

The World Crisis, Economic Struggles and the Tasks of the Revolutionary Trade Union Movement.

Report of Comrade Losovsky.

Comrades! Only two and a half years have passed since the IV. Congress; but history is made so fast that more has happened during this short period than during 15—20 years of peaceful organic development of pre-war capitalism. Tremendous events have taken place in world economics and politics. They brought about radical changes in inter-State relations, transformed the mutual relations between the imperialists and the colonial world, sharpened class antagonisms, and clearly brought out the hostility and irreconcilability of the principles underlying the two systems: the capitalist-exploiters' system and the socialist-workers' system.

I. The Economic Crisis, the Disorganisation of Capitalism and Growth of Capitalist Contradictions.

The crisis by which at the present time the whole capitalist economy is shaken though not in the same degree consists of: 1) an acute economic crisis that began at the end of 1929 in the USA. and has gripped a number of other capitalist countries, 2) a protracted agricultural crisis embracing all agrarian countries and especially the colonies, 3) a continuous crisis in several countries (Poland, the Balkans, etc.), 4) permanent depression in Great Britain still further aggravated by the crisis in the USA. The crisis is a world crisis as it has, with few exceptions, drawn most countries into its whirlpool and is developing on the basis of the world crisis. France, having been one of the exceptions until recently, is, at present, also suffering from a general depression and the symptoms of a crisis in several branches of industry (automobile).

What are the outstanding features of the world crisis? It is a crisis of over-production, continuous growth of productive possibilities and called forth by the tremendous disproportion existing between the production and the markets which have been narrowed down by the pauperisation of the masses and the rebellions in the colonies. **Economically** the crisis shows 1) a restriction of output, 2) the closing down of separate departments and even of whole factories and mills, 3) the considerable fall in exports and imports, 4) the accumulation of tremendous goods-reserves in industry and in agriculture, 5) the considerable fall of wholesale prices, 6) the introduction of almost prohibitive tariffs, 7) difficulties of credits and Exchange crashes.

The direct consequences of the crisis are: 1) sharpening of competition between the trusts for burdening each other with the losses sustained in the crisis, 2) the common struggle of all trusts to burden the working masses of the towns and country with the whole weight of the crisis, 3) vast unemployment of an extent never witnessed before, 4) the reduction of wages, increase of the working day and reduction of expenditure on social insurance, 5) reduction of taxes on the propertied classes, and the imposing of taxes on primary commodities.

From an international point of view the crisis has already led up to 1) violent tariff wars between the most powerful states, 2) a sharper and more ruthless struggle for markets, 3) increased armaments and a number of military treaties, 4) the intensification of preparations for war against the USSR. in order to break through the foreign trade monopoly, to stop socialist construction and convert the USSR. into an open market for capitalist products.

What is the situation of industry now? The last months have everywhere, with the exception of France, witnessed a tremendous reduction of the output of the industries and a continuous closing down of different departments and even whole factories. Comparing production in the second quarter of 1930 with that of the second quarter in 1929 we notice a reduction by 16 per cent in Germany, 10 per cent in England,

17 per cent in the USA., 22 per cent in Poland. The index of the general situation of business at the end of July in the USA. was 911 as compared with 1146 in July last year.

Figures on the total production, being average figures, do not show which branches of industry have suffered most; but if we consider the figures concerning the different industries we notice that the crushing force of the crisis was most strongly felt by the industries connected with **export**; thus, for instance, in Great Britain the output of steel in June was reduced by 28 per cent as compared with June last. The output of coal fell from 21.7 million tons in May to 16.7 million tons in June. The tonnage of ships under construction has been reduced by one half. The steel industry in the USA. is at the present time producing only 58 per cent of its former output, the automobile industry only 50 per cent, etc. According to the data of the Economic Bureau in Germany, its industrial output fell to 60 per cent in the middle of 1930, the figure for 1929 being 75 per cent. The following table on foreign trade, comparing the first half of 1930 with the first half of 1929 (100), will show that foreign trade is affected most of all:

Country	Imports	Exports
Germany	86	99.5
England	90	85
USA.	76.3	79
France	87.5	90
Italy	80	86.5

Tremendous quantities of goods are lying in the store-houses and the owners are at a loss to get rid of them. In Canada, Australia, and in the USA there is a surplus of 15 million of tons of grain; thousands of tons of coffee, sugar, tea and rubber are lying unused in Brazil, Cuba, Columbia, Indonesia, etc. The supplies are so great that the government of the USA. is buying up tremendous quantities of grain and other commodities in order to support the big landowners, and the planters.

The economic crisis has caused unprecedented consternation among the ranks of the ruling classes and their social-fascist henchmen. Statesmen, learned economists and the social-democrats are racking their brains to find a way out of the crisis, and are trying to explain to the working masses the disorganisation of "organised capitalism" and the collapse of the "prosperity" theories. It was organised capitalism that was a fetish to the social democrats — even some Communists were affected by this theory — as it promised to bring planfulness into modern economy by a further development of trusts and concerns (Hilferding, Naftali). But the castle in the air suddenly collapsed, the USA. let down the whole crowd of theoreticians, and turned their "organised" chatter inside out. The theory of the prosperity and the exceptionalism of American capitalism suffered the same inglorious collapse as the theory of "organised" capital. United States capitalism—the idol of the European bourgeoisie and international reformism, is rocking on its foundations and the promised land is suffering the throes of an earthquake. The crisis in the USA. still further aggravated a number of existing crises in other countries and placed before the whole capitalist world the dilemma—which way is the capitalist world going? How can it get out of its painful crisis? Mr. Hoover promised rapidly to mend everything, but those will be very few who believe in the optimistic promises of the Washington officials. Hoover's star is setting. He entered the White House accompanied by "prosperity" music, and will leave it to the ominous rolling of the thunder of the economic crisis.

It is not only in the USA. that people are racking their brains; the governments and learned men, in Europe are doing the same. But what are the results? What have the wise men found? Keynes, the greatest economist of England, recently published an explanation of the crisis. The present

crisis is, according to his opinion, a disease called forth by growth, but not an old age ailment. But as soon as the existence of capitalism is questioned even people of Keynes' weight, are losing their common sense. In what other way may the conclusion of his speech, given below, be described? He says: "England is now four times as rich as it was 100 years ago. And I am absolutely justified in saying that, in 100 years we shall be at least eight times richer than we are now." ("Manchester Guardian", June 28, 1930.) All this is quite true but I should like to know to whom "we" refers. Does Mr. Keynes really think that the British proletariat will stand for a hundred years more the Baldwins, Lloyd Georges and MacDonaldis? At the present time each country is beginning to surround itself with higher and higher tariff walls. The United States led the way and was followed, after a protest, by the others. The oldest advocate of free trade—Britain—has introduced protective tariffs, is increasing the duty on primary commodities and is preparing to issue an empire tariff. The latter causes much opposition not only in the dominions (Canada, Australia, South Africa), but also in the United States of America; but the question is on the order of the day, and the tariff war is acquiring already a most violent character.

The crisis concentrates the attention of the exploiting countries on the problem of new markets; therefore a violent struggle has begun for and against high duties, for and against penetration into foreign colonies. This is the reason why the relations between England and the USA. in all countries of Latin America are strained (Brazil, Bolivia, Paraguay, Venezuela, Mexico, Central America), and in China, India, etc. Relations are extremely strained between France and Italy, Germany and France, Poland, etc. The question of new markets is a matter of life and death, especially with the great capitalist countries and includes all problems of international economics: the export of capital, security for credits, freights, etc. All these problems are, more than any others, closely linked up with the whole system of international relations. The problems of colonies and of new spheres of influence are becoming most urgent once again and young American imperialism cannot reconcile itself with the fact that England owns one fifth of the globe; in the same way Italy does not want resignedly to look upon the colonial wealth of France. But the problem of a redistribution of colonies is first of all a problem of strength. This leads to the heightening of the fever of armaments, to the piling up of military and naval budgets, to the building of thousands of aeroplanes, to work night and day in the war industries, to the growth of the chemical industry the science and technique of the man-killing industry are making tremendous progress. It is not at all surprising that the feverish armaments are being veiled by pacifist phrases of outlawing war: the Kellogg Pact and Disarmament Conferences are necessary hypocritical attempts at pacifying the anti-war feeling of the masses. War preparations are going ahead at full speed: but the relation of forces is not the same as it was in 1914. The chief actors today are: Britain against the USA. and Germany (Germany's international trade has been higher this year than Great Britain's) France against Italy, France against Germany, Britain against France, Germany against France and Poland, Japan against the USA., while the small States are already looking out for the best buyer of their cannon fodder.

The situation of world imperialism is becoming extremely critical as the whole colonial world is in turmoil owing to the pressure of the crisis. A new upsurge of the revolutionary wave has begun in China where a number of districts have been occupied by the Red Army, and the imperialists are once again creating a united front for the stifling of the Chinese Revolution as was the case in 1925/27.

The revolution in India is of no less importance than that in China, as it is stirring tremendous masses of oppressed natives into revolt against imperialism. The present initial stage of the bourgeois democratic revolution in India bears witness to the vast revolutionary reserves that up till now have been hidden in the crown jewel of the British Empire. Indo-China is rising against French Imperialism. The growth of anti-imperialist feeling in Egypt and all over the Arabian East, the sharpening of anti-imperialist struggle in Latin America, a number of revolts on the Dark Continent, must be added to the other facts in order to give us a clear understanding of the tremendous changes that have been wrought in the colonial world during the last two years and a half. This revolutionary

upsurge in the colonies, especially in China and India, has brought about considerable changes in the relations between world imperialism and the world revolution, to the advantage of the latter. The imperialists, especially the British and French, would not show such consternation in vain, they would not be attempting to drown India and China in blood baths. They understand quite well, that the real danger lies there and threatens to end their rule over millions of slaves. The imperialists of Britain and France are representing the rebellions in the colonies as "Moscow intrigues". It is obvious to everybody that such explanations are just demagogic, rubbish, as it is impossible artificially to incite millions of people to struggle. In any case, one thing is clear, the revolutionary events in the colonies are extremely weakening imperialism and are one of the most serious reasons for the speeding up of the decline of stabilisation.

All the external and internal contradictions of capitalism open up the prospect of a number of political crises in the weakest links of the capitalist chain. The political crisis in Poland, Rumania, Greece, Spain and other small countries is becoming more accentuated, which calls for more intensive activities of the RILU supporters. The sharpening of contradictions leads to internal and international conflicts; a tiny spark will be sufficient to explode the international tension, while social relations are becoming ever more strained. The struggle of the working class for political power will become in the near future the problem of the day in many countries. The international bourgeoisie hopes to surmount all these difficulties by putting the blame on the USSR.

The irreconcilable antagonism between the capitalist world and the USSR, overshadows all conflicts among the imperialists. The last two years are characterised by a number of hostile acts by the capitalist powers against the USSR. It will suffice to mention the war supplies that France sent to Poland, Rumania, and the Baltic States, the role played by Great Britain in the creation of a "safety cordon" around the USSR, constant visits of officers of the General Staffs of France and Britain to different countries, the investment of French and British capital in the war industries, especially the chemical industries, of Poland and Rumania, increasing attempts at an economic blockade of the USSR, etc., etc. These facts are the best proofs for the seriousness of the danger with which the USSR is threatened. The purpose of this stubborn policy of encirclement as practiced against the USSR, is to break through the foreign trade monopoly, to open by force a wide market for the capitalist countries, to put a stop to the industrialisation and collectivisation of the USSR, to wipe out the territorial basis of the world revolution. This programme is intended to help the imperialists to emerge from the world crisis. This is the bourgeois way of solving the contradictions that are disrupting capitalism.

II. Mass Unemployment, Conditions of the Working Class and International Reformism.

1. The Standard of Living of the Working Class is Declining.

The whole burden of the world crisis is being borne by the working class. Permanent armies of unemployed had owing to capitalist rationalisation existed in several capitalist countries already before the crisis. Thus, to use an American expression, "Technological unemployment" was added to normal capitalist unemployment. The crisis gave birth to an unheard of extent of unemployment the terrible weight of which is lowering the standard of living of the workers and influencing their class struggles.

What is the number of the armies of workers thrown out of production? Bourgeois statistics are very modest in citing figures, but we have nevertheless to use them. The first place belongs to the USA. with 6,000,000 unemployed, second is Germany with about 4,000,000, then follow Great Britain with over 2,000,000, Japan with 2,000,000, Italy with 800,000, Poland with 400,000, Austria with 400,000, Latin America with 1,500,000, etc. We have no figures of the millions of unemployed in China, India, Indo-China, Indonesia and other countries; but even on the basis of bourgeois statistics we shall not be very far from the mark in estimating the total figure of the unemployed at 20,000,000. Every day brings news of the closing of further factories and mills, of the dismissal of further armies of workers. With their families, this means that about 70,000,000 people are thrown into misery, famine and starvation.

This army, unprecedented in its dimensions, for the most part is not receiving any unemployment benefits, and even where such are granted (Germany, Britain, Austria), they are just sufficient to carry on a semi-starving existence. But this is not yet all the misery that is crushing the working class. There are millions of workers working short time who also have to be taken into consideration when characterising the conditions of the international proletariat. Unemployment is the most terrible scourge of the workers, and it is impossible to come to any right conclusions without carefully studying the special features of present day unemployment.

Unemployment is not the only outstanding feature of the present day situation of the working class. The economic crisis is the starting point of new attacks on the wages and labour conditions of the workers. The following figures will serve to illustrate the lowering of the standard of living of the workers: in Germany it was lowered by 13 per cent between May 1929 and May 1930. In Great Britain workers wages in the mining industry were cut by more than 19 per cent in the second quarter of 1929 as compared with 1924; the productivity of labour at the same time increased by 23 per cent. The average decrease of workers' wages in the cotton industry amounted to 19 per cent in June 1930 as compared with the October wages of 1924. The wage cut in the wool industry amounted to 11 per cent for the same period. The wages of 500,000 textile (cotton) workers were lowered by 6½ per cent in 1929, those of the wool workers by a further 9 per cent in 1930. In the pig iron industry wages decreased by 5.2 per cent during 1924/28 while the productivity of labour increased by 58 per cent. In the USA. between June 1929 and June 1930, the weekly wages fund paid out by the 54 main branches of industry decreased by 18.2 per cent, while 13½ per cent of the total of workers were dismissed. The year's decrease (January 1930) of the wages paid out by the automobile industry reached 35.4 per cent, the number of employed workers being lessened by 7.6 per cent. The year's decrease of the average fund of weekly wages in the textile industry amounted to 17.3 per cent in April 1930, 10.1 per cent of the workers being discharged. The Steel Trust paid by 20 per cent less wages than last year. The workers' real wages in France fell by 4 per cent in the second half of 1929, and, if compared with 1911, by 9 per cent. The real wages index in Paris, figured on the basis of the trade union existence minimum, was 19 per cent under the pre-war level in October 1929. Wages were lowered by 20 per cent in Italy in the second half of 1929. The wages index in Tokyo (Japan) in May 1930 was 10.4 per cent lower than in August 1924. Wages were cut by 40 per cent in various industries. Wage cuts were most marked in the colonial and semi-colonial countries—in China, India, Latin America (Brazil, 35—50 per cent, in connection with the crisis, and on the sugar plantations of Cuba 35 per cent in 1928/1929).

These are only a few figures: but if we investigate into all countries and industries, we shall come to the conclusion that the working class as a whole is bearing the whole burden of the crisis. Both workers and unemployed must be considered in calculating the standard of living of the workers. According to the data compiled by the German bourgeois economist Kutchinsky, the German working class, owing to unemployment, lost over one fifth of its income during the first half of 1930; if we add to the unemployed the hundreds of thousands on short time, the decrease will be equal to one quarter. Adding to this the fall in the buying power of the German mark, 10 per cent as compared with last year, we shall arrive at a real understanding of the situation of the working class of Germany in the middle of 1930. The same investigations into the United States would show that the high workers' wages in that country are but one of the fairy tales of "economic prosperity". Jurgen and Marguerite Kutchinsky who before the crisis wrote a book on the "Conditions of American labour" give much interesting information that serves to expose the myth of high wages. The American bourgeois is considering the standard of living of a small group of the labour aristocracy and want to convince us that the figures apply to the American working class as a whole. Yet the labour aristocracy numbers only 10—15 per cent of the total. The Kutchinskys are quite right in coming to the conclusion that the American worker is getting wages below the existence minimum.

The conditions of the international working class are determined not only by the wages of the workers in the capitalist countries but also by the labour conditions in the colonial and

semi-colonial countries. Apart from the conditions of slavery that exist in many African colonies, in several Latin American countries, Indo-China and others, we see that the wages of the workers in China, India, Indo-China, the Philippines, Java, Brazil, Central America, that is, the wages of tens of millions of proletarians working in industry and on the plantations (coffee, rubber, rice, tea, bananas, sugar) are terribly low. It is quite obvious that the extremely low standard of life cannot but influence the conditions of the whole international proletariat; it is as clear as day light that either the proletariat of the capitalist countries will have to help the working classes of the colonies to overthrow imperialism and to raise the standard of living, or otherwise the colonial coolies will drag down the standard of living of the capitalist countries to a still lower level.

The growth of unemployment and short time is accompanied by a **lengthening of the working day**. Even the International Labour Office—the abode of the well-known forgers—admit that the working day is longer than eight hours in Germany with 27 per cent of the workers, in Poland—30 per cent, in Italy, 29 per cent and in 16 other countries, 24.1 per cent, of the total number of workers are employed for over 48 hours a week. These investigations do not include such countries as France, Britain, the USA., Japan and not a single word is said about China, India, and other colonial countries.

Information has appeared in the press shedding a new light on this problem. For instance, in the USA., two former students of the Boston University, at the request of the Federal Council of Churches, investigated into working hours in the steel and foundry industries and compiled the following figures concerning 250,000 workers.

16,000 workers work for 12 hours daily.

66,000 workers work seven days a week.

53,000 workers, work 10 hours and more a day.

There are workers on the job for 14 hours a day, on night shift at that.

There you have the uninterrupted week! This is the five day week of the former manager of the General Motors Company, at present the chairman of the Democratic Party, John Raskob and the president of the AF of L, William Green. But in the steel and foundry industry an exception? We doubt it. But another question arises here. Where is our Trade Union Unity League, and where are our revolutionary Trade Unions? Did they not see these facts? It was their duty to do so, was it not? Why did they leave work of this kind to the Federal Council of Churches?

The following is another striking feature of the conditions of the working class in the present period: social insurance does not exist in many countries, and, where it exists (Germany, Britain, Austria) in the name of economy a reduction of expenditure is taking place side by side with the growth of unemployment—the money is wanted for other purposes such as for the construction of naval and air fleets, armaments, and so on.

As the duties on the necessities of life are systematically being increased, and the fall of wholesale prices, thanks to the manipulations of the trusts and concerns, not only has no effect on the retail prices, but often takes place parallel with an increase in prices, the worsening of the conditions of the working class will be made quite clear to us, and we can fully realise the appalling misery and despair into which the world crisis is throwing the proletarian masses.

2. International Reformism in the Service of Capital.

International reformism as represented by the second and the Amsterdam Internationals, simply denies the fact of the world economic crisis. No word was said about the economic crisis, about mass unemployment, etc., in the reports of Leipart-Eggert and Mertens at the Congress of the Amsterdam International in Stockholm, (July 7—11).

A year ago, during the session of the E.C. of the Amsterdam International, Leipart quite resolutely gave expression to his opinion on capitalist rationalisation:

"Rationalisation means economy of capital, labor and time (for whom?). If there will be more output, there will also be more to be distributed and the standard of living of the workers may be raised. The trade unions, do not deny the fact that, as a rule, rationalisation is accompanied by discharges of workers at the beginning;

but we must bear with it a while (!) for the sake of the advantages (for whom?) to be expected from rationalisation."

Leipart ought to have told the Amsterdam Congress at Stockholm of the "advantages" which the working classes of Germany, Britain and the USA. have received from capitalist rationalisation. But he just forgot to talk about it.

The economic programme of Amsterdam is so shamelessly bourgeois that even crooks of the band of Zhulavski (Poland) and Fluerad (Roumania) openly declared that they refused to vote on "a programme based on the principles of classical bourgeois economy".

But the Amsterdam gentlemen, though silent on one point, may boast of other "merits", especially in countries where they are in power by means of Social-Democratic and Labor governments. A few examples: The Hermann Müller Government and its friends in the All-German Trade Union Federation have rendered the following "services" to the German proletariat:

In the sphere of social legislation:

1) The social budget for 1929 was reduced by 44 million marks as compared with the budget of the bourgeois block in 1928. In 1930 the budget has been reduced by a further 160 million marks.

2) Re unemployment Wissell enforced a law on the insurance of the unemployed containing the following worsened conditions: a) the workers are paid benefits only during three weeks, b) seasonal workers are paid unemployment benefits only for six weeks, c) domestic workers are not paid any benefit at all.

3) Hilferding floated an obligatory loan of 165 million marks out of the insurance, invalidity, and old age funds.

4) Benefits of invalids and victims of the war were reduced by 5½ millions.

5) The maternity fund was reduced by the Cabinet from 20 to 15 million marks, and the invalidity fund from 40 to 20 million marks.

In the sphere of taxation: An additional 610 million marks of taxes were imposed on the working population as compared with the government of the bourgeois block. 1) The tax on wages was increased by 150 million marks, 2) the sugar tax by 10 million mark, 3) tobacco tax by 255 million marks, 4) Severing continued the subsidy to the "Technical Aid" (strikebreaking organisation) to the amount of 1.4 million marks per year, 5) taxes on staple commodities increased by 480 million marks in 1929, 6) a new tax of 1,370 million was imposed on the workers before the fall of the Müller Government, 7) the workers will have to pay another 45 million marks to the match monopoly.

This is far from a complete list of the social fascists' "services". We may add what Hermann Müller said on March 8, 1930 referring to unemployment demonstrations in the Reichstag: "We'll have to hit them on the head and hit hard—nothing else will help." Hermann Müller's friends, Zoergiebel, Grzesinski, Severing and consorts have proved that they are masters of modern technique; they do not hit with sticks but use machine guns.

The activities of the Labour Government in England referring to social legislation are not less "fruitful". In spite of the tremendous growth of unemployment, the MacDonald Government is busily worsening the unemployment insurance law, while the Cabinet minister Thomas is persuading the unemployed to wait till the reorganisation of industry is begun on a scientific footing. The pre-election promises have proved not worth the paper on which they were printed. Baldwin's anti-union law is still in force. But in 1929 the Labour Government during the lockout in the cotton industry reduced wages of 500,000 workers by 6¼ per cent, 200,000 wool workers were robbed of 9½ per cent of their wages by the MacMillan Commission; the same was practised in other branches of industry. It is true that the Labour Government has not yet used Zoergiebel's methods within Great Britain, because the bloodshed is chiefly in the colonies, where the Labour Government freely uses bullets to teach the colonial slaves reason.

What are the leaders of the biggest British trade unions doing in the meanwhile? They are begging the bosses to practice love of peace and charity and are admonishing the workers to be reasonable and bear in mind the unfavourable state of trade.

The same policy is being pursued by their friends—Wil-

liam Green and the fascist Matthem Woll. The American trade union bureaucrats, in face of the unheard of crisis, could think of nothing else but laughing, in alliance with the KKK., a slanderous campaign against the USSR. But the campaign proved to be so senseless and even harmful to the American bourgeoisie that Hoover requested William Green to repudiate Matthew Woll. The American trade union bureaucrats are also "concerned" for unemployment. The President of the fascist AFOIL, William Green, proclaimed the following:

"If the governments of the USA. and Canada, and the big owners, want to enjoy peace and quiet, they must unite with the organised workers in order to solve the problem of unemployment, which in causing much discontent and preparing the soil even for a revolution."

All these facts prove without doubt that the Amsterdam gentlemen and their American friends have become efficient weapons of capitalist attacks, that they are the bosses' lackeys. They very cleverly mask their servility with beautiful phrases about the interests of society, etc. The role played by "Die Arbeit", published in Germany by Leipart, is an especially repulsive example of this kind. The July issue of the journal contains an article by a certain Hans Mars headed "New Tasks of the Trade Unions". In order to justify the bosses' policy as practised by the German Trade Unions, a theory of three stages of the trade union movement is put forward. During the first stage "the trade unions advocated an intensification of the productivity of labour to the limits permitted by culture". During the second stage "the whole economic policy of the trade unions is subordinated to industrial policy", and the third stage is entirely taken up by scientific investigations into labour, the political education, industrial policy, etc. This "philosophy" closes with the following pompous verbiage:

"One could not do a worse service to the worker than persuade him that his labour does not possess any spiritual value. . . . It is high time to stop telling the worker that there does not exist any joy of labour, for him."

What can be said about such a defence of slave labour under conditions of capitalist rationalisation, of hunger, misery, unemployment and reduced working wages? It is bare-faced crookedness, calculated to whitewash the hopeless and drab capitalist reality.

From the theory of high wages for additional exertion and intensification of labour, through the stabilisation of wages to the slogan of the reduction of wages by means of lockouts. Such is the path of Amsterdam. Amsterdam is the organiser of the capitalist attack on the workers—this is the most outstanding feature of the present period of class struggles.

Are there really no people in the Amsterdam International besides these bosses flatterers? Where is the left wing? It is represented by stars like Cook and Fimmen. Even Cook found himself somewhat hampered by the crowd of bosses' lackeys he found in Stockholm and burst forth in two interviews, in which he severely criticised the policy pursued by the Amsterdam International. He said to the "Tass" correspondent the following:

"Amsterdam is a yellow international, defending and advocating the reform of the capitalist system. That is, it is trying to mend the system instead of doing away with it. . . . Afraid of Communism, Amsterdam cooperates with the fascist and Christian trade unions, which means close collaboration with capital. . . . Amsterdam represents the interests of the bourgeoisie, and supports rationalisation, though rationalisation is a curse to the workers."

Cook's criticism of the Labour Government was not less severe in the interview published in the Swedish syndicalist organ "Arbetaren". Cook frankly admitted that:

"Under the existing social system, the Labour Government cannot be anything but the henchman of the declining capitalist system. It is a very effective lightning rod for the revolutionary tendencies that are appearing here and there. . . ."

What Cook says is absolutely true but . . . one must not trust the left phrases used by this gentleman. He not only declared in the columns of the "Daily Herald"—after his return to England—that the Tass correspondent had misinterpreted him (Cook had handed the written interview to the correspondent) but also made several speeches, at the International Miners' Congress 11

Poland that quite evidently show that Cook even in words can rarely be distinguished from his social fascist colleagues. He talked about "progressive labour legislation" in Poland, he was "touched" by the reception of the "organised municipal authorities", he assured those present at the meeting that the crisis "hinders the Labour Government from taking the steps necessary for the emancipation of the working class", etc. Cook is a weather-cook, and a very interesting one. If a revolutionary wind blows, Mr. Weather-Cook immediately follows the lead. And what about Fimmen? Within, the four walls of his home, he is surely a left; but who needs such lefts? A man who for the sake of a fat salary, for the sake of his post of secretary, withdraws from political demonstrations, and is silent as a fish when even Balaam's ass — Zhulavski — begins to talk, such a man can be called a saboteur of the working class movement. His left phrases pronounced in the company of his boon companions are not worth a snap. The left wing of the Amsterdam International is one of the social-fascist detachments that cover the capitalist policy pursued by Amsterdam with left democratic phrases. Relentless struggle against social-fascism and its "left" camouflage — is the slogan of the international revolutionary trade union movement.

III. The Development of the U.S.S.R. and the Rising Standard of Living of the Soviet Proletariat.

The USSR. was called by the Congress of the Amsterdam International the "country without democracy". George Hicks, who recently ardently defended the USSR., advises the trade unions of the USSR. gradually to become democratic. The Soviet workers are very thankful for the advice, but want to know only one thing: what kind of democracy shall it be, proletarian or bourgeois. Reinstating bourgeois democracy means giving back the soil to the big landowners, the factories, mills and banks to the Russian and foreign capitalists, the abolishment of the 7- and 6-hour working day, the imposing of burden of social-insurance on the workers, the abandonment of the building of workers' homes at the expense of the State, the abolition of rent moratorium for the unemployed, the expulsion of workers and their children from the houses belonging to the bourgeoisie, the transformation of all the rest homes, back into private dwellings of the capitalists, the expulsion of tens of thousands of Red directors from the factories, the abolition of shop committees—in brief, the reinstatement of the former ruling classes that had been driven out and ousted, with their imperialism and national oppression, with their laws, their system of government, their tax policy and so on. For whose sake shall we do all this? For the sake of democracy? The case of the Amsterdamers is truly hopeless if they think that a Soviet worker could be won over to their side by such a programme. If the Amsterdamers were thinking with their heads instead of with other parts of their body, they might ask themselves why "their democracy" is suffering from a crisis of overproduction, while the USSR. is increasing its industry to an unheard-of degree, building giant works and nevertheless is unable to satisfy the requirements of the population. Why is there in the capitalist countries a tremendous surplus of goods, though production is being reduced while, on the other hand, the USSR. suffers from a shortage of goods even though industries are being rapidly developed? We shall cite a few figures in order to elucidate this point.

Total Output in the USSR. in Pre-war Roubles:

	Industry	Agriculture
1913	100	100
1921—22	23	70
1926—27	102.5	106.5
1927—28	122	107.2
1928—29	142.5	109.1
1929—30	180	114

This table testifies to the rapid growth of industry as well as to the backwardness of agriculture. The backwardness of agriculture is to be explained by the fact that industry is based on Socialist principles, while individual economy prevailed in agriculture up till 1929. This rupture between industry and agriculture was the chief stimulus to the collectivisation of agriculture in the USSR.

The Five Years' Plan plays a vast role in the life of the whole country, the Plan will be achieved in the different branches of industry in two and half to three years. The Five

Years' Plan for oil will be achieved in two and a half years, coal—three years, tractors—three years, machinery, including agricultural machinery—in two and half years, the electric industry—three years, iron and steel—four years. The principle reasons for the successful achievement of the Five Years' Plan are the creative enthusiasm of the wide masses, Socialist competition and the shock brigades movement. This means that the gigantic programme for industrialising the country will be completed for certain before the date appointed. These are the foundations of the Socialist organisation of labour.

The development of industry is accompanied by the rise of the standard of living of the working class. Average real wages amount to 167 per cent., the 1913 rate being taken as 100. The considerable decrease of unemployment and the shortage of labour felt in several districts are of great importance to the working class. At present there is a shortage of turners, fitters, engineers, stone-cutters, painters, plasterers, electrical engineers, etc. The building of a number of factories and buildings has had to be stopped owing to the shortage of labour. Special training schools have been organised in the different factories and mills, in order to cover the shortage, tens of thousands of workers and employees are being re-trained, but the number of skilled workers is still insufficient, though the number of unskilled workers decreased by 50 per cent during the last year alone. The social insurance budget reached 1,400 million roubles this year, and will be increased to 1,800 million roubles next year. The building of, clubs and workers' homes is developing rapidly. Owing to the collectivisation the standard of living of the wide peasant masses has been raised as well. All the output of the factories and mills is directed into the workers' districts and collective farms. The workers and especially the peasants had never food enough before the revolution. Now they are masters of their country and want to satisfy all their requirements. If the same quantity of manufactured articles that is produced now in the USSR. had been produced by the capitalist regime, the shops in Moscow and other towns would have been overstocked, but a very small part of these goods would have found its way into the workers' districts and villages. The requirements of the workers and peasants have risen by many times, while production increased only to double—this explains the shortage of goods and the queues. A great number of machines is necessary to industrialise our country. Foreign currency must be paid for imported machinery, but foreign currency may be attained only by exporting to the world markets. We are very often obliged to deny ourselves certain articles in order to sell them and import the necessary machinery. The petty bourgeois, who is blind to the great events, interprets the shortage of certain articles as a sign of "bankruptcy", "smash-up" etc. But difficulties never frighten the revolutionary proletarian. It must be understood that the USSR. inherited a technically backward productive apparatus that had been torn asunder by wars, that the working class of the USSR. is building up its economy without any financial assistance from the outside, that the proletariat has to resist the fierce attacks of both the whole capitalist world and all the capitalist elements in the town and in the country. It must be mentioned that Germany received loans amounting to 12,000 millions of marks for the reconstruction of its economic apparatus. But the milliards that we are investing have been created by the effort of the proletariat itself. A revolution, and all the more a Socialist revolution, is not like the smooth and polished floor of a ball room; whoever thinks, that a country like the USSR., surrounded by capitalism, can be reconstructed in only ten years has no idea at all of the mechanism of the class struggle.

While international reformism is hissing and hooting at Socialist construction, the bourgeoisie begins to realise the force and significance of the Five-Year Plan, which is transforming the USSR. from an agrarian into an industrial country. While the enemies of the Five-Year's Plan ridiculed it formerly, they have stopped laughing now; they are witnesses to the enthusiasm of the masses, and begin to believe that the working class by straining every effort will achieve the Five-Year Plan in four years—in spite of everything the Amsterdamers may say. Every delegate present must realise that the Soviet proletariat, by building up Socialism, is working not only for its own cause but also for the cause of the world proletariat. This is the reason why the international bourgeoisie and international reformism are ideologically preparing the masses for the attack on the USSR.

IV. Economic Struggles during the Crisis, Strikebreaking by Reformists, Our Tactics

1. Character and peculiar features of the Strike Movement since the Fourth Congress.

The economic struggles of the working class since the Fourth Congress have been stubbornly resisted not only by the bourgeois governments, and employers' organisations but also by the reformist trade unions. In all its strikes and economic conflicts, the working class and the revolutionary trade union movement were faced by the solid united front of the bourgeois State, the employers, the reformist trade unions; while operating differently (the division of labour) they pursued one and the same aim: **to prevent strikes and, if they occur, break them as soon as possible.** The struggle of all reactionary forces against the strike movement has acquired an extremely violent character during the last years. One of the most efficient weapons in the struggle is the coming to power of the different "labour" government that by means of promises, threats, compulsory arbitration and brute force are suppressing the economic struggles of the proletariat. This explains to a considerable extent why the strike movement did not keep to a steady upward course during the last years, but had its ups and downs. In some countries (India, Germany), the greatest number of strikes broke out in 1928, in others (Britain, France, China and so on) an increase of the movement was witnessed in 1929. The first half of 1930 is remarkable for the considerable increase of the number of strikes in most countries (Germany, France, Great Britain, Latin-America, China, the USA, etc.) which is the answer of the wide working masses to the further worsening of their standard of living.

The world economic crisis has created a situation which, on the one hand, hinders the development of economic struggles (fear of unemployment) but, on the other hand, pushes wide masses of the proletariat into the struggles, owing to their unheard of pauperisation and continuous attacks on their wages and working day. The Rights, on the basis of the falling off of strikes in several countries in 1929, are coming to the conclusion that the masses are not turning to the left. They are wrong, of course, as strikes, though important, are not the only index of the dissatisfaction and radicalisation of the masses. The new difficulties created by the crisis, and the systematic and organised attack of the bourgeoisie against the proletariat, serve to bring out the following outstanding features of the economic struggles during the last period: 1. the strikes become extremely violent on both sides; 2. all forces of the reaction, the police, the reformist trade union bureaucracy, are immediately mobilised for the struggle; 3. the revolutionary trade union movement and the Communist Parties are the only leaders of the economic struggles of the proletariat; 4. all struggles are of extreme political significance.

The violence with which struggles are fought was witnessed during several strikes in Germany (metal workers in the Ruhr, plumbers in Berlin, dockers in Hamburg, metal workers in Hennigsdorf and Mansfeld, etc.), in France (the textile workers' strike in Halluin, the metal workers in Boucau, miners, dockers and others), in England (the metal workers strike in the Austin plant, the miners of Dawden, the wool workers of Bradford, etc.) in Japan (tram workers in Tokyo, the textile workers of the Kanagafuchi mill), in India (the two textile workers' strikes in Bombay, strikes of railway workers and jute workers, etc.), in Australia (miners and woodworkers), in the USA. (textile workers in Gastonia, miners in Illinois, tramworkers in New Orleans, etc.), in China (tramworkers and coolies in Peking, textile workers in Shanghai, etc.), in Italy (the Fiat concern), in many strikes in the Balkans, in Scandinavia, in Latin America, in the Arabian countries and all over Africa. It would take hours only to enumerate the whole number of strikes, lockouts and to explain the reasons of their outbreak. But the following must be noted: the year 1928 shows a great number of strikes and strikers, but 1929 stands out as an example of the quality and violence of the strikes. Struggles are becoming very sharp, the strikes last longer than usually, clashes and bloody encounters between the workers and the fascist and social-fascist gangs are the order of the day. The workers more quickly and sharply repel the attacks of the owners, and answer them with counter-attacks. Scarcely any of the

strikes proceeded peacefully. In all countries, even in the so-called democratic countries, the whole power of the ruling classes was brought into action to crush the resistance of the workers. The bourgeoisie sent out police and soldiers, made mass arrests, murdered the leaders, openly or in the dark, shot at pickets, brought car-loads of strike breakers under police protection to the plants, organised special gangs and used special anti-strike legislation and compulsory arbitration to crush the movement.

2. Strike Breaking Tactics of the Reformists and the Reasons for their Success.

The most disgusting role in the violent suppression of the strike movement is played by the social-fascist bureaucracy, which has worked out a complicated system of strike breaking and the smashing-up of the strike movement. The reactionary trade union bureaucrats are influencing the workers chiefly by means of their various organisations and supporters in the factories, in order to **quench** the discontent of the masses and divert their attention to **appeals and petitions.** They avoid struggles and explain to the workers in periods of prosperity that strikes violate the interests of society and undermine the economic power to compete on the international market; while during a crisis, they say that strikes are hopeless, that the workers should agree of their own free will to reductions of wages for the sake of the interests of the national industry.

Whenever the discontent of the masses rises to its highest pitch, the reformist trade union bureaucrats begin to take ballots for months on end, going on with their agitation and propaganda against the strike and advocating the acceptance of demands proposed by the owners and arbitration committees. Whenever the vote fails to be favourable to capitulation, the reformist leaders propose to postpone the struggle till the economic situation improves and, at the same time, carry on negotiations behind the scenes with the employers in order to jointly break up the movement. The social-fascists and owners, in order to disorganise the masses, dismiss the most active workers who favour a strike from the factories and mills, thus trying to behead the movement even before it begins. If the workers, nevertheless, insist on their demands and defend the dismissed comrades, the strike is declared to be unofficial, and the members of the union are refused any benefits, though they may have paid their dues for years. If these measures are of no avail, the trade union bureaucrats call on the members of the unions to break the strike, and quite openly recruit new workers that are to take the place of the strikers. Arrests are made, pickets are smashed and strikebreakers are given the open support of the police and military. In order to bring the struggle to a rapid end, the reformists send out their gangsters against the workmen; reinforced by the fascist gangs, they terrorise the workers. While the police and the volunteer corps of the fascists and Social-Democrats smash up the strike, the trade union bureaucrats are fawning upon the ministers, organise meetings with the owners, and appeal to the government to "impartially" settle the dispute by means of arbitration. The bourgeois government, of course, introduce a compulsory reduction of wages, and the trade union bureaucracy for and on behalf of the workers agree to the conditions that were made up with their own support and call off the strike. If the workers are classconscious enough and refuse to swallow this manoeuvre, dissension is sown among them by endless ballots and, if they are still obstinate, a whole mass of reprisals is put into practice, for which purpose the reformists don't grudge the union funds.

I cannot enumerate all the strikes that were smashed by these methods, but I shall mention a few. The lockout of 500,000 cotton textile workers in England, where the reformist tricks ended in a 6 1/2 per cent. reduction of the workers' wages; the miners' strike in Dawdon; the wool-workers' strike, which ended with a 9 1/4 per cent. reduction, and so on. In Germany: the lockout of the metal workers in the Ruhr, the strike in Munich, Gladbach, the dockers' strike in Hamburg, the strike in Hennigsdorf, the miners' strike in Waldenburg, the textile workers' strike in Silesia, the metal workers' strike in the mills of Pharmazit Terma, Bamag, the strike in Mansfeld, the dockers' and shipbuilders' strike in Hamburg—all these strikes were smashed owing to the combined attacks of reformists and owners. All methods were used from persuasion to expulsion of the leaders and the hiring of strike breakers. The result was the same everywhere, a reduction of wages. In France: the dockers' strike in Bordeaux, the miners' strike

in the Loire, St. Etienne, Aveyron, the strikes in the Upper Seine district, in Belfort, in Boucau, the dockers' strike in Nantes, the strike against the social-insurance law in the North, the shoemakers' strike in Pienne, etc. **India:** during both textile workers' strike in Bombay and the strikes of the railway workers and the jute workers, the reformist trade unions used every effort to sabotage the movement. — The result was a reduction of the wages and the dismissal of tens of thousands of workers. **Japan:** during the strike in the General Motors Plant the left reformists expelled the most active comrades, stopped the publication of the strike bulletin and broke up the strike committee. As a result the strike was lost and 300 workers were dismissed. The reformists again supported the employers during the strike of the 40 000 textile workers of the Kanagafuchi Mill. In Latin America, China, the Philippines, Australia, Canada—everywhere the same tactics are applied, the only difference being that in Spain and in several Latin America countries (Argentine, Mexico) the anarchists are in alliance with the reformists to support the employers.

The result is everywhere the same—the smashing-up of strikes, reduction of wages, a worsening of the conditions of labour. Thus we see that all these cases are not isolated strike-breaking actions of "bad" reformists: quite the contrary. It is the policy of the whole reformist trade union movement—to break off all and any struggles and to enslave the working class.

Social-fascist tactics are not so simple as they appear to be at the first glance. In order to keep their hold on the masses, they prefer to use finer and less visible forms and methods of breaking strikes; only in extreme cases they openly break strikes. Whenever withdrawal from the strike would be followed by the loss of their influence the social-fascists from the first take the lead of the movement and intentionally steer it to defeat in order to cure the workers of "strike fever". The social-fascists, in order to hasten defeat appoint fake strike committees, ordering the workers to stay at home until called for; in the meanwhile they carry on feverish negotiations about arbitration, the conclusion of new collective agreements, etc. Having come to an agreement behind the scenes, they declare the strike to be ended by the trade union. Wherever revolutionary trade unions exist (USA., France, etc.), the reformists, in agreement with the employers, sometimes declare a pseudostrike, with the only aim of concluding a collective agreement after a couple of days without and against the revolutionary trade union, and to dismiss its members from the plant. The provocative garment workers' strike in New York, organised by the Schlesinger union with the assent of the employers, is a striking example. Our comrades were taken unawares by these tactics and lost several positions. This is additional proof that the social-fascists are using not only methods of crude strike-breaking but often break strikes by means of declaring a strike, the moments most favourable to the employers being chosen for actions (the slack season, large reserve stocks, unpreparedness of workers, etc.).

It is not sufficient for us to place on record the strike-breaking methods of the reformists—we must enquire into the reasons for the success of their tactics, and ask ourselves why the reformists succeed in defeating the little and great struggles of the working class. As soon as we understand this, we shall find the way for cutting out this cancer that is sapping the strength of the workers' movement of the world.

Let us look more closely into this matter.

a) Amsterdam is based on the whole bourgeois State apparatus. In China, Rumania, Hungary, Yugo Slavia, Poland, Greece, etc., the Amsterdammers exist only thanks to the severe persecution of the revolutionary workers by the State. In alliance with the police they are stronger than the revolutionary wing of the workers' movement. Whenever the workers succeed in breaking through the police barriers, the Kuomintang and Amsterdam are repulsed. Repressions are widely practiced in other countries (Germany, Japan, USA.); the State apparatus begins to act most violently whenever strikes are to be suppressed. The State, especially the democratic kind, uses not only force but also bribes, trying to rob the working class of its most energetic elements.

b) The Amsterdammers have organised a wide network of trade union organs outside and inside the enterprises. Trade union bureaucracy has a well trained hired and elected apparatus in Germany, Britain, Austria, USA.; a considerable number of persons in the different enterprises is directly

connected with the apparatus (dues collectors, representatives, shop committees and other middle and low officials). This apparatus functions like clock work; all intercourse with the employers referring to wages, labour conditions, etc. is concentrated there. This apparatus is the most important political weapon in the hands of social-fascism.

c) The Amsterdammers are winning over part of the workers by guaranteeing permanent jobs. The Amsterdammers are utilising their political and organisational influence to grant the best positions and the highest wages to the active supporters of their policy. It is not difficult for them to enforce certain privileges for their active supporters owing to the open political and technical support of the employers. This statement is however very far from comrade Varga's opinion who says that only counter-revolutionaries and spies have permanent jobs at present. In fact the majority of the workers are employed in spite of mass unemployment. Why then present such formulas?

d) The Amsterdammers utilise the craft interests of various groups of workers to the detriment of the working class. The reformist unions, even when they have unskilled workers among their members, first of all defend the interests of the skilled workers. The principal attention in the fixing of price lists and the conclusions of collective agreements is paid to the craft interests of small groups of workers, while the majority of unskilled workers, women and young workers are entirely neglected. The Amsterdammers are sticking to craft traditions (let me remind you of the British trade unions!) and thus win over all those to whom these traditions promise to be profitable.

e) The Amsterdammers reflect and defend the interests of the workers' aristocracy, opposing it to the majority. The same policy is pursued here as in the preceding paragraph. The aristocracy of labour consists of the most highly paid skilled workers, and the Amsterdammers, instead of fighting the greed and egoism of various groups corrupted by imperialism, support these tendencies and cause splits in the working masses. This should not lead us to the hasty conclusion that all skilled workers are hopelessly lost to the cause of revolution (Czecho-Slovakia) or to affirm that there is no labour aristocracy in the enterprises and that, therefore, the bourgeoisie cannot gain any foothold there. Lenin repeatedly spoke of the "economic splitting off of a section of the Labour aristocracy into the camp of the bourgeoisie". Though the base of the labour aristocracy owing to capitalist rationalisation, has been narrowed, this class of workers, though not numerous, stays in the enterprises (the workers' bureaucracy being outside), and plays a most important part forming the driving force of reformist policy and tactics. (See for information on this question comrade Lapinski's interesting book: "The Crisis of Capitalism and Social-Fascism", pp. 141—154.)

f) The Amsterdammers are playing off one group of workers against the other during strikes. This is achieved in the following way. The Amsterdammers during the negotiations suggest that the employers satisfy the demands of a small group of workers who are playing an important role in the industrial process. Granting of the demands of this group of workers is generally the signal for discord among the strikers themselves. The workers, the demands of whom were granted, supported by the trade union and with its consent, return to work—and the strike is broken. And ancient proverb: "Divide and rule" is frequently used by the trade union bureaucracy by splitting the united front of the strikers into separate groups, which defend their own petty craft interests.

g) The trade union bureaucrats, having arisen from among the workers, know the weaknesses of the movement and thus can more easily split it. The most dangerous enemies of the workers are those within the working class itself. This is why the bourgeoisie so highly values former workers and pays big salaries to all these Jouhaux, Leiparts, Greens and Citrines, Mussolini's political headquarters are recruited from former socialists, anarchists and syndicalists. The bourgeoisie fully utilises the faith that the workers are putting into their former comrades in order to keep the working masses in check. As soon as this faith is exhausted, these gentlemen are simply employed in the employers' organisations (Frank Hodges, Farrington, etc.).

h) Strikebreaking is organised under the banner of Socialism and in the name of trade unions. Trade unions have gained the reputation among workers of being organs for the defence of their interests. The majority of the workers consciously,

and even instinctively hate scabs. The trade union that were organised by the employers, had therefore always a very small membership. The members were obviously corrupted and had sold themselves. The masses cannot enter such trade unions. At present it is the reformist union that carry out strike breaking activities, but they do it under the flag of Socialism. There are always some wavering elements among the strikers who care more for their own private interests than for those of the whole body. They do not dare to scab openly; but matters are different if the trade union or the social-democratic party are calling them back to work. It is always easier to disorganise a movement than to organise it; whenever hunger visits the families of the strikers, appeals to return to work fall often on fertile soil during a strike.

1) **Reformism still enjoys some influence on considerable numbers of workers.** We should be near-sighted if we denied the influence that the reformists still have among the masses: on the contrary, they still have much influence on the most politically backward elements among the workers, attracting them by propaganda, agitation, theory and practice. Reformism promises to improve the workers' conditions in a peaceful way and without any bloodshed. It promises Socialism without

revolution, liberty without struggle and utmost happiness without misery and sufferings. There are millions of workers that are quite honest in their mistakes; it is these that we must and can win.

Adding to all these reasons the wide network of mutual benefits in the reformist trade unions, and the natural desire of every worker to keep the rights that he gained by regularly paying dues for a whole number of years, and further the compulsory arbitration used to browbeat part of the workers we arrive at the sum of reasons why the workers very often follow the trade union bureaucracy, and why the latter so often succeed in breaking the strike movement in most of the countries. Capitalist rationalisation, the economic crisis and the violent attack of the bourgeoisie supported by the reformists against the standard of living of all classes and groups of workers, are undermining the influence of the reformists. We rely on this objective factor in our struggle for the majority of the working class; but subjective factors are also necessary as much as favourable objective circumstances, which leads me on to the last, but not the least important, reason why we were defeated in a number of economic struggles.

(To be continued.)