

The COMMUNIST INTERNATIONAL

(Published twice monthly).

Vol. VIII. No. 5.

Workers' Library Publishers,
35 East 125th St., New York.

March 1st, 1931

CONTENTS

	Page
THE UNITED FRONT OF EMPLOYED AND UNEMPLOYED By A. Lozovsky	122
NOTES ON BRITISH IMPERIALISM IN 1930 By R. Page Arnot	125
THE MECHANISATION OF PRODUCTION IN CAPITALIST COUNTRIES AND IN THE U.S.S.R. By M. Rubinstein	132
INTERNATIONAL UNEMPLOYMENT DAY IN BRITAIN By Hal Wilde	136
THE SOCIAL FASCISTS ON THE "SOLVING" OF THE WORLD ECONOMIC CRISIS AND UNEMPLOYMENT By R. Naumann	140

TEN CENTS

THE UNITED FRONT OF EMPLOYED AND UNEMPLOYED

By A. LOZOVSKY.

UNEMPLOYMENT continues steadily to increase ; every day information comes from all corners of the earth concerning the shutting down of more and more factories, lowered production, increased unemployment and the introduction of a shorter working week. How many unemployed are there in the capitalist world ? The counterfeiter of the International Labour Office of the League of Nations remained silent on this point for some time ; then a few months ago they at last instructed their learned henchmen to institute an enquiry. These gentlemen came to the conclusion that the whole world contains 15 million unemployed. The Geneva prostitutes now report that there are already 20 million unemployed, and in order to provide a shred of authenticity to their figures, they give a list of countries and refer to the official statistics.

But the Geneva hirelings in vain imagine that their figures are at all convincing ; it is well known that unemployment statistics are a "sore point" in all capitalist States. Who is interested in concealing the number of unemployed ? The State, the owners, and the reformists. Why are they interested ? Because otherwise they would have to admit the correctness of the estimates made by the Communist International and the R.I.L.U. Therefore the League of Nations, all its scientific commissions and its trade union department in the form of the Amsterdam International, all give definitely falsified figures in the hope of deceiving somebody at least. Yet the most elementary, most approximate calculation of the number of unemployed in capitalist countries proves that every one of the Geneva professors and politicians is merely uttering platitudes and lying enough for two. If we take the capitalist countries alone, then the most modest calculations show a figure for unemployment of over 30 million. And we have no figures concerning the semi-colonial and colonial countries. If we add the tens of millions of unemployed and starving workers in such countries as China, India, Indo-China, Philippines, Indonesia, Africa and so on, then it becomes quite obvious how really false and shameful are the figures of the Geneva Labour Office.

Every worker is faced with the menace of unemployment. There is now no workers' family not affected in one way or another by unemployment ; therefore the question of the fight against unemployment has become the most urgent, the most concrete question for the whole working-class. Even the most backward workers cannot fail to think of to-morrow—they see with their own eyes how factories and workshops are being shut down, how

millions of workers are being thrown on the streets, with what insolence the capitalists are ever trying to lower the already miserably low standards of living of the workers. For this reason the question of unemployment is the problem of to-day for every worker still employed. Your turn to-day, mine to-morrow. . . .

* * *

This huge, rapidly increasing unemployment has exceedingly alarmed the entire capitalist world. State politicians, learned deputies, engineers and trade union bureaucrats are all racking their brains to solve this question ; the number of inventions in this sphere grows daily. All these inventions have one aim : to distract the attention of the workers from social insurance by the State and the employers ; hence the idea of the "stagger system" of working in turns (Hoover), the plan to hand over to the owners all sums of money which the unemployed receive in benefits, on condition that they employ these unemployed in their own factories (German Finance Minister Dietrich), and the temporary shortening of the working day with a corresponding decrease in wages (Amsterdam International), etc.

Among these plans for the miraculous healing of unemployment, the "Christian" International of Trade Unions also intended to give its widow's mite ; it therefore issued a special number of its publication devoted to the crisis, which cites the opinions of archbishops and other members of the Church, "competent" to deal with these questions. From these writings it appears that unemployment is increasing because all have forgotten God. And since their prescriptions are beginning to take on a godly character, we can hand them over to the theology specialists, and engage ourselves with more real things.

The prescriptions of Hoover, the Amsterdam International and others actually differ nowise from those of the Catholic bishops ; each in his own way throws the weight of the crisis and unemployment upon the shoulders of the working-class ; each in his own way tries to muddle the minds of the workers, so that they forget their own direct enemies. The united forces of these worthy lambs of Pius XI—Hoover, William Green, Leon Jouhaux, Friedrich Adler and Dietrich and the richest capitalist magnates—are proof of the fact that we are faced with a broadly organised campaign against the unemployed and against the main slogan of millions of workers—unemployment insurance to be paid by the State and the employers. Each one of these allies is mainly

engaged in trying to fool the unemployed, to drive a wedge between the employed and unemployed and to prevent the carrying out of the revolutionary slogans of the Communist International and R.I.L.U.

* * *

The world labour movement is now sharply faced with the question of forms and methods of struggle against unemployment. Almost everybody knows that unemployment will vanish only with the overthrow of the capitalist regime, so that this is not the central question for the International Day of struggle against unemployment. The unemployed cannot wait until the working class conquer and build up the Socialist State. The worker and his family wants food now, and our slogans must suit the elementary requirements of the unemployed. However, our slogans must concern not only the elementary requirements of the unemployed, they must also get home to every worker. We must therefore bring before every worker the question of how *immediately* to obtain results, how *immediately* to save millions of people from death by starvation. This means that the whole campaign around unemployment must have as its backbone the struggle for State insurance by the State and owners to the full amount of wages.

The campaign should arouse millions of workers to seize the bourgeoisie by the throat and force it to immediately satisfy their demands. Can we achieve this? Certainly we can. Social insurance for the unemployed can be obtained within the framework of capitalism, and we must therefore condemn, as a very definite political mistake, the attempt to stipulate the introduction of unemployment insurance by the establishment of the dictatorship of the proletariat. To put the question in this way is to immediately cut down the ranks of our fighters; for the overwhelming majority of unemployed will come to understand the link between unemployment and the capitalist system itself only in the course of the struggle. Our task is to bring before every proletarian the question of *immediate* assistance to the unemployed, as a practicable problem of to-day; and from this point of view to launch out with our work. Despite the infuriated resistance of the bourgeois State, it is possible in given circumstances to obtain direct results.

It is certainly possible to achieve this, but two conditions must be fulfilled: (1) a mass organisation of the unemployed; (2) a solid, united, fighting front of the unemployed and employed.

* * *

What is the position as regards the organisation of the unemployed? We must admit quite frankly that we are moving forward in this respect at a snail's pace. Can we really consider it enough that in the United States we have a few thousand workers in unemployment organisations? Can we be satis-

fied with a state of affairs where there are only 15,000 in the unemployed organisation in England? We have not the exact figures for other countries, but there is not one country where the unemployed organisation embraces hundreds of thousands; and this is our weakest point.

Where millions are thrown on the streets, we ought to know how to unite these millions, for only the Communist International and the R.I.L.U. want to fight for the interests of the unemployed. The unemployed have many "benefactors": a special variety of lady bountiful has now evolved, who from morning to night bewails the fate of the "poor unemployed." But what is the use to the unemployed of these ladies bountiful from the League of Nations and the Amsterdam International, if their pity is for their own political purpose—to switch off the activity of the unemployed to the spheres of sighs and hopes for the future; to create a diversion whereby the unemployed, instead of demanding bread and work, will demand from their class brothers that they hand over their jobs in the workshop.

Indeed, the slogan for the temporary reduction of the working day aims at laying the burden of the crisis upon the workers; the worker must work half or two-thirds of a week with a corresponding decrease in wages—the remaining time is given to an unemployed worker. Can we call this a fight for the interests of the unemployed? This is the foulest kind of deceit. This is what the slogans of the left wing bourgeoisie represent.

We are the only advocates of definite demands for the defence of the daily needs of the proletariat, who propose at the same time forms and methods of struggle. It would seem that this fact should create all the prerequisites for the organisation of the unemployed masses around the sections of the Communist International and the R.I.L.U., and yet things go ahead very slowly. Why?

Because in the unemployed organisations, agitation takes precedence over organisation. It is not enough to launch forth slogans; we must go to the unemployed masses and explain these slogans; we must learn not only how to organise demonstrations, but to consolidate the results of each demonstration; we must learn not only to elect unemployment committees, but to keep an account of the number of persons who participate in the elections to these committees. The unemployed must be organised on the basis of permanent activity; they must not be appealed to spasmodically; but work among the unemployed must become one of our most important tasks, and we must prove to every unemployed worker that we not only put forward the most radical demands, but also that we fight radically, and that our way is the only way to obtain the demands we are fighting for. Then the masses will be with us.

We must increase tenfold the work among the unemployed, the more so since otherwise a section of the unemployed will fall under the influence of Fascism. The Fascists also have no active slogans to put forward. Fascism wants to utilise a section of the unemployed against the growing revolutionary wing of the labour movement. Therefore it is extremely dangerous to remain passive in the work of organising the unemployed.

* * *

Of even greater danger is the possibility of a breach between the unemployed and employed workers. All the inventiveness of our enemies is directed towards setting the employed workers against the unemployed. This is the whole point of the slogan of a temporary reduction of the working day with a corresponding lowering of wages. The aim of this slogan is not mentioned, but its hypocritical meaning is quite clear. The Amsterdam International, instructed by its masters, turns to the unemployed and says: "You are starving because the man who is still working in the factory is an egoist; he doesn't care about you; he doesn't want to let you have part of his wages; he doesn't want to evince proletarian solidarity towards you; you must fight to make the workers engaged in industry give up their place at the bench to you." This is the idea of their vile slogans. This particular slogan makes possible the enormous danger of a split in the working-class, a split between the workers and the unemployed. It means the setting of one section of the workers against the other; the driving of starving, desperate workers to blacklegging and the betrayal of their class interests. This amounts to driving one set of workers against the other.

Whose interests does this serve? Who wins? What do the workers and unemployed get from such tactics? They both lose, both the workers still engaged at the bench and the unemployed. The employed become part-time workers; the unemployed become the same and the State stops paying them unemployment relief. The owners evade the payment of additional taxation, and the bourgeoisie, thanks to the splitting of the workers into two enemy camps, can keep both in an iron grip.

In these circumstances, daily work for the consolidation of the united front of employed and unemployed becomes of especial importance. It is extremely important to arrange for all kinds of joint activities: the active participation of the unemployed in assistance to strikers, participation of employed in unemployed demonstrations; joint presenting of demands, etc. The united front should find its organisational expression in demonstrations and the presenting of demands. But this is not all: this united front must be strengthened organisationally. This means that workers must be represented on all

unemployed committees; the problem of unemployment should be discussed in all factories; every worker should understand that he is a candidate for hunger and poverty, and that only joint activities can create a change in this direction.

Is this line carried out sufficiently energetically? It is carried out in both articles and speeches, but to a much lesser degree in actual daily practice. The unemployed organisations in many countries are cut off from the Comintern and R.I.L.U. sections; no daily joint work goes on; there is no unity of action; there is a certain degree of overlapping. In some countries an almost complete theory has been created to the effect that the unemployed should be formed into a close organisation, and that the more independent of the R.I.L.U. section this movement is made, the better. All these theories are extremely harmful, the more so now, since they take the line along which the bourgeoisie and the Amsterdam International are urging the workers.

Those who do not help to forge a united front between the employed and unemployed, who break away the unemployed organisations from the workers' organisations, who try to isolate the unemployed movement from the general proletarian class struggle, who separate the demands of the unemployed from general class and political demands of the workers,—whether they want to or not will bring tremendous harm to the labour movement of their countries.

* * *

The International Day of struggle against unemployment must be a widespread review of the forces of the revolutionary labour movement. This is not only the day of the unemployed; it is the day of the united front of unemployed and employed, a most important day for the labour movement as a whole. Therefore, in preparing for International Day, our chief task must be to bring forward as of most importance the problem of the united front of employed and unemployed. Thus the whole question of the united front from below is placed on the order of the day, for this is the best time for adopting this tactic. The tactic of a united front from below cannot be adopted in general terms: it can only be used in connection with concrete mass activities, and what can be more concrete than the demands of the unemployed; what is of a more mass character than the hunger actions of millions; and what time can be better for this tactic of the united front from below than during discussions, drawing up of demands, the presenting of these demands to the ruling classes, and in unity of action in all kinds of demonstrations and other political activities.

It is quite obvious that the tactic of the united front is essential for uniting the unemployed and employed, and also for bringing together the unemployed

themselves ; for only thus can we tear away from capitalism, fascism and social-fascism those workers who still follow in their trail.

We cannot know how many workers and unemployed will demonstrate on February 25th with their proletarian demands; but our task is to mobilise the workers according to the branch of industry on which they work, and in the localities, and to bring out millions into the movement. If last year there were 17 to 18 million unemployed, the number is now well over 30 million. Hunger and poverty have grown tenfold, and the whole movement this year should be raised to a considerably higher standard than on March 6th last year. This can be obtained only by uniting the unemployed on the basis of the united front from below and consolidating the united front of unemployed and employed.

On February 25th the question of unemployment comes before the international proletariat as a whole, that is to say, we do not only raise the question of provision for the unemployed but also the question of the destruction of the system which produces hunger, suffering and unemployment.

Recently, the Second International and the Amsterdam International have jointly attempted to give an answer to the question of a way out, but this answer which has been whispered to them by the League of Nations consists in making the workers take upon themselves all the burdens of the crisis and of unemployment. We give a different answer. The

present economic crisis is the sharpest expression of the collapse of capitalist stabilisation. It accentuates all the internal contradictions, it mobilises millions of workers in the struggle against hunger, suffering and the capitalist system.

We raise on February 25th the question of the true way out from the present crisis. The answer to this question was given by the October Revolution. While unemployment advances like an avalanche in the capitalist world, in the Soviet Union it has completely vanished. The liquidation of unemployment in the U.S.S.R. is the most important political international fact of last year. This fact reflects in the clearest manner the contrast between the two irreconcilable systems, the system of capitalism and the system of Socialism.

Let the social-fascists attempt to repair capitalism as it goes to destruction. Let the quacks of the Second and Amsterdam Internationals seek out "left" manoeuvres for the salvation of their masters. The revolutionary labour movement, united through the Communist International and the R.I.L.U., which knows in which direction events are bound to develop, must accelerate the historical process, must liberate and organise those mighty forces which slumber in the depth of the toiling masses. The way out from hunger, suffering and unemployment lies only in the struggle for the dictatorship of the proletariat and the establishment of the Soviet system. There does not and cannot exist any other solution.

NOTES ON BRITISH IMPERIALISM IN 1930

By R. PAGE ARNOT.

THE year 1930 opened with the British bourgeoisie hoping that the economic crisis of American capitalism would wreck their chief rival and that they themselves would escape its worst effects. The bourgeois economists were incapable of comprehending that the capitalist world was entering upon a world economic crisis as the Communist International had defined it at the end of November, 1929. The bourgeoisie had hopes that the increase in production and the slight economic revival which had marked the year 1929 would continue into 1930 and that with increased intensity of rationalisation the export trade which had been still far behind in 1929 would be built up. 1930 it was hoped would see the recovery of the export industries. They had hopes too that the contradictions which beset British imperialism would be solved in that year.

The Labour Government which had the task of carrying through rationalisation in alliance with the trade unions and of restoring British capitalist prosperity at the expense of the working-class and the colonial masses, had also the task of "smoothing

away" all external antagonisms. The Five-Power Naval Conference was to put an end to Anglo-American rivalry, the Imperial Conference was to be held and the Empire to be made into a "free and equal British commonwealth of nations" (by which was meant an increased pressure on all the exploited classes of the Empire). The "solution" for India was to be found by the fructifying of the work of the Simon Commission in a Round Table Conference.

Moreover, not only was 1930 to be a year of economic and political progress for the bourgeoisie, but this progress was to be accomplished by the unity of all the imperialist parties. It was of particular significance that the great tasks of this year were to be carried through by the Labour Government which had already won its spurs as the defender of British imperialism at the Hague Conference in the summer of 1929.

The year 1930 ends with a rapidly deepening economic crisis, with production steadily falling away, with trade at its lowest ebb, with an unceasing revolutionary upsurge amongst the masses in India

and other colonial lands with great class conflicts maturing in coal, textiles, building, transport, etc. All the grandiose conferences of 1930 (Five Bandits Naval Conference, etc.) had one after another proved fiascos.

In the last months of 1930, the Labour Party ministers and other capitalist apologists were driven to the desperate resort of stating that, badly as Britain has been hit by the world economic crisis, its rivals, Germany and the United States, had been even harder hit. But this cold comfort was more than offset by the spectacle during 1930 of the victorious forward development of the Soviet Union and the series of successes that made it possible to estimate definitely that the Five-Year Plan of socialist construction would be carried out in four years. Every feature of the world economic crisis in Great Britain contrasted with an opposite condition in the Soviet Union.

In Britain and in U.S.S.R.

In capitalist Britain, with a Labour Government, production was falling at a speed which was only surpassed by the still greater speed with which it was growing in the Union of Socialist Soviet Republics, a speed unknown even in the youth of English capitalism. In Britain, the slackening of capital emissions showed the growing impotence of British capital to reproduce itself, while Soviet socialist reproduction was advancing by leaps and bounds. In Britain, national income was diminishing, and the shrinkage of State revenue was facing the bourgeoisie with the gloomy prospect of a budget deficit; while the income of the Soviet Union was swelling (with a corresponding expansion of the State budget) from 29 million roubles in 1929 to 35 milliards in 1930 and an assured 49 milliards in 1931—a stupendous expression of the superiority of planned economy under the proletarian dictatorship to the intensified anarchy of capitalism in decline.

Wages were falling in Britain as they were rising in the Soviet Union. In Britain the workers' standards in hours of labour, conditions, etc., were being attacked, while the Seven-Hours Day (with six hours for mining and hazardous trades) was spreading rapidly throughout the Soviet Union and the expenditure on cultural and educational work was being enormously expanded. But of all contrasts, the most striking contrast, the most obvious to every worker, was that in capitalist Britain the number of unemployed increased by over a million at the same time as unemployment ceased altogether in the Union of Socialist Soviet Republics.

The Evidence of Figures.

It is not possible, with the necessary figures of the fourth quarter and therefore of the whole year as yet unavailable, to measure exactly the effect of the world economic crisis in 1930 on British imperialism; and

it may be possible at a later date to go into the subject more fully. But it is clear even from the figures available that the crisis began to have its effect in the first quarter and in the second quarter developed at a very rapid speed, while the tempo of its decline would appear to have been further aggravated in the fourth quarter just concluded.

The British Board of Trade Index Number of Industrial Production with 1924 as its base line, shows a drop from 114 in the fourth quarter of 1929 to 110.9 in the first quarter of 1930; to 103.1 in the second quarter; and to 99.5 in the third quarter.

The production of steel alone has diminished as follows:—

Year 1924	....	....	....	....	100
Year 1929	....	....	....	....	117.1
1st quarter	....	....	....	....	115.8
2nd quarter, 1930	....	....	....	....	97.0
3rd quarter, 1930	....	....	....	....	80.0
October, 1930	....	....	....	....	75.0
November, 1930	....	....	....	....	63.5

that, is, nearly half the production of November twelvemonth.

Pig-iron similarly has diminished as follows:—

1924	....	....	....	....	100
1929	....	....	....	....	103.7
3rd quarter, 1929	....	....	....	....	110.5
4th quarter, 1929	....	....	....	....	107.5
1st quarter, 1930	....	....	....	....	105.3
2nd quarter, 1930	....	....	....	....	98.4
3rd quarter, 1930	....	....	....	....	72.7
October, 1930	....	....	....	....	68.2
November, 1930	....	....	....	....	63.1

The number of workers employed in the whole of industry has steadily fallen and the number of unemployed has risen as follows:—

INSURED WORKERS, Unemployed:

3rd quarter, 1929	....	....	....	....	1,156,000
4th quarter, 1929	....	....	....	....	1,269,000
1st quarter, 1930	....	....	....	....	1,552,000
2nd quarter, 1930	....	....	....	....	1,784,000
3rd quarter, 1930	....	....	....	....	2,056,000
October, 1930	....	....	....	....	2,246,000
November 1930	....	....	....	....	2,294,000
December 29th, 1930	....	....	....	....	2,643,127

The percentage of insured persons unemployed has risen from 9.6 in June, 1929, to 15.8 in June, 1930, and now to 20 per cent. in December, 1930.

These figures apply only to the registered unemployed; the total number is considerably higher, and may be estimated at something well over three millions.

Exports have fallen even from the comparatively low level (compared to the Index of Industrial Production) at which they stood in 1929. In 1929 the monthly average of exports of manufactured goods stood at £47.8 million; in June they had fallen to £33.8 million and by November to £32.7 million. Imports of raw material went down from £23.8 million in 1929 to (monthly average) £20.4 million in June of 1930 and £16.5 million in November.

Exports of coal stood at a monthly average of 5 million tons in 1929; in November, 1930, they had dropped to 4.1 million tons. Similarly, exports of iron and steel fell from 360,000 tons in 1929 to 200,000 tons in November, 1930. The exports of cotton piece goods (306 million square yards in 1929) fell to 130 million square yards in November, 1930.

The condition of industry was reflected in the Stock Exchange, where the Financial News Index of 30 industrial ordinary shares, whose average price in 1928 stood at 100, stood at the following prices during 1930:—

September, 1929	.....	100.6
January 1st, 1930	.....	86.8
February 28th, 1930	.....	82.7
March 31st, 1930	.....	88.8
August 22nd, 1930	.....	72.9
September 4th, 1930	.....	80.7
December 17th, 1930	.....	70.0
December 31st, 1930	.....	71.7

This fall in industrial stocks of nearly 30 was offset only to a very limited amount by a rise in gilt-edged stocks amounting to between 2 and 9 points. The "lack of public confidence" in British capitalist industry was further shown by the figures of capital issues during the year 1930. The domestic capital issues for other than government purposes fell from £179.7 million in 1928, to £136.6 million in 1929; and £105 million in 1930.

The slump in wholesale prices (according to the "Statist" index it was 22 per cent. during the year) is closely connected with the agrarian crisis, and the agrarian crisis has a particularly marked effect upon Britain which is so highly dependent on its overseas trade.

The "Economist" in the last number for 1930 consequently speaks of the curve having "turned unmistakably downwards." It says, "wholesale prices began to fall with renewed precipitancy at the end of November." Unemployment returns "continue to grow in contradistinction to the normal pre-Christmas tendency." Overseas trade "receded again." In November, the indices of consumption of cotton, iron, and steel, of employment, railway goods, traffic and export of manufactured goods "are all eloquent of an acute stage of depression." This leading bourgeois economic journal ends its doleful summary with the statement that "this country has suffered most in its foreign trade" and they go on to the inference that "we use the time in placing our costs upon a competitive basis."

But the general position of capitalist Britain is much worse than might appear only by a comparison of the figures in 1930 with those of 1929 or other immediately preceding years. The British bourgeoisie, the pioneers of world capitalism, are in a much more serious position than is evidenced by these figures. The last fifty years have seen a rapid change from the

time when England was the workshop of the world and when the United Kingdom exports of iron, steel and of machinery were twice as great as those of its three chief rivals put together; when its export of cotton manufactures were seven times as great as the sum of America, France and Germany.

Already before the war Britain was being distanced by her rivals. The opening of the century showed the United Kingdom exports of iron and steel as hardly equal to that of the three chief rivals put together, which was still more true of her exports of machinery, while even in cotton England's sevenfold predominance had become only a threefold predominance. This process continued up to the years before the imperialist world war, when, however, it could still be said that Britain was the foremost of the world imperialist Powers in trade.

Since then the process has developed much more rapidly. World production has increased in a very unequal way in every basic industry (except ship-building) and especially in new industries. But in Britain, in every one of the basic industries, with the solitary exception of steel, British production in 1929 was from 12 to 35 per cent. lower than in 1913. The production of iron ore is 82 per cent. of 1913; of coal exports 87 per cent.; of pig-iron 73 per cent.; of new ships launched 84 per cent.; of cotton used 65 per cent.; of engineering exports 80 per cent.; of steel products 73 per cent. (1928); and of wool exports 76 per cent. (1928). British imperialism in her basic industries has suffered not only a relative decline compared to her rivals but an absolute decline. It is against this background that we have to consider the present plight of the British bourgeoisie.

The agrarian crisis with its stupendous fall in prices (rubber fell to less than one-half of its 1926 price in 1929, and from then in 1930 it dropped till it stood at one-fifth of its price of four years back) of raw materials and foodstuffs not only delivered a deadly blow at British capitalist industry, but by the ruin of the peasant producers accelerated the speed of the revolutionary movement in the colonies. More than a half of mankind in Asia, Africa and South America are faced by ruin.

The Revolutionary Tide in India.

The antagonism between imperialist Britain and the colonial and semi-colonial countries, which had already with the growth of the agrarian crisis in the preceding years reached a high stage in 1929, now became greater and greater in 1930. Of these by far the most important from the point of view of British imperialism was the revolutionary upsurge in India, which steadily gathered force throughout the whole of 1930. In April and May the armed seizure of the armoury at Chittagong in Eastern Bengal, the rising

in Peshawar in the North-West Frontier Province, the rising in Sholapur in the Bombay Presidency, displayed the widespread character of the revolutionary wave. The movement of the "Red Shirts" in the revolutionary peasant organisation around Peshawar, whose emblem was the hammer and sickle, was followed by the attack of the Afridi tribesmen upon Peshawar. These peasants of the hills withstood the bombing attacks of the British air force (6,000 bombs were dropped in one attack). Throughout the whole of the summer months the war continued, until the Labour Government was compelled to consider the "pacification of the frontier" by an expeditionary force whose cost would have been not less than £22 million sterling.

Throughout the spring, summer and winter of 1930, the weekly communiqués of the Government of India was forced to admit that they were in the midst of a difficult situation. The movement of the masses grew steadily, as was shown by the outcome of the Yeravda conversations with Gandhi and Nehru in August, whose failure was an index of the strength of the mass pressure. The revolutionary upsurge was met with the most brutal repression by the Labour Government, which showed itself to be a government worthy of the Second International and the ready tool of the imperialists in the ferocity and barbarity with which it suppressed the revolt of the Indian masses. Tanks, machine-guns, bombing aeroplanes, imprisonment, torture and flogging were freely used.

The year 1930 ends with 50,000 political prisoners rotting in the Indian jails while the Labour Government solemnly stages a convention of its puppet Maharajas and paid agents as the latest in the series of sham concessions. The Round Table Conference has no more value than the fiasco of the Irish Convention held during the height of the civil war in Ireland and its only significance is a certain mobilisation of the reactionary forces, princes, zemindars, etc., in support of the feudal imperialist regime. The renewal in December of ordinances, suppressing newspapers and against any instigation to the peasants not to pay their rents, was an evidence that the forces of the revolution were developing. The year 1930 ends with the British bourgeoisie solemnly printing the speeches of the rajahs and ex-Viceroy, while they wait in vain for the ebb of the revolutionary tide. The revolutionary tide is mounting higher.

The Accentuation of the Imperialist contradictions.

The Five-Power Naval Conference opened with a flourish of trumpets by His Majesty King George, who proclaimed it a step towards world peace and closed with the prospect of a renewal of the armaments race. This five bandits' conference was to have "smoothed out" inter-imperialist antagonisms; it ended in a fiasco and with a rapid sharpening of the

antagonism between France and Italy. The underlying causes of Anglo-American antagonisms were not removed while the Franco-Italian friction was presently widened into a new antagonism in the League of Nations, expressed at the "Disarmament-if-possible" Conference at Geneva in October-November.

Meantime during 1930 the difficult position of Britain, vis-a-vis its chief imperialist rival the United States, was reinforced by a new difficulty in its relations to France. Up to the last quarter of the year, when a fall in production of heavy industry heralded the full oncoming of the crisis in France, French capitalism had been the least affected of all the chief capitalist powers. During this period, the French Bourse obtained a hold over the city by its command of short-term loans and caused serious apprehension by its steady withdrawal of gold from London. The Oustric Bank failure of November, with the accompanying collapse of the French Government, resulted in a renewed daily drain of gold from England of £300,000 a day. By the end of the year the gold holdings of the chief imperialist Powers stood as follows:—

GOLD HOLDINGS OF CENTRAL BANKS AND TREASURIES.

	(£ millions)			
	End 1928.	End 1929.	End 1930.	
U.S.A.	770	802	843	+ 73
France	258	336	426	+168
United Kingdom	153	146	148	- 5
Germany	134	112	108	- 26
Japan	109	110	71	- 31
Total (14 countries)	1,901	1,950	2,024	-123

France and U.S. own 60 per cent. of gold as given in table.
Brazil and Argentine are also heavy losers.

These movements of gold are accidentally an indication of a growing dependence of the City not only upon Wall Street, but also upon Paris. It was reflected in the subservience of the British Foreign Office in France expressed by Lord Cecil at Geneva and finally at the very end of the year by an Entente Financière between Britain and France (with lowering of the French bank rate) and the likelihood of a further agreement between these two and the United States. In such a trio, Britain at the end of 1930 would be the least of the three partners.

This accord between the three imperialist robbers neither rules out the growth of antagonisms between them (the Anglo-American rivalry for markets in South America is driving ahead now—the Prince of Wales leads an Armada of a thousand salesmen for the Argentine, and the Bank of England sends Sir Otto Niemeyer, fresh from his Australian triumphs, to "restore" the finances of Brazil), nor does it mean anything else than increased imperialist antagonisms in Europe and a sharpening of the antagonism between the entire capitalist world and the Soviet Union.

The Preparation of Intervention Against the U.S.S.R.

Each minor treaty of the capitalist Powers stricken with the world economic crisis, each such a partial solution of their difficulties, does not hinder, but drives on towards the major "solution" for capitalism, the opening of the market of the U.S.S.R. to imperialist exploitation and the destruction of the stronghold of the world revolution by means of a war of intervention.

The preparations for this war against the U.S.S.R. went forward steadily in 1930. It was marked by two main campaigns of an imperialist war propaganda. First, was the so-called religious protest campaign headed by the Pope and in England by the Archbishop of Canterbury, the Primate of England and by many leaders of the dissenting churches. It was followed in the autumn and winter by the Soviet "dumping" campaign, in which not only the Conservatives but also Lloyd George participated. Throughout the whole year the Labour Government played its specific "pacifist" role in the preparation of war, balancing its peaceful speeches by asking its ambassador, the notorious Sir Edmond Ovey, to make a report on the "persecution of religion" in the U.S.S.R., and on the other hand by its active and feverish preparations for war, especially in the development of a mechanised army and of chemical and aerial warfare.

The exposure of the war plans and the French General Staff by the trial of the counter-revolutionaries in Moscow at the end of November was received in the most hostile spirit by the British press, (markedly by the Liberal "Manchester Guardian"), who took upon themselves to declare the innocence of the French Government. While sublimely ignoring the fact that a year before, during the trial of the Meerut prisoners, the Government Prosecutor had been suffered to arraign "Mr. Stalin," the Labour Government insolently instructed its ambassador in Moscow to protest against the mention of some British subjects stated to have conspired along with the counter-revolutionaries.

In addition to the preparations for war, the British bourgeoisie had also to make the rear secure, had also to carry on the fight against the revolutionary working-class. A bourgeois offensive, whose object was to lay the whole burden of the crisis on the shoulders of the working-class, was launched during the year and developed as a combined drive for rationalisation, for wage cuts, and towards tariffs. The rationalisation drive was to be carried through by the Labour Government in alliance with the trade unions. The previous attempts at rationalisation had been met by resistance on the part of the working-class, culminating in the General Strike and miners' struggle of 1926. Thereafter a broader strategy was employed

by the bourgeoisie, in which the central feature was the role to be played by the Labour Party and the trade union bureaucracy.

In the autumn of 1927 there began the Mond-Turner "industrial peace" conferences between a group of employers and the General Council of the Trade Union Congress. At the Trade Union Congress of 1928 a programmatic declaration was made by the General Council of the Trade Union Congress in which they renounced forever the path of revolution and made a final and public choice (which they insolently asserted to be the choice of the working-class), in favour of class collaboration. The bourgeoisie requires the existence of a "Labour" Government only for the purpose of securing a "painless" operation of the rationalisation process. What were the results of this earlier rationalisation drive, which was now to be intensified in 1930?

A table compiled by the "Statist" in the summer of 1930 showed that, in the five years between the first Labour Government of 1928 and the Second Labour Government of 1929-30, the production per head for ten groups of industries had gone up by 21 per cent., while the number of workers employed had diminished by 8 per cent. This applied still more to heavy industry. In iron and steel, the output per head had arisen by 45 per cent. more than in 1924; in mining 34 per cent.; in engineering and shipbuilding 23.7 per cent. It was therefore with the utmost equanimity that the Labour Government viewed the rise of the figures of unemployment, during the first nine months of their tenure of office from midsummer, 1929, onwards, regarding it as a period of painful gestation at the end of which there would be a joyful re-birth of British capitalist prosperity.

For this happy event Mr. J. H. Thomas cast himself in the role of chief obstetrician and calmed the apprehensions of the Labour Party delegates at the Labour Party Conference of October, 1929 (for they already felt the pressure from below of the working-class) by assuring them airily that in February the figures of unemployment would go down. Moreover, as late as January, 1930, Thomas was still proclaiming that, while his (and the Bank of England's) drive for rationalisation was bound to create more unemployment, this would only be for a short time, after which all would be well, and better than well. Nevertheless, the drive towards rationalisation, in spite of these "fair beginnings," began to run into foul weather. It met with the growing resistance on the part of the working-class, and it was overwhelmed by the storm of the world economic crisis. The most significant of the instances of the resistance of the working-class were to be seen in the cotton textiles, woollen textiles, coal-mining, railways. With this resistance of the working-class expressed in strike struggles, we shall deal later.

The drive toward wage cuts, headed by the Labour Government, was concentrated at first on the export trades on which British economy so largely depends—coal-mining, textiles, iron and steel, machinery, chemicals, etc. But as the year 1930 rolled on, the drive for a reduction was more and more urgently applied also to the sheltered trades, that is to say, the trades which did not have to meet direct foreign competition in the world markets, such as building, printing, internal transport of all kinds, municipal and national services.

Lastly, as the figures of unemployment rose and the Unemployment Fund deficit increased, there came a drive to worsen the conditions of the unemployed. There began a fierce barrage of newspaper agitation against the workers in the export trades, in the sheltered industries, and those workers who, to the number of some 3,000,000, were in no industry at all. The attack on the unemployed was an attack of the capitalist state and for this purpose a coalition of all three parties, Conservative, Liberal and Labour, directed towards this purpose, came into being.

A three-party committee was at work during the late summer and early autumn and was the preparation for the Royal Commission on Unemployment Insurance set up at the beginning of the winter. The attack on the unemployed is to be carried through by a raising of contributions, a diminution of benefits, and a restriction of the numbers to whom benefits should be paid, by one or all of these means.

Under the Banner of Protection.

But the most important feature of the bourgeois offensive during the year was the drive towards tariffs. For many years there had been a tariff agitation in England chiefly in the ranks of the Conservative Party and particularly amongst the representatives of those industries which expected to benefit from a tariff on manufactured imports. In addition, there has always been a certain amount of doctrinaire insistence on a general tariff on all imports, with preference to the British Dominions and dependencies. Nevertheless, in spite of this agitation, British finance capital with its interests in trade and investment spread all over the world, and especially in the colonial and semi-colonial countries both inside and outside the Empire, had remained predominantly Free Trade.

The significant feature of the year just passed is the shifting in favour of a tariff policy within the ranks of the finance oligarchy, and the consequent emergence of protectionist policies within the hitherto solidly Free Trade Parties (the Liberal Party and the Labour Party) as well as a strengthening of the tariff agitation inside the Conservative Party. The signs of the change of policy of British finance capital are to be

seen in a number of pronouncements, of these by far the most important was the bankers' manifesto of July, 1930, in which a horde of bankers, including the Chairman of the Big Five Bank, many of whom had only four years earlier been signatories to a manifesto in favour of International Free Trade, came to the conclusion that it was necessary to impose a tariff on all imports.

What was the meaning of this change of policy? Clearly, no measure of protection in any of its varied forms, and however combined with Empire Preference, is capable of restoring British capitalism in decline. Still more obvious is it that the Empire Free Trade proposals of Beaverbrook were only a demagogue's myth, full of inherent absurdities which could only have been conceived in the atmosphere of declining imperialism.

The chief purpose of the drive towards protectionism apart from any manœuvring space which it might afford to the bourgeoisie was to lower the costs of production by lowering the real wages of the working-class and to do this even more "painlessly" than they had hoped to do by means of rationalisation.

But such a far-reaching change in the fiscal policy of British capitalism could not be accomplished by a stroke of the pen. It required much political manœuvring, much staging of sham fights between the principal parties. Accordingly, while the main drive towards Protectionism pure and simple was contributed by the Conservative Party, within which the noble demagogue Beaverbrook spurred on the official Conservatives by his propagandist slogans for Empire Free Trade and tariffs on foodstuffs, variants of the policy of Protection were put forward inside the Liberal and Labour Parties.

As a whole, the Liberal and Labour Party speakers, powerfully aided by the Trade Union Congress bureaucracy, took on themselves the task of persuading the working-class that Free Trade was out of date, was "dead as Queen Anne," as one minister elegantly put it. At the same time, the Trade Union Congress, in conjunction with the Federation of British Industries, put forward a memorandum on the economic situation, the main object of which was to discredit Free Trade very definitely, while making very tentative approaches to the question of tariffs. Meanwhile, they put forward such variant forms of protection as Import Boards and Wheat Quotas, supposedly in contradistinction to the tariffs beloved of the Tory Party. Thus, the net effect of the sham fight about Protection carried on in 1930 was to bring about the discrediting of Free Trade and to insure that at the next election, the tariff issues would be no longer between Free Trade and Protection, but between the Liberal and Labour form of protection and the Tory form of protection.

The Search for New Political Forms.

Parallel to this change and development in the content of bourgeois policy, came a search for new political forms. While there was as yet no signs of any serious instability of the system of bourgeois democracy, nevertheless the tendency towards fascist developments became more and more marked, and was expressed in every party in varied forms, ranging from negative criticisms of the parliamentary forms of government (Liberal-Labour and Conservative speakers alike inveighing against bourgeois democracy which found its only stalwart defender in the Leftist James Maxton) to the demand for a Government with dictatorial powers expressed with greatest vehemence in the Conservative ranks by the newspaper magnates, Lord Beaverbrook and Lord Rothermere, and in the ranks of the Labour Party by Sir Oswald Mosley.

In every case, it is to be noted that the drive towards protectionism was linked very closely with the drive towards fascism, and in the later autumn and winter, with the Soviet anti-dumping campaign. To this again was added the demand for the abolition of trade union restrictions by the Association of the Chambers of Commerce, which was a demand for unrestricted exploitation. More and more, as the winter proceeded, the offensive of the bourgeoisie along all these varied lines became unified and co-ordinated. The minor differences inside the ranks of the bourgeoisie in no way hindered the development of the offensive, but indeed served the purpose of a camouflage before the eyes of the working-class.

The Workers' Resistance.

The resistance of the working-class to the offensive of the bourgeoisie and the development of its counter-offensive, gathered force steadily throughout the year. It expressed itself in a whole series of local strikes in the textile and mining industries; in the great strike of wool workers, in April, May and June of last year; in the strikes and work-to-rule movements of the railwaymen in the summer and autumn, and in the Scottish Miners' strike of the first week in December.

It expressed itself also in the growing influence of the Communist Party of Great Britain, and the National Minority Movement, which were able to gain the leadership of a great number of workers in the wool strike (but were, unfortunately, unable to retain the leadership thus gained), and were able to give the fullest backing and guidance to the guerilla warfare in Lancashire and the scattered movement of railwaymen. This was expressed also in the successful demonstrations of March 6th and August 1st, in the effective propaganda in support of the Indian revolutionary masses and in the wide Workers' Charter campaign organised by the Minority Movement in the early autumn of 1930.

This Charter campaign developed widely, extended manifold the influence of the Minority Movement and the Communist Party, and was linked up with the strike of the Scottish mineworkers at the beginning of

December. As a result of this strike, the United Mineworkers of Scotland, the chief Red union in Great Britain, added largely to its numbers and its prestige among the revolutionary miners. Throughout the whole of this year, the Communist Party was building up the influence of its first daily organ, the "Daily Worker," founded on January 1st, 1930, and which successfully led the campaigns of the Party, culminating in the campaign against the counter-revolutionary war-plot of the Russian bourgeoisie in the closing months of the year.

Such a weapon in the hands of the Communist Party was forged not a moment too soon. There was need of it, for the distinguishing feature of the year 1930 was the need to expose Ramsay MacDonald's Government of the Second International, and the bureaucracy of the trade unions. Never in any period did the bureaucracy perform their duty to the employing class more subtly and more assiduously than during this year. There is no space to set out their exploits in detail, but it may be said every weapon in the armoury of social treason was used by them. They prevented strikes, they entered strikes in order to betray them, they separated and split up sections of an industry, they expelled militants, they acted as strike-breakers, and in every other way acted as worthy labour lieutenants of the capitalist class. They disregarded trade union democracy in a manner which gave a lesson to those members of the Communist Party who had been obsessed by a legalist view of their trade union work.

Nevertheless, the utmost efforts of the social-fascists failed to shore up the swaying timbers of industrial peace and capitalist prosperity. The overwhelming pressure of the world economic crisis, the profound disillusionment of the masses of the British workers in the Labour Government, the rapid and obvious approach of the war danger, the war preparations of the Government, its rationalisation drive, its wage-cutting, its harshness to the unemployed, all combined to nullify the efforts of the social-fascists.

The working-class began to pass over from disillusionment to action and from resistance into a counter-offensive. The local strikes broadened into wide mass strikes of scores of thousands of workers; the bitterly fought wool strike became more and more clearly the precursor of a whole series of class conflicts. The year 1930, a year of gathering struggle, came to an end, with a series of impending class conflicts in all the basic industries of Great Britain. For the bourgeoisie, 1930 was a year of deepening decline, of sharpening antagonisms, for which they found no solutions, neither in inter-imperial conferences nor in industrial peace. For the forces of the revolution for the British working-class, for the toiling masses of India and the colonial countries, it was a year of gathering struggle, and of preparations for greater struggles lying immediately ahead.

THE MECHANISATION OF PRODUCTION IN CAPITALIST COUNTRIES AND IN THE U.S.S.R.

By M. RUBINSTEIN.

MECHANISATION is one of the most important bases of modern machine production. Mechanisation permeates the entire history of capitalist big industry, creating unceasing changes in the means of production and the production processes. As Marx said :

"Modern industry never looks upon and treats the existing form of a process as final. The technical basis of that industry is, therefore, revolutionary, while all earlier modes of production were essentially conservative. By means of machinery, chemical processes and other methods, it is continually causing changes not only in the technical basis of production, but also in the functions of the labourer, and in the social combinations of the labour-process."*

Marx carefully followed up these "changes" in the technical basis of industry and particularly examined in great detail the development of the processes of mechanisation since the middle of the last century. He exposed with striking clearness and lucidity the dialectical contradictions of mechanisation in capitalist conditions.

He showed how the machine, this most important means of lightening man's labour, becomes "in the hands of capital" a means for "enrolling under the direct sway of capital every member of the workers' family without distinction of sex or age."† He showed how machinery becomes the most powerful means for lengthening the working day and "for placing every moment of the labourer's time and that of his family at the disposal of the capitalist for the purpose of expanding the value of his capital."‡ Capitalist mechanisation increases the intensity of labour, heightening the tension of labour power to an unbelievable degree and rapidly exhausting all the strength of the labourer. The workman becomes a living appendage of the machine, its slave.

"The lightening of the labour, even, becomes a sort of torture, since the machine does not free the labourer from work, but deprives the work of all interest. As a result, the machine, the mechanism, "dead labour" . . . "dominates and pumps dry living labour power."§

Finally, Marx gave an extremely lucid description of "the strife between workman and machine," of the transformation, as the result of capitalist mechanisation, of a huge part of the working-class into "surplus working population," making this "temporary" effect of the machine "really permanent," since machinery is continually seizing upon new fields of production."§

* "Capital," Vol. I., Chicago, Chas. H. Kerr & Company, 1919, pp. 532-533.

† Ibid., p. 431.

‡ Ibid., p. 445.

§ Ibid., p. 462.

§ Ibid., p. 471.

The "direct antagonisms" created by mechanisation under the conditions of capitalism, the pressure brought to bear by machinery on the wage-labourer is reduced by Marx to the following lines which he puts into the mouth of the "apologists" of capitalism :

"It is an undoubted fact that machinery, as such, is not responsible for 'setting free' the workman from the means of subsistence. . . . The contradictions and antagonisms inseparable from the capitalist employment of machinery, do not exist, they say, since they do not arise out of machinery, as such, but out of its capitalist employment ! Since, therefore, *machinery, considered alone, shortens the hours of labour, but, when in the service of capital, lengthens them : since in itself it lightens labour, but when employed by capital, heightens the intensity of labour : since in itself it is a victory of man over the forces of nature, but in the hands of capital, makes man the slave of those forces : since in itself it increases the wealth of the producers, but in the hands of capital, makes them paupers*—for all these reasons and others besides, says the bourgeois economist without more ado, it is clear as noonday that all these contradictions are a mere semblance of the reality, and that, as a matter of fact, they have neither an actual nor a theoretical existence."¶

Marx at that period, in the epoch of the tempestuous growth of capitalism and the extension of its domination throughout the world, ridiculed the "arrogant cretinism" of the bourgeois economists for whom "any employment of machinery except by capital . . . is an impossibility. Exploitation of the workmen by the machine is therefore with him identical with exploitation of the machine by workmen."**

How extremely acute and appropriate are these lines even in our days, and how many "maestros of arrogant cretinism," beginning with the faded troubadours of American 'prosperity' and ending with the German social-fascist theoreticians do they hit fairly and squarely !

* * *

More than half-a-century has passed since Marx lived and wrote.

The development of big machine production and the development of mechanisation which inevitably accompanies it has progressed at a gigantic rate. The constant changes in the technical basis of production processes have made many of them absolutely unrecognisable as compared with those described by Marx as instances.

Electricity has made it possible to develop mechanisation on an entirely new basis, leading to the complete automatising of a number of production processes. The colossal successes of chemistry have created several entirely new industries, the basis of

¶ Ibid., p. 482.

** Ibid., pp. 482-483.

the existence of which is maximum mechanisation, and sometimes even making a number of processes completely automatic. Mechanisation during the last few years has embraced a number of industries which were backward, permitting of physical, muscular, labour being superseded, squeezed out of its last refuges, destroying the very idea of labour of "unskilled workers."

The American Association of Engineers and Mechanics, one of the leading technical organisations in the United States, celebrated the fiftieth anniversary of its existence in 1930. In a special number of its journal issued on this occasion, it sums up in detail the achievements of the last fifty years in all the chief branches of technique. This summary proves with irrefutable clearness that during these fifty years, the life of a generation—technique has progressed more than during the whole of the preceding century. The jubilee medal issued on the fiftieth anniversary of this society, bears the noisy slogan: "What is not may yet come to pass." The productive powers of humanity have increased immensely and with them there have increased the possibilities for freeing, for lightening, human labour.

This development taking place in capitalist conditions, however, all the contradictions of capitalist mechanisation and machine production noted above have developed with such rapidity, that they have outstripped all the achievements of technique. The pressure on the worker of the machine applied in the capitalist manner reaches unprecedented acuteness.

The slavery of wage labour has become unbearable. The poverty of the broad sections of the toilers, the conveyor system exhausting all the worker's strength, the insecurity of to-morrow, the ruin of millions of peasants, the burden of imperialism and militarism, have reached such a degree that the retention of capitalism has become a menace to the very existence of the millions.

Nay, more: the decay of modern capitalism brings to light on an ever-increasing scale tendencies to the *artificial retarding of technical progress* on the part of the capitalist monopolies. The unnatural wasting of productive forces, the destruction of stocks of goods, the keeping back of inventions, the undermining of the bases of the productive forces of the working-class, have now become common features of capitalist reality. During periods of crises, these contradictions manifest themselves on an exceptionally extended "collective" scale. The present crisis, which has affected the whole of the capitalist world, the greatest of all crises of the capitalist system, demonstrates these with particular force and clearness.

Whilst previous crises in the epoch of the growth of capitalism were accompanied by a particularly

intensive process of re-equipment of the basic capital of industry, the introduction of new machinery and the intensified mechanisation of industrial processes, at the present time just the contrary is to be observed in a number of countries.

The engineering industry, that branch of industry which is of decisive importance for the technical re-equipment of all other branches of economy, is experiencing the blows of the crisis, not to a lesser extent, but to a greater degree than other industries. In January, 1931, the engineering works in Germany were working only to 42 per cent. of their productive capacity. The engineering industries of the United States and of Great Britain find themselves in a similar position. American capitalism, which on the one hand preaches the hope of overcoming the crisis by means of further mechanisation, on the other hand definitely fears this mechanisation, fears machines, as it recognises more and more clearly the inevitability, in present conditions, of a further rise of over-production, unemployment, the indignation of the working masses, and of a menacing undermining of the very foundations of the capitalist system. New, peculiar Luddites (machine-wreckers), bourgeois economists, writers, business men, are coming more and more frequently to the fore, advocating the rejection of the achievements of modern technique, demanding the slowing-down of the "insane jazz-band of modern industry," a return to the "golden days when there was no 'technological' unemployment." In some places this doctrine is put into practical shape. Of such a character, for instance, is the "pick and shovel" plan carried out by many municipalities in the United States, expressed in the prohibition of any mechanical appliances whatever on relief works.

Capitalism tosses from side to side, like a mortally wounded beast, straining all its last forces for a frantic attack on the working-class, and for preparation of new imperialist wars.

* * *

Diametrically opposed, in this respect, is the situation in the Soviet Union, on one sixth of the earth's surface, where, after the establishment of the proletarian dictatorship, after the victorious conclusion of the Civil War and after the period of the restoration of the national economy, there commenced an epoch of gigantic Socialist construction, and where new laws of Socialist economy have begun to manifest themselves with increasing clearness. The ineradicable contradictions of mechanisation in capitalist conditions, which were pointed out by Marx, disappear, die away, in the conditions of Socialist economy (even in its very first period). Those consequences, those effects, which, to use the words of Marx, are made by "the machine in itself," appear with more definiteness and in greater scope.

As we have seen above, Marx gave an absolutely exact enumeration of these effects of mechanisation in conditions freed from the chains of capitalist productive relations. The machine actually begins to reduce working hours, to lighten the work of man. Its development in new conditions marks a real victory of man over the forces of nature and an increase in the riches of the producer. We see in the actual economic development of the Soviet Union, as though expounded in a chemical laboratory, a vivid confirmation of all the teachings of Marx. Actually, the mechanisation of economy in the Soviet Union is in its very first stages. The number of machines, both in absolute figures and *per capita* in particular, is far less than in the advanced capitalist countries, especially the United States. Nevertheless, the very first steps taken in Socialist mechanisation give precisely those results of which Marx wrote and which are the direct opposite of the results of mechanisation in the conditions of present-day capitalism.

Even now, despite all the efforts of the bourgeois statisticians to prove the contrary, mechanisation in capitalist countries lengthens the working day. The eight-hour day, won by the working-class after the war, has become a thing of the past in most countries. In the Soviet Union, on the contrary, the very first successes of Socialist reconstruction in national economy made it possible to introduce the seven-hour working day and the five-day working week. Further successes in mechanisation and economic construction will permit of the consideration of still further reduction in working hours.

Under capitalism, the machine increasingly raises the intensity of labour, squeezes the last strength out of the worker in a shorter period, speeds up his work, and, at the same time, increases the unpaid part of labour. Only a hopeless cretin or dishonest capitalist apologist can deny the correctness of this state in present-day mechanised and rationalised enterprises, for instance, in the conveyer factories of the United States, where after a few years the workers are thrown out on to the streets as "too old," unable to keep up with the sweating speed of the conveyer.

This is the case, despite the fact that in itself the machine gigantically lightens work, and in the new factories in the Soviet Union we are able to witness the first steps of this alleviation in the form of thorough-going labour protection measures, the first elements of the bringing together of intellectual and physical labour. We witness the combining of factory work with middle and higher education, in the form of the great enthusiasm of productive work "for one's self," for one's industrial collective, which permits of every stage of the productive processes being made intelligent, imparting to them definite

content. This is only the beginning, the first steps taken in this field.

The development of new construction, combining the last word in world technique with Soviet "amendments" in the sphere of conditions of labour, the creation of the foundation of the new Socialist technique on the basis of complete and all-round electrification, the development of the "Industrial and Financial Plan* from below," of Socialist competition and the Shock Brigade movement, which create new forms of Socialist organisation of labour, result in such a lightening of labour, such a radical change in its very character, as to open up entirely new perspectives in this field also.

The capitalist application of the machine enslaves man to the forces of nature, makes the worker the slave of "dead labour," an appendage of metal and electricity. Not only have all the wonders of technique not lessened this slavery, but, on the contrary, have made it still more tortuous, still more unbearable. But the machine, in itself, marks "the victory of man over the forces of nature"!

The Five-Year Plan of the Soviet Union, the first successes of the conscious allocation of the productive forces, the first achievements made in the planned investigation of the natural resources of the country, the rails of the Turkestan-Siberian railroad and the rising weirs of Dnieprostroj, the features of the Ural-Kuznetz Basin, the second largest coal-metallurgical basis of the U.S.S.R., manifesting themselves with increasing distinctness—such are the fore-runners of these victories of man over the forces of nature, of the victories of the consciously directed collective will of the workers.

The capitalist application of the machine transforms the toiler into a pauper. Not a single one of the wonders of technique in the United States was able to annul the effect of the general law of capitalist accumulation. Nine million unemployed receiving no benefits, the miners of the Pennsylvania valleys doomed by capitalism to die out, millions of farmers, ruined both by the "excessive" crop of wheat and by the drought in the maize-growing districts, millions of Negroes for whom there is no longer any place in the cotton plantations of the South and for whom there is no place in the industries in the towns—what can be more distinct and more terrible than this modern illustration of the law formulated by Marx, than this result of the headlong technical development and widely-proclaimed "prosperity." But the machine in itself increases the riches of the producer, increases tenfold, and now even hundred-fold the productivity of his labour, it permits already at the

*The *Industrial and Financial plan*, drawn up by the workers of the given factory for their factory, on the basis of their first-hand knowledge of the possibilities of their plant and the workers, is in amendment to the *Industrial and Financial plan drawn up from above*, by the leading organs.

present stage of technical development the satisfaction of all the basic requirements of the broad masses by powerful streams of output from non-stop mass industry. The very first years of Socialist reconstruction in the Soviet Union, despite the heavy wounds inflicted by the Civil War and intervention, despite the great burden of the heritage of Tsarism—economic backwardness, lack of roads, ignorance, lack of culture—permitted the rate of increase in the national income being raised with each year, permitted wages and improvements in the living standards of the working masses year by year.

Under capitalism, the development of mechanisation was spontaneous and chaotic, as was pointed out even by Marx. The capitalists never install new machines voluntarily, they wait until feverish competition forces them to do so. The development of monopolies in many cases makes it possible to retard to the maximum the time of this "compulsion." In addition, the development of technique progresses still more unequally, jerkily, casually. But at the same time, as was pointed out by Lenin, it brings with it still greater elements of discrepancy between the various sides of economy, produces still greater "chaos in the crises."

The Soviet Union, in distinct contradistinction to the character of this development, laid down, immediately after the cessation of the Civil War, the task of planned industrialisation of the entire country and mechanisation of the industrial processes.

During the most profound economic crisis of 1920, with civil war still raging, and only a couple of dozen of the remaining factories emitting smoke, cut off from the basic sources of fuel and metal, Lenin wrote to Comrade Krzhizhanovsky (Jan. 1, 1920) about the need to draw up a plan for the electrification of the entire country, saying that "it is necessary to enlist the enthusiasm of the masses by a concise and popular exposition of the clear and vivid perspective (quite scientific in its basis) :—let us get to work, and in ten to twenty years we will make the whole of Russia, both industrial and agricultural, an electrified country."

The Goelro plan, drawn up on Lenin's initiative and in accordance with his directions, constituted a plan of the greatest technical revolution, the foundation of which was to put the national economy of a backward, poverty-stricken, peasant country on to a basis of modern big industry, mechanisation and electrification, on to a basis of large-scale collective agriculture.

Our enemies ridiculed this plan. It was not believed in and was considered utopian by many of our friends.

Only ten years have elapsed, and the Goelro plan has been more than carried out. The Five-Year Plan, which but recently was mocked at by the

capitalist, has also been half carried out in two years.

Unemployment has been wiped out completely, and despite the great successes of mechanisation of industry, in 1931 alone about two million new workers are to be drawn into industry, whilst every big capitalist country is throwing millions of workers out on to the streets.

The Session of the Central Executive Committee of Soviets in January, 1931, besides including in the tasks for the plan of national economy for 1931 the mechanisation of the Donetz Basin coal industry up to 80 per cent. (i.e., to surpass considerably the degree of mechanisation in England, and to approach the German level), resolved also to draw up a plan for the maximum mechanisation of heavy work in a number of branches of industry (peat and ore extraction, lumber, building, loading and unloading work, etc.). In 1931, industry is to supply agriculture with tractors of a total of 1,200,000 h.p., and a corresponding quantity of agricultural machinery, which will give a great impetus to speeding up the mechanisation of agriculture. A number of State and large collective farms in the Soviet Union have far surpassed all American "records" of big agricultural enterprises by the degree of their mechanisation, the power of their transport equipment, methods of organising labour, etc. The mechanisation of agricultural production creates an entirely new type of labour in agriculture and, together with Socialist competition and the Shock Brigade movement, the widespread plan of contracting for agricultural produce, cultural construction, etc., permits of a number of important steps forward being taken towards eliminating the contradictions between town and countryside.

All this constitutes only the first steps of Socialist reconstruction, the first definings of the prospects and possibilities of the commencing period of Socialism. As Engels wrote :

"the liberation of the means of production from capitalist foundations is the preliminary condition for the unbroken, ever-more rapid development of productive forces."

* * *

Millions of workers in all capitalist countries will come out on to the streets on the International Day of Struggle Against Unemployment to demonstrate their hatred of capitalism and their readiness to take up the struggle against the bourgeoisie to the very end.

Millions of workers, who have already lost their employment, and whom capital tries to condemn to slow and tortuous dying-out, and millions of those who are still behind the machines, insecure of to-morrow, awaiting new dismissals, or reductions of their already starvation wages and further worsening in their working conditions, will come out on to the streets on this day.

They will come out together, in closed ranks, because bitter experience forces even the most

backward of them to understand the need for a joint struggle by the employed and the unemployed against capital, to understand that so long as capitalism exists there is no way out, no getting rid of poverty and deprivation, of the endless alternation of slave-like labour and the torments of unemployment.

They will hold before them no distant and dim objective of struggle, but the living example of a country where there is no longer any unemployment, where the rumble of happy collective labour fills the air, the example of a country, near and dear to every one of them, which is building up Socialism.

In these days when the wires bring daily news from all parts of the capitalist world, from each of the five continents, of ever-fresh increases in the number of unemployed, of the closing down of factories and

workshops, the curtailment of production, of savage tortures by the brutalised fascist hangmen and of not less base betrayal by the social-fascist lieutenants of capitalism, in these days the masses learn from their everyday experience better and more rapidly than they would learn in years of study.

Not for nothing do the bourgeoisie fear equally the employed and unemployed who no longer desire to die silently, and the workers in the Soviet Union who, in building up Socialism are undermining the foundations of the order of exploitation and oppression. Thus, in the trail of powerful class clashes, amidst the throes of the old dying world, and the first powerful achievements of the growing new world, the working-class is paving for itself the way to free, creative labour, with the help of the submissive forces of nature and the steel slaves of machinery.

INTERNATIONAL UNEMPLOYMENT DAY IN BRITAIN

By HAL WILDE.

FOR the last eight years, as a result of the protracted post-war depression, unemployment has been a standing problem in Great Britain and at no time has the total figure fallen under a million. With the outbreak of the economic crisis the figures have increased by leaps and bounds until on December 29th, 1930, the colossal figure of 2,642,000 registered unemployed was reached, being 20 per cent. of the total insured workers and the highest number ever recorded in Britain.

The extent of unemployment in the basic industries reflects the depth of the crisis and the fact that the fourth quarter of 1930 was by far the worst, and December the worst month of the quarter, shows also the tempo of development.

The figures of unemployment of insured workers in the basic industries are (Nov. 24th, 1930) :—

Coal	....	....	21.1%
Iron and Steel	....	....	44.7%
Engineering	....	....	20.1%
Shipbuilding	....	....	32.1%
Cotton Textiles	....	....	40.3%
Woollen Textiles	....	....	25.1%
Building	....	....	21.0%

It is significant that the optimism usually displayed by the bourgeoisie at the beginning of a new year, false and exaggerated as it often was, was absent this year. The optimism of many post war new years is now changed to grave anxiety. The President of the Federation of British Industries puts the question :—

“The main preoccupation in all their minds was what was to become of Britain as an industrial nation.”

Mr. Amery says :—

“... at no time, not even in the darkest days of the war, was the situation so serious. The whole fabric of our industry was crumbling away and threatening to collapse.”

Sir Felix Pole, the railway magnate, typifies another group which wants to carry on the old pseudo-optimistic style but is unable to find any better facts than that they must by now have reached the bottom of the depression and therefore the only way is upward. Even Sir Josiah Stamp has nothing more consoling to add than that at least one year of the crisis has passed.

The crisis shows itself developing with increasing tempo through the basic industries. The December steel production of 337,000 tons was 50 per cent. below the production of December, 1929. Pig-iron also showed 50 per cent. decline in the last year, its production being the lowest of any post-war year with the exception of 1921-22 and 1926, years of crisis and class struggle. In shipbuilding the British share fell from 57 per cent. in 1913 to 39 per cent. in 1930. Cotton exports fell from 155,466,000 yards in 1929 to 113,783,000 yards in 1930. Chemicals showed a decline over the previous year of 18 per cent. and, while electrical engineering showed a brighter picture than the remaining industries, the general engineering branch showed a marked decline. The whole position was well reflected in the heavy falling off of exports, which on the basis of average values of 1924 showed the following figures :—

1924	....	....	£801,000,000
1926	....	....	£711,800,000
1930	....	....	£710,500,000

The 1930 figure was actually below that of 1926, when for seven months the country was in the throes of the coal lock-out.

When their early failure to meet the crisis drove the capitalist class to bring in the Labour Government to their aid, few of them suspected that the crisis would

go so deep. Capitalist policy at that time was essentially of the Mondist type of securing a forced class peace in order to carry through rationalisation, which included a certain amount of technical reorganisation but which mostly involved attacks on working-class standards. No one can assert that the Labour Government has failed the capitalist class in this duty. Miners, cotton and woollen textile workers, etc., have had their wages cut during this period, and by the skilful use of the arbitration weapon the workers' struggles against these impositions have either been strangled at the onset or quickly betrayed after their outbreak. Side by side with these wage-cuts and sometimes directly accompanying them have come mass dismissals of amazing size.

This process has by no means been confined to those industries facing direct foreign competition. Even in the so-called "sheltered" railway industry, where in the past employment has been so stable that railway workers were not brought under the National Insurance Scheme, over 70,000 men have been dismissed in the last five years, a good proportion of these in the last two years. The reduction in the basic industries has been much greater in the iron and steel industry where, for example, the number of workers has decreased during the last year by 22.9 per cent.

But the figures of registered unemployed by no means indicate the total figure of unemployment. There is a mass of unemployed workers who do not come within the Unemployment Insurance Scheme but scrape a precarious existence from odd jobs or by relief from the Public Assistance Committees (the local bodies which deal with the administration of the poor law).

In addition, there are also a considerable number of short-time workers who are not registered under the Act.

The shifting of the burden on to the employed in the shape of what is known in the U.S.A. as the "stagger system" is being advocated by Labour Party and trade union officials. For example, C. Dukes, a Labour M.P. and trade union official, said in the House of Commons that :

"If a firm employing 1,000 men gives each of them three days' work a week instead of discharging 500 of them it is taking the better way."

This system was applied in a tinplate mill in South Wales, where, upon the closing of one shop of a particular factory, the men in the other shop were placed on six hours per day, with a consequent 25 per cent. wage-cut, and the displaced men found work in this shop. Employers even go to the extent of plundering the insurance fund to keep their wage bills down by employing workers three days and then discharging them to go on unemployment insurance for three days. This is becoming a practice in parts of the coalfields and the docks of Britain as was shown

in the reports of the present Royal Commission on Unemployment.

The Labour Government has strenuously endeavoured to preserve the fiction that it has the interests of the unemployed at heart and to this end published towards the end of last year a White Paper outlining the measures it had taken for the mitigation of unemployment. It declared that it had approved schemes of a total expenditure of £136,000,000 to provide over 150,000,000 days of work. But what it failed to state was that even to-day only £27,000,000 worth of these schemes are in operation and not more than 24,000 to 36,000 have been found work for three to four years. In addition, the Labour Government claimed as its own several schemes which were already passed and operated by previous Governments.

The majority of these workers are covered by the Unemployment Insurance Scheme, and must pay by deductions from their wages, a sum of 9d. weekly to which the employer adds a further 9d., the whole amount then going to the State fund. A worker who loses his employment must apply at the Labour Exchange and if he can show that he has had at least thirty full weeks' work in the last two years, has not been dismissed for "misconduct," and is not participating in a trade dispute, he will be granted benefit at the rate of 17/- for a single man and 26/- for a married man with a further 2/- for each child up to four children. Single and married women and youths and girls are also entitled to benefit on a lower scale.

From time to time the unemployed workers' case is subjected to re-examination, and many are the clauses of the Act which enable Labour Exchange officials to throw workers off benefit. During the last year over 300,000 were either refused benefit on their first application or later disqualified.

The only thing a worker can then do is to apply to the Public Assistance Committee which is the department of the county or borough or town council which deals with the administration of poor relief. Although all local bodies are under the control of the Government Ministry of Health, the central authority only fixed the maximum scales of relief which can be given. The result in practice is that some Public Assistance Committee give relief at about the same scale as unemployment benefit while others only give a few shillings. The average relief per person amounts to under 6/- weekly.

The two kinds of relief given are indoor and outdoor. The indoor relief means that the recipient must enter an institution not very different from a prison and be subjected to irksome discipline in addition to performing laborious work. Outdoor relief is given as money or tickets with which food can be obtained. The majority of Public Assistance

Committees will not give assistance to workers unless they accept some form of task or test work. In the past this used to consist of digging holes and filling them up again or some similar useless and humiliatingly foolish work, but with the growth of Labour municipal control the cheap labour supplied by the Poor Law Authorities has been used to carry through municipal work formerly done at trade union rates.

In this way labour which would formerly have cost 40/- to 45/- weekly is done for 12/6, and no payment made to the Unemployment Fund, nor any risk of paying compensation in case of the worker sustaining injury taken. A refinement of this system has lately been introduced in the shape of training schools where semi-skilled workers in wood and metal are turned out, a potential army for the lowering of present rates and conditions or for blacklegging during strikes, a number of concrete cases of which have been brought to light in the case of sheet-metal workers, builders, etc.

Most of these schools are only used during the day, the worker returning to his home at night, but colonies such as the notorious Belmont farm colony have been established where workers must live, sleep and eat under atrocious conditions while they are prepared as "useful emigrants" for the colonies.

Despite the heavy unemployment in Canada and Australia, wide propaganda for the unemployed to emigrate has been carried on by both Labour and former Governments. In a letter to the "Times," Jellicoe stated that in his opinion the limiting of emigration is one of the chief faults of the present crisis. During the last few years some thousands of workers have availed themselves of the assisted emigration scheme only to find in most cases that they had fallen into even worse conditions than in Britain,—but as they were safely off the hands of the British bourgeoisie the aim of the latter was accomplished. The mass emigration for the Canadian harvest of last year was a striking example of this, hundreds facing the utmost destitution, some committing suicide, others stowing away to get home, many being deported and all being thoroughly conscious that they had been tricked.

Until recently the bourgeoisie were content to meet the bill for Unemployment Insurance, as Lloyd George openly stated, as an insurance against revolution. But the enormous drain of the ever-growing unemployed army has driven them to seek ways and means of lessening their expenditure for this purpose.

The expenditure under the Unemployment Act already exceeds the income derived from workers' and employers' contributions by over £25,000,000 annually, and a huge deficit estimated at £75,000,000 is rapidly growing.

The Labour Government, in its endeavours to save capitalism, showed from the beginning that it was

prepared to administer the existing law more harshly than the preceding Baldwin Government. Thus, between November, 1929, and April, 1930, the Labour Government disallowed benefit to 630,522 workers as against 555,380 disallowed by the Baldwin Government in the equivalent period of 1928-29. But this has been quite inadequate to make any substantial improvement for the bourgeoisie.

Under such conditions, the immediate aim of the bourgeoisie has been to transfer some of the burden of the unemployed insurance costs on to the backs of the employed workers, and to tighten up the administration of the Act in order to disqualify at least another half-million of those at present in receipt of insurance benefit. The basis of revision of the present Act, upon which all bourgeois parties agree, is that it should be on an "actuarial" or self-supporting basis—the income balancing the expenditure. The attitude of the Conservative Party was fully explained by Neville Chamberlain in a speech to the Junior Imperial League on May 23rd, 1930, in the following words:—

"First, the scheme must be self-supporting, second the benefits must be so arranged that it shall not be a matter of indifference to a man whether he works or plays, and thirdly, whatever relief may be offered to those who are no longer to be considered as properly insurable ought to be accompanied by such measures as will preserve the applicants' fitness for work."

From this it is possible to see that the Conservative Party want the scheme revised so that either the contributions are increased or the benefits lowered; that in any case the benefits should be so low and so difficult to obtain that an unemployed worker would be driven to accept work at almost any wage an employer liked to offer; and that workers who were not entitled to insurance benefit would only be given poor law relief when they were engaged on test work or training schemes.

Representatives of the other bourgeois parties demand essentially the same thing if in different words.

Mr. Lloyd George is in favour of "stopping unwarranted cadging on the dole," and Mr. Snowden, Labour Chancellor, thinks that it is "the duty of Parliament to face up to this problem and put the fund on an insurance basis." Thus, it is obvious that all capitalist parties are united in attacking the unemployed rather than unemployment and in shifting the burden on to the shoulders of the working-class. But the Labour Government had to manoeuvre very carefully in the face of its already rapidly declining popularity with the working-class, and first of all held a number of secret conferences with the Liberal and Tory Parties, which were known as the three-party conferences, the first of which took place towards the end of last July.

The Labour Party, fearing to take the open initiative in the attack on the unemployed, later appointed a Royal Commission to investigate the

working of the Insurance Act, as the most suitable smoke-screen for its attack. In spite of this, the unemployed have already realised the nature of the body and have called it the "knocking off" Commission for they realise from its terms of reference that its real object is to deprive large numbers of workers of their benefit.

It was characteristic that in the sittings of this Commission, the vilest gibes against the unemployed should have come from a Labour councillor, Astbury of Sheffield, who, speaking about unemployment in South Wales, where the most terrible conditions of starvation had driven tens of thousands of men and women to other parts of the country, remarked that:

"It appeared that in South Wales they have not only solved the problem of unemployment insurance benefits, but also that they have been able to maintain their relatives, and on top of it, buy wireless sets."

Since International Unemployment Fighting Day of March 6th last year, the unemployed have displayed an increasing measure of activity which has been initiated, developed, and guided by the C.P.G.B. through the medium of the National Unemployed Workers' Movement.

This broad-based organisation already has 10,000 members and is rapidly growing and on the way to becoming a real mass organisation. In recent years it has organised all the national marches of the unemployed, and last year, in connection with the May 1st celebrations and against the fierce opposition of the labour and trade union officials it organised and led a march on to London of contingents from Scotland, Yorkshire, Wales and the South of England. These five hundred marchers included a contingent of women who by their pluck and fighting spirit made a great impression on all workers who saw them. Arriving in London on May Day the marchers were able to mobilise a magnificent rally of workers in Hyde Park and collected sufficient money to cover the whole expenses incurred, including return railway fares.

District marches took place in September against the Trade Union Congress in session at Nottingham, and in December to Edinburgh, with considerable success, but the main activities of the unemployed in the latter half of 1930 were devoted to the promoting of the Charter campaign. This campaign had been launched by the Minority Movement (British section of the R.I.L.U.) with the object of building a broad working-class front of employed and unemployed around a series of popular demands for improved conditions and the abolition of outstanding grievances, these to be concretely linked up with local issues and economic struggles.

Both spontaneous struggles and those actions organised by the N.U.W.M. have shown a rising tempo in the last few months. In city after city,

town after town, the unemployed have demonstrated for winter relief, and have marched and on occasion fought the police. In the majority of cases these demonstrations culminating in deputations to the local authorities have succeeded in gaining concessions, in spite of attempted trickery and police brutality.

Among the best organised struggles of the unemployed have been those against evictions. In Lochgelly (Scotland) and in Tottenham (London), where mass evictions were to take place, the N.U.W.M. rallied the unemployed workers to resist the bailiffs and police and to replace any furniture which had been taken out of the houses. To this end pickets with bugles to summon assistance were organised, and a corps of cyclists to ride for reinforcements established. The success of these struggles has animated workers in a similar position in other parts of the country to follow the good example of Lochgelly and Tottenham, and struggles against evictions are becoming an almost everyday feature of the work of the N.U.W.M.

The next big step in the fight of the unemployed workers is the campaign for and the carrying through of International Fighting Day Against Unemployment on February 25th. Out of the demonstrations of last March 6th Unemployment Fighting Day and subsequent campaigns, many of which came into violent contact with the police, considerable progress has been made in winning the independent leadership of numbers of workers, as has been particularly shown in recent demonstrations for additional winter relief.

Side by side with the growing unemployment and bitter class struggle in Britain, the Soviet Union has abolished unemployment, and is liquidating the kulaks and the last remnants of capitalist elements. These and the other outstanding successes of the Five-Year Plan have driven the international bourgeoisie to make tremendous efforts to get their intervention plans complete for 1931, for they recognise that just as the year 1931 is a decisive year for the carrying through of the plan so it is a decisive year for their opportunities of intervention. The growing danger of war against the U.S.S.R., the textile struggle in Lancashire, the threatened reductions on the railways, engineering, boot and building industries, together with the seething conditions of the coalfields following the miners' betrayal by the M.F.G.B. bureaucrats and the Labour Government, and the prospects of renewed struggle on March 1st, provides a background against which the British workers can go forward to February 25th with revolutionary confidence and enthusiasm in the fight for their immediate demands, for the defence of the Soviet Union, against the war danger and preparing the way for the National Charter Convention and the bigger revolutionary tasks that lie ahead of the British proletariat.

THE SOCIAL FASCISTS ON THE "SOLVING" OF THE WORLD ECONOMIC CRISIS AND UNEMPLOYMENT

By R. NAUMANN.

AT the present time, the social-fascists are using most "revolutionary" language :

"Capitalism has finally failed."

"Away with capitalist savagery."

"We must mobilise the masses against capitalism."

"We are fighting for a Socialist order of society, because only a Socialistically organised economy can free humanity from the inherent evil of capitalist crises."

The social-fascist press of to-day is full of such slogans, expressions and articles, the most "revolutionary" emanating from the left wing of the social-fascists, the so-called Austro-Marxists. And the greater unemployment grows, the greater the poverty and misery among the workers, the deeper the indignation of the proletarian masses against capitalism, the more radically do these heroes talk. The elemental revolutionary struggle of the proletariat against capitalism, the increasingly revolutionary sentiments of the proletariat, the radicalisation of the masses, force the Social Democratic leaders to use this extremely revolutionary phraseology, and to undertake new "left" manœuvres.

Under the cover of revolutionary phrases, the social-fascist leaders are trying to keep the proletarian masses, becoming more and more radical, under their influence, and to mislead them so that they can still be used to maintain and support capitalism. But all the measures which the social-fascist leaders propose or try to put through, are nothing but the most shameful treachery against the proletariat ; they are not even purely reformist measures, aimed at securing some reform or other from capitalist economy :—their sole and exclusive object is to drive the capitalist offensive further and to transfer the entire burden of the economic crisis on to the shoulders of the workers.

The extent of the social-fascist leaders' treachery to the working-class is well illustrated in their handling of the unemployment problem.

Not long ago, on January 21st and 22nd, 1931, a joint commission of the International Federation of Trade Unions and the Labour and Socialist International was held at Zurich to examine the problem of the economic crisis and unemployment. The flower of the social-fascist leadership took part in the discussions : Naphtali and Spliedt from Germany, Otto Bauer and B. Kautsky from Austria, Jouhaux from France, Citrine, Bolton, Compton, Gillies and others from England, as well as F. Adler, secretary of the Second International and Schevenels, secretary

of the I.F.T.U. Of course, this illustrious commission sought to find ways and means of overcoming the economic crisis, and particularly unemployment, in a manner that would be of use and benefit to world capitalism.

The result of this international assembly and of the discussion of fifteen reports was the usual solemn declaration which, in essentials, added nothing to what has been said for months past by the social-fascists on the question of unemployment and of how to meet it. Its special value, however, lies in the fact that it characterises the new "left" manœuvres of the social-fascists and illustrates the method by which, in the present situation, the united front of the social-fascists and the bourgeoisie is operated against the revolutionary proletariat. In that united front, however, there is no hiding the contradictions which exist in finance capital and consequently between the social-fascists of the different States.

We would remark from the outset that the tactics of the social-fascist leaders consist, among other things, in hiding from the working masses the acuteness of the unemployment problem and its probable continuance. Consequently, the figures of unemployment given in the social-fascist press are always considerably below the actual figure, and are even lower than the estimates of world unemployment made by bourgeois economists. For example, the International Labour Office at Geneva, which is conducted by the well-known leader of the yellow trade unions, Albert Thomas, calculated world unemployment at the end of 1930 at about 15 million, while even bourgeois economists were forced to assume the figure of 20 million. Actually at that time there were about 30 million unemployed.

The figures given by the social-fascists were intended to give the impression that the world economic crisis is, after all, not so grave and so deep as the Communist mischief-makers maintain. In the attempt to portray mass unemployment as considerably less than it actually is, Thomas surpasses his masters and achieves a scarcely enviable position, for by so doing he discredits himself more and more rapidly in the eyes of the proletariat, revealing himself as the representative and protagonist of the interests of finance capital. For example, the I.L.O. figures of unemployment gave 4,893 for France, whereas the real figure was more than 100,000 ; for America it gave 5 to 7 million, while actually there were at least 8 to 9 million unemployed ; for Austria the figure of

263,000 was given, with the real figure standing at 350,000, etc., etc. This deliberate falsification was designed to set world unemployment in a softer light, and at any cost to hide from the proletariat the extent and the depth of the contradictions of capitalist economy.

The finesse of the tactics employed by the social-fascists in order to mislead the masses is displayed in the following "left" manoeuvre: the declaration arrived at after the two days' session of these illustrious social-fascist leaders contains the statement that the wage reductions are the cause of world unemployment and that it is therefore necessary to fight and to prevent wage cuts if unemployment is to be fought. It reads:

"The apparatus of production of world economy has been greatly extended since the war. But the goods which can be produced find no market. . . . This disproportion between productive capacity and consumption . . . is in the first place to be attributed to the fact that profits, which are to a great extent accumulated and used to extend and to improve the productive apparatus, have increased more rapidly than wages, which are almost entirely consumed and used in the purchase of consumable goods. The reduction of wages cannot alleviate, but only intensify this disproportion.

"Consequently, the commission considers that the most important task of the labour movement at the present time and in every country is to resist the attack on wages with all its strength." (*Forwards* Jan. 27, 1931.)

These demands are nothing new. They were made in the whole social-fascist press long before the Zurich consultation, under such titles as:—

"Wage cuts mean more unemployment."

"Wage cuts worsen the crisis."

"Price reductions without wage cuts," etc., etc.

This demand is made in order to mislead the proletariat in the fight against unemployment. How? Because, as a result of the international competitive struggle, the bourgeoisie is forced to conduct a bitter offensive on the wages of labour. The victor in the competitive struggle is the one who produces the cheapest, and in general he produces the cheapest who pays the lowest wages. So the struggle between the employers forces them to outdo each other in reducing wages, and the desire to reduce wages becomes greater the sharper the competitive struggle grows, that is, the further the present world crisis develops.

The victory of the employer in imposing wage reductions in one factory or in one branch of industry or in one country, brings in its train wage reductions in all other factories, industries or countries. The defeat of the Berlin metal workers gave rise immediately to an attack on wages in many other industries; the low wages of the Chinese coolie and the Indian worker set the level to which the wages of the European worker are to be reduced, and the reduction in the wages of the European workers then form the basis for a further reduction in the wages of the

colonial workers. The replacement of men by women, of adults by juveniles, in one factory, industry or country, means that the same process will be carried out in other industries and countries.

These attempts on the part of the capitalists to find a way out of the crisis by reducing the wages of the workers are facilitated by the great extent of unemployment. The facts show clearly that there have been reductions in wages in all countries, reductions which have had to be admitted even by the social-fascist press, and they have been so great as to arouse a storm of indignation from the workers which has compelled the social-fascist leaders to speak in an extremely "revolutionary" language.

The attempt to induce the workers to believe that an improvement in their position, in their standard of living, and consequently the overcoming of the crisis and of unemployment is possible without the revolutionary class struggle of the proletariat, without the abolition of the capitalist economic order, that it is possible merely by winning greater "democracy" and "economic democracy," is treachery to the working-class, perpetrated in the interests of finance capital, helping it to carry out its offensive on the worker's standard of living.

The social-fascist leaders help finance capital to attack the wages of the worker not only by preaching to the workers that it is possible to prevent wage cuts by "winning" the bourgeois state, by gaining economic democracy, by parliamentary means, but also by directly helping to put wage reductions through, by acting as the agents of capital in the matter of wage reductions. Wherever the strength of the Red trade union opposition and the revolutionary development of the masses is not sufficient, the action of the social-fascist leaders takes somewhat the following course: The employers demand a wage reduction of 20 to 30 per cent. The social-fascist leaders "resist" and in view "of the grave situation" suggest a cut of 5 to 10 per cent. After lengthy negotiations and the setting up of arbitration committees and commissions, an agreement is reached on a 15 to 20 per cent. cut. This (1) secures a wage reduction as the employers wished; (2) gives the social-fascists the appearance of having fought in the interests of the workers against wage cuts and, in any case, of having won a reduction in the proposed cut. The whole negotiations are nothing but a game agreed upon between the financial magnates and the social-fascist leaders.

When all arbitration commissions prove of no avail, when the masses under the leadership of the Red trade union opposition and the Communist Party energetically resist wage cuts, when great economic struggles break out, the social-fascists try to get at the head of the strike movement, in order to strangle it. Then they no longer have even the

appearance of having fought against wage reductions; their shameless treachery becomes much clearer to the masses.

This is the sort of struggle put up by the social-fascists against unemployment; this is the measure of their resistance to wage cuts.

A second manœuvre contained in the declaration of international social-fascism consists in the attempt to reach a "just" distribution of work between the employed and the unemployed.

"It is absolutely necessary to adapt the hours of labour to the greatly increased productivity of labour. In view of the tremendous volume of unemployment in the world, the commission considers that it is expedient and indispensable to take up on an international scale the struggle for the five-day week, in order to create work for the unemployed."

This demand, in all its variations, has also been made for many months past in the social-fascist press. Superficially it corresponds to the old Marxist demand for shorter hours of labour on a rational scale adapted to productive forces; actually it is only a caricature of the old Marxist demand, for shorter hours of work are only of benefit to the workers if they are accompanied by a corresponding increase in the rate of wages. Less hours of labour, whether by the introduction of the five-day week, of the forty-hour week, or in any other form, means not an increase but a reduction in wages and consequently greater impoverishment of the masses. This is not an attempt to transfer the burden of the crisis from the unemployed to the bourgeoisie, but an effort to get the proletariat to bear an even greater part of the burden and to increase still further the poverty of the proletariat. "The workers' hours of work are to be reduced in order to create work for the unemployed."

The bourgeoisie is extremely satisfied with such a creation of work for the unemployed. First of all it costs nothing; if such work is created at all, the burden is borne by the proletariat. Secondly, the bourgeoisie alone profits because it reduces the amounts necessary for unemployment and emergency benefits. *Vorwärts* itself wrote on October 18th, 1930, that a reduction in working time to forty hours a week, and the consequent enrolment of 500,000 to 700,000 of the unemployed into the process of production would mean a very considerable saving in the money spent by the State and the municipalities in unemployment relief. It was added, we must admit, that these savings could be used in equalising wages, but that is indeed reckoning without one's host.

Thirdly, the bourgeoisie benefits by such a demand because it creates disunity among the proletariat, putting the employed workers in opposition to the unemployed workers. The workers whose wages are in any case extremely low and who, with such a policy, would have to surrender a part of their wages in favour of the unemployed, would be stirred up against

the unemployed, while the latter would in their turn be stirred up against those who have work and who are unwilling to have their hours and their wages reduced. Such a demand merely sows disunity and provokes splits in the workers' movement breaking the united front of the entire proletariat against the bourgeoisie, thus helping the bourgeoisie to carry out the offensive on the workers' standard of life. The demand for the creation of work for the unemployed by decreasing the hours of work of the employed is thus a demand which corresponds completely with the interests of the bourgeoisie and which can bring no improvement, but only a worsening of the position of the proletariat.

* * *

A third plank in the platform of the social-fascist leaders consists in the demand for the creation of work by State expenditure.

"The commission referred emphatically to the fact that the disproportion between productive capacity and consumption . . . can be mitigated, in times of crisis, not by limiting state expenditure, but by the greatest possible expenditure on productive public works."

This demand also represents despicable treachery to the working-class, for it is utopian to expect the bourgeois state generally, and particularly in times of crisis when its income is considerably decreased and the deficit of the State budget grows, to expend money on productive public works. The resources which the bourgeois state can use to appease the masses are at the best of times nothing but a drop in the ocean and can only create a small amount of work. In the final analysis even such resources have to be raised from the workers, for the State raises the money for such public works from the workers by means of direct and indirect taxation. Such measures do not alleviate, but rather intensify the crisis.

The whole course of the crisis up to the present time shows the bankruptcy of such measures.

* * *

The demands which we have dealt with above, made by the social-fascists in order to overcome the crisis and unemployment, show that in every respect they pursue the aim of increasing and accelerating the attack of capitalism on the standard of life of the working-class. They demonstrate the unity of the labour leaders of the different States in the service of finance capital against the proletariat. But they also express a certain disunity among them as representatives of the financial oligarchy in different countries, a result of the contradictions existing within that oligarchy.

For example, the interests of the American and the European financial oligarchy are opposed. This is shown, among other things, in the attitude of the different States to the reparations problem. It is well known that the English and French bourgeoisie are prepared to cancel as much of the German war

debt as the Americans cancel of the French and English debt. The social-fascists are again raising the problem of the revision of reparations. The European bourgeoisie is trying to get the American bourgeoisie to agree to a cancellation or partial reduction of war debts. As the obedient servants of finance capital the social-fascists put forward the same demand.

"The heavy payments which Germany has to pay to her creditors in reparations, and which these in turn have to pay to the U.S.A. as war debts, also contribute to the disorganisation of world economy. . . . Cancellation or at least reduction of all these obligations arising from the war, would undoubtedly be one method of alleviating the difficulties of world economy."

And since the American financial oligarchy are unwilling to accede to this request, the social-fascists in all European countries are afforded the opportunity of explaining to the masses that in the last analysis all their miseries are due to America.

The attempts made to shift the blame for unemployment on to others is excellently illustrated by the speech of MacDonald at the Labour Party Congress in October, 1930: "We submitted our plans for an international struggle against international unemployment to the Economic Committee, with the result that our proposals were rejected."

In the declaration of the social-fascists, those demands made by the social-fascist leaders of one country which are hostile to the demands made by the leaders of another and which are a reflection of the contradictions existing among the different groups of the European oligarchy, are prudently omitted. They were omitted because no unity could be achieved on them. The German bourgeoisie, for example, is suffering particularly severely from the Young Plan and is demanding a revision of the reparation settlement irrespective of whether America is or is not inclined to cancel or to reduce the war debts due to her. So, in complete accordance with the interests of the German financial oligarchy, the German social-fascists also demanded the unconditional revision of the reparations problem. At its meeting held on October 12th and 13th, 1930, to discuss methods of fighting the crisis, the German Federation of Trade Unions emphasised that:

"The German trade unions . . . have never left it in doubt that it must be the goal of German policy to obtain a revision of the reparations agreement and the re-establishment of the complete sovereignty of the German people."

The Austrian bourgeoisie is suffering particularly from the limitation of foreign trade. It is doing everything possible to increase its foreign trade and takes the social-fascists into its service for the same purpose. In his speech at the Austrian Party Congress in December, 1930, Otto Bauer stated:

"One of the chief causes of unemployment in Austria is the catastrophic decline in exports." He went on to ask how this decline could be counteracted and answered:

"We must force those States from whom we buy to import from us. Plans must be made to take imports from those countries which take our industrial products." Special import bodies should be established to whom the following order was to be given: "You must see to it that grain, cattle, pigs and coal are bought from those countries which buy our industrial products."

Thus in each country the bourgeoisie has its own interests which are opposed to those of the bourgeoisie in other countries. These mutually contradictory interests could not, of course, be adjusted at Zurich and so such demands were left out of the joint declaration of the social-fascist leaders.

Among other things, the international financial oligarchy is trying to overcome the crisis and unemployment by new imperialist wars, and above all by a war against the Soviet Union. On all sides it is arming for this war, which requires the united front of all the important States in Europe, the concealment of war preparations from the working masses and the mobilisation of the masses against the Soviet Union.

In the declaration issued by the commission we read:

"But . . . it is also clear that political unrest intensifies the economic crisis and that only the assurance of peace by international disarmament can enable world economy to be restored. Equality of security for all States must be achieved not by the arming of those countries now disarmed, but by the comprehensive disarmament of the countries not yet disarmed."

In order to conceal its war preparations, the financial oligarchy requires illusions to be spread among the working-class on the possibilities of disarmament under capitalism. The social-fascists helped to create those illusions.

The bourgeoisie requires a united front of the most important European States against the Soviet Union. The leadership in the organisation of this united front is at present taken by France. Briand's plan to create a United States of Europe is an expression of this desire. What do the Social Democrats do about it? In a great variety of forms they put forward the formation of a United States of Europe as the solution of the crisis.

"Every consciously responsible European should draw from the present circumstances the conclusion that there is no more urgent duty than that of looking upon Europe no longer as a geographical entity merely, but as an economic and political entity." (*Vorwärts*, November 6th, 1930.)

"The only road along which the German people can advance leads over the difficult and thorny work of unifying Europe, in which German-French co-operation, both politically and economically, is the most important step." (Naphtali in *Vorwärts*, of January 1st, 1931.)

The organisation of the war against the Soviet Union, which is to overcome the crisis and abolish unemployment, requires that the sentiments of the masses should be mobilised against the Soviet Union. Consequently the social-fascists are carrying on a furious campaign of slander against the successes

achieved by Socialist construction in the Soviet Union.

"The country without unemployment—not Soviet Russia—but France." (*Vorwärts*, September 19th, 1930.)

"Slavery instead of Socialism :—the results of State capitalism in the Soviet paradise." (*Social Democrat*, January 10th, 1931.)

"State slavery instead of Socialism :—the tragedy of the Russian proletariat." (*Vorwärts*, December 27th, 1930.)

Similar articles directed against the Soviet Union can be found by the dozen in the social-fascist press. It is therefore infamous treachery for the declaration to say :

"It demands the re-establishment of diplomatic relations, and the furtherance of economic relations of all States with the Soviet Union."

Their words are in complete contradiction to their deeds.

Whatever proposals and demands made by the social-fascists as ways of overcoming the world economic crisis and abolishing unemployment we might take, they always prove to be suggestions which support wholly the interests of the financial oligarchy and oppose the interests of the proletariat.

The financial bourgeoisie is doing everything it can to overcome the crisis; the social-fascists are required to give their assistance and faithfully carry out their commission; the bourgeoisie wants the tremendous extent of unemployment hidden, the social-fascists help to hide the facts and even surpass the bourgeoisie in their efforts to do so; the bourgeoisie has to prevent the formation of the united front of the proletariat to carry on a revolutionary struggle against unemployment and the social-fascists carry out this task; the bourgeoisie is fighting against being made, by the strength of the revolutionary class struggle, to bear the burden of the crisis, and the social-fascists help to transfer the complete burden on to the shoulders of the proletariat; the proletariat organises revolutionary struggles against the bourgeoisie, the social-fascists are foremost in their effort to break them; in order to overcome the crisis the bourgeoisie requires the mobilisation of the masses against the Soviet Union and the formation of a united front of the capitalist States against the Soviet

Union, the social-fascists are on the spot; the bourgeoisie is anxious to hide the extent of its armaments, the social-fascists again help them, etc., etc.

On every question, the social-fascists are to the forefront in the attempts of the bourgeoisie to overcome the crisis and unemployment at the cost of the proletariat and of the Soviet Union. In England, the Labour Party forms the Government and is directly carrying out the capitalist offensive; in Germany the Social Democrats support the Brüning Government which is carrying out capitalism's attack on the working-class, and where the Social Democrats are in opposition, they actually oppose only so long as the realisation of the capitalist offensive is not endangered, thus maintaining the appearance of a revolutionary party.

The social-fascist character of Social Democracy is becoming more and more clear, transparent and unconcealed. This is inevitable as class contradictions grow more acute, and the indignation of the masses assumes greater and greater proportions. The radicalisation of the proletarian masses is penetrating further among the proletarian adherents of Social Democracy, making for its disintegration. The elements of decay within Social Democracy are growing.

In some countries, such as Germany and Poland, the decay of Social Democracy has already begun. In order to fight against it, to prevent or at least to postpone the process, the social-fascists are carrying on a great variety of "left" manœuvres; they are carrying on a sham struggle against unemployment and wage reductions, they speak with most revolutionary tongues. The left wing of the social-fascists, led by Otto Bauer and Co., are being pushed further into the foreground, the better to deceive the proletarian masses, while the right wing, such as Hilferding, the typical representative of the theory of organised capitalism, retires for the time being into the background. But this cannot and will not stay the decline of social-fascism. The crisis can and will sound the knell of Social Democracy, if the Communist Parties know how to expose the real character of social-fascism.