

Imperialist Development and its Inevitable Doom

By Arne Swaback

Marx has given to the movement his brilliant terse definition of the true nature of the capitalist system of production. In his description of the transformation of the individual means into social means of production with the social product appropriated by the individual capitalist, he demonstrated the basic contradictions whence arise all the contradictions in which our present day society moves.

The specific features of the development of monopoly capitalism are, alongside the higher stage of socialization of production, also an intensification of contradictions and sharpening of the class struggle, as indicated most vividly in this present depression. Its extent and depth cannot yet be estimated, but whatever the degree, the depression itself will accentuate these conflicts. Any steps taken toward "social control of business"—to use the phrase of the capitalist economic writers—by monopoly capitalism and its government, will naturally mean not merely attempts at new divisions, but first of all a further expansion of productive capacity with increased exploitation of the workers. Evidence of this has already been given in the Hoover conferences. Discounting all the window dressing from the "promises" for building and expansion of activities by the big corporations and retaining that part which will actually find a place in their "normal" development, what have we left? Just such building and expansion which makes each corporation a more effective competitor and bring results in increased production of surplus values, at reduced cost by further rationalization, labor saving machinery and speed-up.

Lenin distinctly emphasized that capitalism in its imperialist phase leads to the most extensive socialization of production, that the fundamental contradictions of capitalism are not eliminated but become intensified, that the general structure of free competition remains and the oppression by a few monopolists becomes much harder, more painful and unbearable.

The Imperialist Struggle for Market Control

Concretely, the further developments will manifest themselves today first of all in efforts by American monopoly capitalism to overcome its economic difficulties by further pressure upon the workers. The theories of the capitalist economists of the high wage standard, labor stock ownership in enterprises and capital and labor partnership, also valiantly championed by the A. F. of L. "leadership", are due for some rude shakings: for the indispensable and fundamental condition of the capitalist method of production is a starvation standard, with, however, continued imperialist bribings of certain sections of the more skilled. This is already on the order of the day. The working class as a whole is suffering both by outright wage cuts, by the fact of a standing army of unemployed hitting most families, as well as increased speedup. The working class will find itself compelled to ever more resistance, thus sharpening the class struggle.

American imperialism will further seek to overcome its economic difficulties on the international arena by conquests of new markets. But the division of the world among the groups of capitalists, as far as colonial territory is concerned, was already completed at the end of the 19th and beginning of the 20th century. Now only redivisions are possible which usually find this "solution" in war. The American exports to foreign markets are increasing, and already presage an immediately sharpening trade war, because the European imperialist powers will do their best to retaliate. In answer to the new U. S. tariff policy, for example, similar steps are indicated in Europe. The French parliament is laboring over a bill providing for an exceptionally high duty on import of automobiles. The recent League of Nations Report shows Germany increasing her foreign trade much faster than the United States. One of the special tasks of the McDonald government is to carry through a complete reorganization of British industry to become a better competitor with the United States, and, if possible, to make the British workers "like" the speed-up system. A trade war of imperialist cut-throats will be based primarily upon their ability to cut wages and increase the pace of the workers. This struggle for the world market, or for redivision of the world, is but the prelude to the imperialist war, in other words—a continuation of the trade war with different means—which now finds its reflection in the

jugglings for position at the London naval conference in the race for armaments.

American Expansion will Bring Revolutionary Disturbances

"The inevitable further development of American expansion, the contraction of the markets of European capitalism, including the European market itself, entails the greatest military, economic and revolutionary disturbances, such as will leave all disturbances of the past in the shade." (Trotsky—Criticism of Comintern Program.)

As for any beliefs of the ability of the often appearing world trusts or syndicates actually to divide the world spheres between them and eliminate competition, historical experiences should teach a good lesson. Lenin cites some examples in his book "Imperialism":

The petroleum market already in 1905 was divided between two groups: The Standard Oil Co. and the Rothschild-Nobel combine. Both of these groups were closely connected, but their monopoly became threatened by newly developing oil fields mainly backed by German banks. A struggle ensued between the Standard Oil and the German banks, involving the German government, with the result that the former became victorious. We can add, that now this struggle is continued between the Standard Oil and the Royal Dutch Shell. Lenin further cites the field of mercantile navigation where the gigantic growth of concentration led to division of all routes between the two German groups, Hamburg-American and North German Lloyd on the one hand and the Morgan trust of Anglo-American companies on the other. An agreement for division was concluded in 1903 to run for 20 years. It became void by the world war. Similarly in 1904 the steel rail cartel was organized with a definite basis of division of the market between England, Germany and Belgium. Later France and the United States Steel Corporation, followed by Austria and Spain, joined. The war scattered it again.

Capitalism Can't Harmonize Contradictions

Recently rumors were current of American steel trusts entering the new European steel syndicate. Here again the prospects of the coming imperialist war indicates its short lease of life, if the conflicting interests of the national capitalist groups can be harmonized even that long. However, the decisive conclusion from such developments was drawn by Lenin:

World Textile Situation Bodes Workers Ill

By ROBERT W. DUNN

Anarchy of production under the present economic order is freshly illustrated in textile industry figures recently released. While mill owners complain of over-production and depressed prices, the annual review of the Textile World reports the total amount of mill construction in 1929 is larger than for 1928. Of the 550 separate concerns in the industry that are erected, enlarged or improved plants during the year, 182 were cotton mills, 194 knitting mills, 74 woolen mills, 52 silk mills, 18 rayon mills in addition to 50 dye-houses and finishing plants.

While new construction was being rushed in this highly competitive and "depressed" industry, other plants were working two shifts. Still others, chiefly in the north, were going out of business altogether. But on the whole the capacity of the industry to turn out goods was being steadily increased.

In one of the "sickest" years for the cotton industry new mill construction was booming in the south. North Carolina led with 40 new plants, units and basic improvements to mills. South Carolina was a close second with 32. The south added 420,000 new spindles and 9,215 looms in 1929, according to figures compiled by the Southern Textile Bulletin which reports that the average increase in southern spindles since 1912 has been 468,000 a year. Eight brand new cotton mills were built in the south in 1929, the largest being the Goodyear Rubber Co.'s mill at Rockmart, Ga., for the manufacture of tire fabrics.

With new mills and additional spindles running day and night, the owners turn their eyes overseas to find markets for goods. About 6% of cotton manufactures are now exported. The cotton men want to raise this to 15, 20 or more. And yet they collude with the export manager of the

"Some bourgeois writers were of the opinion that international cartels, being one of the most striking expressions of the internationalization of capital, give hope that peace among nations will be possible under capitalism. Theoretically, such an idea is an absurdity, and in practice it is a sophism and a means of dishonest defense of the worst kind of opportunism. The international cartels show the point to which capitalist monopolies have now grown and what the struggle among groups of capitalists is about. The latter point is the most important; it alone explains to us the historical-economic meaning of what is going on at present, as the FORM of the struggle may change and does change constantly, being dependent on various comparatively trifling and temporary causes, but the ESSENCE of the struggle its CLASS CHARACTER CANNOT CHANGE as long as classes exist." (emphasis in original.)

Finance Capitalists Direct Government

It would be foolish, however, to close one's eyes to the possibilities for further expansion of American monopoly capitalism even on the home market. The tendencies manifested in the Hoover conferences toward "social control of business" (state capitalism) is keeping that well in mind and is based upon such possibilities. They envisage the prospects of bringing the government into more direct participation, support and responsibility, that is:—to establish a more perfect synthesis of control by the dynastic oligarchy both in the economic and political spheres. In this country the personal union, or fusion, of banks, industrial establishments and the government has not been lagging. The banks are no mere intermediaries in business but powerful monopoly holders; finances are completely interwoven with direction of industrial activities, industrial magnates are on board of directors of the banks and ever more openly this whole gentry fills the seats of government. Mellon, whose family cleaned up nearly 300 million dollars during the month of May last year in the rich stock market harvest, has long been the most outstanding directing force in the cabinet. Recently, as part of the general Hoover program, he was able to hand down a small subsidy in the form of a 160 million dollars tax cut on all incomes between 1 and 10 millions. Now Grundy has been put in the Senate and Morrow, Morgan's partner, will soon also take a seat

there.

It follows incontestably that any such further expansion on the home market as well leads to further contradictions, further sharpening of the class struggle, further competition between the monopolies themselves and with the smaller capitalist enterprises. This is inherent in capitalism and substantiated by all historical experience. The present industrialization of the south is the most vivid example. So far only in the first stage, it is already developing acute class conflicts.

The Petty Capitalists are Ground Under

There are throughout the country plenty of advocates for extension of super-power developments; for damming of mighty rivers and irrigation and fertilization of extensive tracts of land or for a waterway from the Great Lakes to the Atlantic. Unquestionably the resources are available but within lie also sharpened competition and conflicts. We witness the uneven development not merely between the capitalist countries but also of capitalism within the country itself—not in the least softened in its monopolist stage. There are constant competition and encroachments upon the lighter or finishing industries by the heavier industries in control of raw materials, sometimes represented by horizontal versus vertical trusts. There is constant developing competition for new raw materials made possible by inventions of new methods. The new Edison process of making rubber from goldenrod or other weeds, for example, is likely to make great changes in the world struggle for rubber. Even the mere advocacy of the expansions mentioned above has struck opposition and conflicts between the various capitalist groups and monopolies. Conflicts between the capitalist groups is reflected in the dispute around the proposed high tariff legislation.

The Increase of Bankruptcies

The present depression as with others, is taking its toll in bankruptcies. According to the R. C. Dun review there were 2,759 bankruptcies during the month of January, the greatest number of any January for years. This offers the usual "splendid opportunities" for finance monopoly capitalism to proceed to organize these concerns or buy them for a song. The smaller capitalists and the middle class elements, who are thus being hit and who suffer in general from the oppression of the few monopolists have always looked for saviours to free them from the monopoly domination. They thus looked to and followed Roosevelt and LaFollette and they are now cherishing hopes that the present "progressives" in Congress will take up the cudgels against Grundy and Morrow and lead another "trust busting" campaign. It presages disturbances and splits within the important props of finance monopoly—the capitalist parties, mainly along economic lines. Many of the middle class elements, however, will be reduced to the ranks of the proletariat and become disillusioned.

The Growth of Communism

These are the dialectics of the capitalist system of production standing out more clearly in its greater maturity in the imperialist epoch. Every expansion of productive capacity; every step for more perfect stabilization of production, produces and intensifies its exact opposite—greater competition although in changed forms, and sharpened class antagonisms. These develop opportunities to advance the Communist movement. They should not be wasted in academic debates over primacy of external or internal contradictions; not to proclaim, as the Stalinists do, that the Right wing view of the disappearance of internal contradictions and the growth of anarchy in the international arena means that they hence "lead a purely metaphysical existence in the cosmic space". This is not the way to combat wrong theories. Crises in the specific country may focus particularly its internal contradictions; wars may focus particularly the external contradictions. Nevertheless these contradictions interrelate and are in the imperialist epoch inseparably bound together. The fact that American imperialism rests upon a foundation of world economy with its international conflicts hastens and sharpens the conflicts within.

DENVER—In January 24% of union members in Denver were unemployed, an increase over December of 1%. The percentage of unorganized workers unemployed is, of course, much higher.