. 5. Overproduction of agricultural products. 6. Business has to go in cycles. 7. Poor management of banking and credit facilities. 8. Lack of equilibrium among industries and communities. 9. Shortage and maldistribution of gold.

The chairman of the board of the Chase National Bank, the largest bank in the United States, adds:

10. Abnormalities in certain commodity markets due to attempts at price fixing.

11. The delay with which wholesale prices of finished goods, retail prices, wages, and rentals, have followed the drop in prices of raw materials.

The significant thing about all these explanations is that nowhere is there the slightest mention of the one thing that bourgeois and proletarian alike agree in regarding as the mainspring of all capitalist economic activity—profits. This commission should not be looked at as a coincidence. The bourgeois does not wish at this time to measure forces frankly and openly with the proletariat in economic or other conflict, and his ideological defense is to obscure the issue by leaving out of the discussion the most important factor which is profits.

Comparing the reports of 1900 corporations engaged in 59 lines of business for 1930 with 1929, net profits show a decline from \$5,983,049,000 in 1929 to \$3,516,381,000 or a drop of 41.1 percent. The rate of return on invested capital declined from 10.6 percent to 5.7 percent.

Now between 1929 and 1930 the total volume of physical production is estimated to have declined only 18.1-2 percent. Total wages paid by manufacturing industry are not believed by any authority to have declined more than 25 percent.

The effective result of the first full of crisis, therefore was to reduce faster than either production or

pared for by the decline in the relative participation of wages in the products of industry during the "prosperous" time up to 1929, which led to a restriction of markets—we shall also give reasons for thinking that the present depression may be the last of the periodical crises on the upward swing of capitalism and may be the beginning of a new period of declining profits and intensified class struggle.

All the reasons given for the existence of a crisis, so far as they mean anything, mean that goods have been "over-produced" in comparison with the possible market for them. This "over-production", which is such a puzzle to bourgeois thinkers, means simply that there is no longer a profit in selling as many goods to as many people, in 1930 as there was in previous years. The "market" for a given quantity of goods, in capitalist economy, means the possibility of selling so much goods at a profit. The foregoing figures indicate what has happened to profits last year, following the crisis. Let us now consider how capitalism in the United States has steadily destroyed its own profits and "markets" in the years preceding the crisis, by a comparison of certain figures supplied by the U. S. Census Bureau.

Data on Manufacturing Industries 1919-1929	
	1919
No. of establishments	214,333
No. of wage earners	9,000,059
Wages paid	\$10,461,736,869
Value added by manufacture (excluding cost of material containers, fuel, and purchased electricity)	24,809,092,926

In other words, the size of the average plant increased, the number of plants in operation decreased, and the proportion of wages to total added values to manufacture, which had been 42.2 percent in 1919, was reduced to 36.2 percent of the added value of 1929.

The fact that the share of wages in the total values added by manufacture has been decreasing is only another way of saying that the proportion of variable capital paid out in wages, has been declining relatively to constant capital, crystallized in buildings, raw materials and machinery. As Marx pointed out, profits are made out of variable capital, not constant capital. The relatively smaller amount of variable capital has therefore meant a progressive shrinkage in the possibilities of the capitalist profitably disposing (remembering always that market implies profit).

It is, in fact, an essential contradiction of capitalism that what is good for the

Note: This is the first of a series of articles intended to interpret the daily economic life of the United States in accordance with the real course of its development and from a Marxian point of view. The present article deals with the general features of the crisis that began in 1929, seeks to isolate its causes, and discuss the prospects for the future and their political consequences and effects for the labor movement. Future articles will deal with specific industries—coal, copper, steel, automobiles, textiles, railroads and banking—from the standpoint of the economic background of the class struggle.—Ed.

By B. J. Field

Individual capitalist is not good for the group of capitalists as a whole. The individual capitalist derives a competitive advantage, expressed in lower costs and for a time in higher profits through displacing men by machines, that is, variable capital by constant capital. The group of capitalists as a whole, however, by all adopting the same or a similar process, wipe out the competitive advantage of the first capitalist, and in so doing equalize competitive profits among themselves. The net result however, is a lower proportionate employment of variable capital, resulting in a lower average rate of profit, which expresses itself in capitalist terms in a shrinkage of "markets" or places where goods can be sold at a profit.

The shrinkage of markets in the boom

Individual Capitalist is not good for the group of capitalists as a whole.	
	1929
No. of establishments	191,866
No. of wage earners	8,349,755
Wages paid	\$10,848,802,532
Value added by manufacture (excluding cost of material containers, fuel, and purchased electricity)	27,585,210,400

years before 1929 was well recognized in the business world, as to its effects, if not its cause. It was a common complaint production. This means, of course of selling and distribution were eating up the economies due to more efficient plant production. This means, of course that it was becoming increasingly difficult to sell to a contracting market, and high-pressure salesmanship, the emphasis on style and color in all kinds of goods, and the increasing use of installment selling together with hectic efforts to increase export sales, all point to the effects of the contradiction of the domestic market in the period of highest activity up to 1929, which contained the seeds of the crisis.

This process of throttling the participation of wages in the national production is not a matter of the last ten years alone—the proportion of wages paid to

value added by manufacture in 1929 is actually smaller than in 1899.

No. of Wage Earners	Wages
1899	4,713,000 \$ 2,008,000,000
1909	6,615,000 3,427,000,000
1919	8,000,000 10,453,000,000
1929	8,742,000 11,421,000,000

From 1899 to 1929, the number of wage earners increased 85.5 percent, and their average wage rose from \$426 a year to \$1,306 or 206 percent, but their share in the produce of their labor declined from 41.4 percent to 36 percent. The fact that value added by manufacture increased 556 percent while the number of wage-earners employed increased only 85.5 percent sums up graphically the extent to which labor efficiency has been increased, largely by mechanization.

As production keeps increasing while the participation of labor keeps decreasing we should expect the recurrent crisis to become more acute as time goes on. Increasing mechanization tends to make the profits of business more dependent on operation as close to capacity as possible. To illustrate this, compare two establishments: one highly mechanized, and the other largely dependent on direct labor, which we will call plant A and B respectively. Of each \$100 of product produced by A, \$40 represents raw material, fuel and power, \$40 represents overhead costs of machinery (maintenance, interest on investment amortization, etc., all costs which go on unchanged from year to year irrespective of the amount of output) \$10 is wages, and \$10 is profit. If sales and production increases 20 percent to \$120, raw material etc. will cost \$48, wages \$12, and overhead costs remaining unchanged at \$40 will leave a profit of \$20 instead of \$10, an increase of 100 percent in profits against an increase of 20 percent in sales. Similarly, a decrease of 20 percent in sales to \$80 will involve a decrease in raw materials to \$32, in wages to \$8 and overhead remaining unchanged at \$40, there will be no profit left.

Plant B, on the other hand, being only slightly mechanized, pays under normal conditions \$40 out of each \$100 of sales

for raw material etc., \$10 for overhead, and \$40 for wages leaving likewise \$10 for profit. An increase of 20 percent in sales will involve an increase in raw materials costs to \$48, wages to \$48, which together with the unchanged overhead costs of \$10 will total \$88, leaving a profit of \$12, or 20 percent more than "normal", while similarly a decline in sales of 20 percent will result in a reduction of the profit from \$10 to \$6, instead of wiping it out completely. The less mechanized plant therefore profits

less by booms and is less harmed by depression than the highly mechanized plant.

The increasing mechanization of American industry can be summed up on the basis of the foregoing figures by stating that value added by manufacturing amounted to \$1,025 per worker in 1899 and to \$3,624 per worker in 1929. But this can only mean, in terms of the above discussion, that American business has become more sensitive to shrinkages of sales and markets, and crises should therefore show increasing severity.

This conclusion is borne out by an analysis of industrial activity in the United States since 1854 recently made by a Western bank. "Normal" figures of industrial production were calculated, making allowance for a broad upward tendency, and activity for each month since January, 1854 was stated in percentages above or below this steadily rising "normal" line. During this period there have been fourteen important depressions. We list below the month during which each of these reached its lowest point, and the percentage figure for that month.

We see that at no time before the war was there any decline of more than 20 percent below the "normal" line; the 1921 depressions went as low as 27 percent and the present depression 28.3 percent below "normal".

Not only is the present depression relatively more severe, in terms of decline below "normal", than any of its predecessors, but there are indications that in some respects it is even absolutely more severe. In other words, the rate of increase of "normal" production may itself be slowing down. Railroad freight traffic measured in carloadings with

	Percent.		Percent.
Jan. 1858	13.0	Dec. 1903	11.0
June 1861	9.8	May 1908	18.
Sept. and		July 1911	7.
Nov. 1865	14.0	Dec. 1914	13.
Feb. 1878	12.7	April 1921	27.
May 1885	13.1	July 1924	12.7
June 1894	19.9	Jan. 1931	28.3
Sept. 1896	17.9		

allowance for the lighter average load per car, is actually less than in 1921, a year of the most serious percentage depression up to that time, although 1921 car loadings were in turn higher than those of 1911, a year of relatively minor depression. Export trade is now at the lowest levels since the war, lower than in the depression year 1921. Immigration this year will be less than 100,000 for the first time since 1869.

Turning for a moment from the general manifestations of the crisis, let us assume the axiom that the total industrial activity of a country is the sum of the activity of its individual industries, plus the relations existing among them. For the individual industries, there is a "law of uneven development" analogous to that which Trotsky has worked out as between nations. The general scheme of the historical development of an industry follows a roughly uniform curve. It begins as a new, speculative industry, with numerous small individual concerns, many of whom quickly disappear it may have difficulty at the beginning in finding markets, but soon obtains general acceptance of its product, the profits of successful concerns are large, and sales are apt to increase even during a period of business depression.

In the second stage, a broad demand has been created, profits remain large and even increase, numerous smaller producers consolidate into a relatively fewer number of large firms, and the problem of management is how to produce enough rather than how to sell its output. Productive facilities are rapidly increased during this stage. This leads to the third stage, wherein productive facilities are enough or more than enough to meet the actual demand, and the principal problem of management becomes how to sell, rather than how to produce. Markets become saturated, competition sets in on a severe basis, prices and profit margins are lowered, mergers increase until only a few large producers are left in the industry. Eventually the problem of markets (at a profit) becomes very difficult, all kinds of costly and artificial methods must be used to stimulate demand, the profit margin is likely to remain under the average even in good times and to result in losses in bad times, showing a great susceptibility to business depression

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