

Seasonal Improvement -- Where? Weekly by July 1

The hope of American capitalism in the Spring period to indicate definite signs of a return from the crisis appears shattered, now that this period has come and gone with but a scant rise and an immediate recession. The decline of industry reached the lowest point in the crisis, at the end of January, when the index stood at 74.5. While this is not the lowest position of industry in the economic history of the country, according to the *Annalist*, (the year 1892, with an index of 72.0, is the lowest point), it marks the worst crisis experienced by United States capitalism since its appearance as an imperialist power.

Seasonal Rise Slight

The Spring seasonal upturn was a slight one. Increased activity was witnessed in most industries, but almost all without exception have again declined, with the prospect of a continuation of this decline with the coming slack of summer months. Thus the end of the first quarter finds the basic industries in depressed conditions, with a great instability in the other trades. The steel industry has declined steadily and at the time of this writing is working 48 and a half percent of capacity. This present low in steel indicates a similar condition among its chief customers, namely, automobile and railroad. Automobile production dropped to 68.0 at the close of April, which marked a decline of 17.9 points from the December index. Freight car loadings which stood at 80.0 at the end of December, rose slightly during the Spring period, and has now also begun a downward curve—at the end of March the index was at 77.0. Bituminous coal production suffered a drop of 5.9 since the beginning of the year, while drops are also recorded for electric power production and the entire metal industry over the same period.

The most illuminating picture of the depth of the crisis exists in the foreign trade balance, which serves as a barometer in estimating the present situation. A keynote of the crisis is sounded here. In the year 1930 a decline two and three-quarter billions of dollars was experienced in foreign trade. This decline continues at an identical pace. The figures given below represent the foreign trade for the first quarters of the years, 1929, 1930 and 1931. (*N. Y. Times* of April 26, 1931):—

Jan., Feb., March	Exports	Imports
1929—	\$1,396,589,000	\$1,122,156,000
1930—	\$1,110,300,000	\$ 893,136,000
1931—	\$ 697,543,000	\$ 567,847,000

A recapitulation of these figures will show a decline in 1931 of \$1,813,399,000 and \$738,046,000, from the years 1929, and 1930, respectively. Without its penetration and domination in the sphere of world economy, the phenomenal growth of U. S. capitalism would be unthinkable. It came only as a result of its hegemony over international capitalism. Its very progress today depends upon its continued domination of world economy. The international crisis of capitalism however found its reaction in the United States; so connected is national economy with international economy.

It is precisely here that American capitalism make its most determined efforts to rise out of the crisis. It is of utmost importance to remember that the previous upward march of U. S. capitalism and its present strength lies primarily in its dominant position in the world market, and as this condition can only be maintained upon the continuation of that rôle, we will witness the chief attempts of U. S. capitalism to extricate itself from the crisis by an evermore intensified aggression in the field of foreign trade. Comrade Trotsky, in his criticism of the program of the Communist International for failure to consider the United States and its rôle in world capitalism, wrote in 1928, that:

"In a critical epoch the hegemony of the United States will prove even more complete, more open, more ruthless, than in a period of boom".

The preparation for this policy is taking place now.

With ITS OWN two levers (the "international" lever and the "national" lever by which it maintains itself) capitalism is planning to issue from the crisis. At present the "national" lever, that of increasing the exploitation of its own working class, is being put to work, and is subjecting the American working class to increased misery and poverty. The slight rise during the Spring period liquidated no appreciable amount of the unemployed army, now numbering about 10 million. On the contrary the offensive against the working class is proceeding at an intensified scale.

Wage Cuts Increased

At present, under the leadership of the banks, the American capitalists are planning to institute a nation-wide campaign of

wage cuts. But this "plan" to institute wage cuts is actually in effect today, and the tendency has been increasing since the second half of the year 1930. The following figures of the Standard Statistics Corporation indicate the process in this direction:

1930	
	No. of Wage Cuts
1st Quarter	25
2nd "	60
3rd "	110
4th "	335

Total 530

The available figures for 1931 shows that the first quarter of this year will prove higher than the entire year of 1930. In January of this year the Standard Statistics Corporation estimates 335 wage cuts, while the U. S. Dept. of Labor states that there were 340 decreases. In addition to wage cuts, the rise in productivity as against the rise in wages over the past ten years shows the declining position of the working class. The *N. Y. Times*, of April 26, 1931, points out that over a period of ten years the increase of productivity was 48.5 percent, as against an increase of 24.3 percent, in real wages, and that for the years 1927-29, the rise in the value of manufacturing stood at 9.1 percent, as against a 3.9 percent, in wages.

Thus the 1st quarter of 1931 passed. The crisis continues much to the amazement of the capitalist economic experts and leaders in industry who cannot see anything "fundamentally wrong with capitalism". The coming year will see the offensive of capitalism increased on an international and national scale. For the organization of a counter-offensive the Communists must now prepare themselves.

—ALBERT GLOTZER.

(Continued from page 1)
the *Militant* by increasing by dozens and hundreds the number of our subscribers. Every one of our comrades must concentrate upon obtaining the largest possible number of subscriptions so that our Sub. Drive may be brought to a successful conclusion.

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The Question of Trade Union Unity

(Continued from page 4)

the courtiers of unity who offer them this shelter. To unmask the splitting work of the reformists and the parasitism of the Monattists is now one of the most important and indispensable tasks. The slogan of the unity congress can attribute greatly to the solution of this task. When the Monattists speak of unity, they aim this slogan against the Communists; when the U. G. C. of L. will itself propose a road to unity, it will deliver a mortal blow to the Monattists and will weaken the reformists. Isn't this quite clear?

It is true that we know in advance that thanks to the resistance of the reformists, the slogan of unity will not yield the great results at present that would be obtained in the case of a real unity of the trade union organizations. But a more limited result, on the condition of a correct policy by the Communists, will undoubtedly be achieved. The broad masses of the workers will see who is really for unity and who is against it, and will convince themselves that the services of courtiers are not required. There is no doubt that in the long run the Monattists will be reduced to nothing, the U. G. C. of L. will feel itself stronger, and the G. C. of L. weaker and more unstable.

But if that is how matters stand, then does it not amount—not to the realization of an effective unity—but only to a maneuver? This objection cannot frighten us. This is the manner in which the reformists especially evaluate our whole policy of the united front: they declare that our proposals are a maneuver only because they themselves do not want to lead the struggle.

It would be entirely false to make any difference in principle between the policy of the united front and that of the fusion of the trade union organizations. Provided that the Communists preserve the complete independence of their party, of their fraction in the trade unions, of their whole policy, the fusion of the confederations is nothing but a form of the policy of the united front, a more extended and broader form. In rejecting our proposal, the reformists transform it into a "maneuver". But on our part, it is a legitimate and indispensable "maneuver"; it is such maneuvers that train the working masses.

The Executive Committee of the Ligue, we say again, is entirely correct when it urgently repeats that unity of action cannot be postponed until the unification of the trade union organizations. This idea must be developed as it has been heretofore, explained and applied in practice. But this does not exclude the duty of posing boldly, at a definite and well-chosen moment, the question of the fusion of the confederations (or even of single federations).

The whole question consists of knowing if the Communist leadership is now capable of effecting such a bold maneuver. The future will show. But if the party and the leadership of the U. G. C. of L. today refuse to follow the advice of the Ligue—which is most probable—it may well be that they will be obliged to follow it tomorrow. It is superfluous to add that we make no fetish of trade union unity. We postpone no question of struggle until the unity. It is not a question for us of a panacea, but of a lesson in specific and important things which must be taught to the workers who have forgotten or who do not know the past.

For participation in the unity congress, we do not of course put any conditions of principle.

When the courtiers of unity, who are not ashamed of cheap phrases, say that the united confederation must base itself upon the principle of the class struggle, etc., they are doing verbal acrobatics in the interests of the opportunists. As if a serious man could ask Jouhaux and Co. to tread, in the name of unity with the Communists, the road of the class struggle which these gentlemen have deliberately abandoned in the name of unity with the bourgeoisie. And just what do these courtiers themselves, all these Monattes, Zyromskis and Dumoullins, understand by the "class struggle"? No, we are ready at any moment to stand on the grounds of trade union unity, not in order to "correct" (with the aid of charlatan formulae) the mercenaries of capital, but in order to tear the workers away from their traitorous influence. The only conditions that we put have the character of organizational guarantees of trade union democracy, first of all the freedom of criticism for the minority, naturally on the condition that it submits to trade union discipline. We ask for nothing else and on our part we promise nothing more.

Let us imagine that the party, even if not immediately, follows our advice. How should the Central Committee act? It would first of all be obliged carefully to prepare within the party the plan of the campaign, to examine it in all the trade union fractions in accordance with local trade union conditions, so that the slogan of unity might be effectively directed simultaneously from above and from below. Only after a careful preparation and elaboration, after having eliminated all doubts and misunderstandings in its own ranks, does the leadership of the Unitary Confederation address itself to the leadership of the reformist Confederation with concretely elaborated proposals: to create a party commission for the preparation, within a period of two months for example, of the trade union unification congress to which all the trade union organizations of the

country must have access. Simultaneously, the local Unitary organizations address themselves to the local reformist organizations with the same proposal, formulated with precision and concreteness.

The Communist party develops a broad agitation in the country, supporting and explaining the initiative of the U. G. C. of L. The attention of the broadest circles of workers, and primarily that of the Confederation workers must for a certain time be concentrated on the simple idea that the Communists propose to realize immediately the organizational unity of the trade union organizations. Whatever the attitude of the reformists may be, whatever may be the ruses to which they resort, the Communists will come out of this campaign with profit, even if it is only reduced, for the first time, to a demonstration.

The struggle in the name of the united front does not cease, during this period, for a single minute. The Communists continue to attack the reformists in the provinces and in the center, supporting themselves upon the growing activity of the workers, renewing all their offers of fighting actions on the basis of the policy of the united front, unmasking the reformists, strengthening their own ranks, etc. And it may well happen that in six months, in a year or two, the Communists will be obliged to repeat again their proposal of fusion of the trade union confederations and, by that, put the reformists in a position that is more difficult than the first time.

The real Bolshevik policy must have precisely this character which is at once offensive, bold and maneuverist. It is only by this road that the movement can be preserved from stagnation, purged of parasitic formations, and the evolution of the working class towards the revolution accelerated.

The lesson proposed above has no meaning and cannot succeed unless the initiative comes from the U. G. C. of L. and the Communist party. The task of the Ligue does not consist, naturally, of advancing independently the slogan of the unity congress, pitting itself against the Unitary Confederation as well as against the reformist Confederation. The task of the Ligue is to push the official party and the U. G. C. of L. on the road of a bold united front policy and to stimulate them—on the basis of this policy—to carry out at a propitious moment—and in the future there will be many such moments—a decisive offensive for the fusion of the trade union organizations.

In order to fulfill its tasks towards the party, the Ligue—and this is its first duty—must align its own ranks in the field of the trade union movement. It is a task that cannot be postponed. It must and will be solved.