

Thesis for the Pre-Conference Discussion

Call for Second National Conference of the Communist League (Opposition)

To All Branches of the Communist League of America (Opposition):

The more than two years that have elapsed since the first national conference of the Left Opposition in the United States have furnished us with a wealth of experiences nationally and internationally which press for collective examination. New problems have arisen for our movement which demand a Marxian analysis and solution. The work which we have carried out in the past period, and the policies we have pursued, require a review and a summary. The increasing needs of our movement confront us with the problem of elaborating collectively our plans for the coming period. Towards this end, the National Committee issues this call for the Second National Conference of the Communist League of America (Opposition) to be held in New York City from Thursday, September 24, 1931 to Sunday, September 27, 1931. The pre-convention discussion period, therefore, is hereby formally opened by the publication of the principal thesis of the National Committee. In coming issues of *The Militant*, there will be published the other theses and resolutions: on trade union work, on the situation in the Communist International, and the International Left Opposition, on the situation in the Communist International and the International Left Opposition, on the problems of the youth, and on the Negro question. In addition, the National Committee presents as its thesis on the Russian question the document drafted by comrade Trotsky, which

made public as a pamphlet. All these documents should be considered not separately but as parts of one single whole which the National Committee presents for discussion, and for adoption by the conference. All members of the Communist League of America (Opposition) are invited to participate to the greatest extent in the discussion in the branches of the League, as well as in the columns of *The Militant*, which are now thrown open for the pre-conference discussion up to the day when the conference opens. Further conference details will be forwarded to all the branches.

The agenda which the National Committee proposes for the conference is as follows:

1. The Crisis in the Communist International and the Development of the International Left Opposition.
 2. The Situation in Russia.
 3. Political Report:
 - (a) The Perspectives of the American Revolution.
 - (b) The Tasks of the Communists.
 - (c) The Role of the Opposition.
 4. The Trade Union Question:
 - (a) The Future of the A. F. of L.
 - (b) The Outlook for the New Union Movement.
 5. Communist Strategy and Tactics.
 6. Building the Communist League: The Forms and Methods of Its Future Work.
 7. Youth Questions.
- National Committee
Communist League of America
(Opposition)

of Europe. The American jackals have reduced the numerous European nations to a diminishing share of the world market. But portions of even this reduced share are fought for with an intensity that becomes steadily more hostile on the part of the European countries themselves, even though the pressure of American imperialism urges them on to an economic unity of front which France seeks to establish under its hegemony through the Briand plan and Germany, through "Anschluss" with Austria. The reactionary utopianism of Briand does not at all signify that the economic and political unity of Europe is not necessary or that its establishment would not succeed in warding off the ruthless, reactionary advance of American imperialism, the decay of European economic life which it superinduces, and the untold misery of the masses that it involves. On the contrary, it signifies only that this unity cannot be established on a capitalist basis. But this unity, involving as it does the razing of the strangulating national frontiers and customs walls, the coordination of the scattered economic and industrial equipment and resources of the continent, a destruction of the malignant system of Versailles, a fusion with the Soviet Union, can only be accomplished on a revolutionary basis, that is, in the form of the Soviet United States of Europe. In general, the crisis renders more acute the danger of a new world war. The imperialist conflict is maturing for a new open struggle to re-divide again the world's markets, the colonies, the spheres of influence, the sources of raw materials. All the elements of a new holocaust, more frightful than any that has ever preceded it, are present in the situation. The dominating fear of a new wave of proletarian revolutions that would inevitably follow it has, so to speak, been the principal retarding factor so far. But the fear of the prospect of working class retaliation is, by itself, an inadequate preventive of war. The inexorable pressure of its increasingly acute contradictions reaches a point for imperialism where

the demands and necessity for expansion overcome the fear of its consequences. The powder for the explosion is strewn loosely throughout the world. A new spark, a new obscure Sarajevo, is all that is required to set it off. Imbued with the prospect of war, each imperialist nation engages in feverish military, naval and aerial preparations and jockey for advantageous positions. Behind the "disarmament" conferences the shipyards and armaments factories continue to work with unceasing regularity. The standing armies of today exceed those of the days prior to 1914. Navies grow more powerful, more modern, more efficient. Air fleets exceed in numbers and effectiveness the wildest dreams of the pre-1914 militarists. While the social democrats preach a treacherous disarmament to the workers, they lend their support to armaments for "the defense of the fatherland".

Shall it be a war between the imperialist powers themselves, or a war of the imperialist powers to overthrow the proletarian dictatorship and re-open the vast Russian market to capitalist exploitation? The war danger runs rapidly along both channels. The 1914 slogans of the war-mongers are being refurbished for the offensive against the Soviet Union: For "democracy", against "dictatorship"! On this score the Pope is at one with Hoover, the social democracy with the anarchists, Hindenburg with Hitler and Hitler. All find themselves in their place along the bulwark of a moribund capitalist "civilization" which they are ready to defend—with the blood of capitalism's slaves—against the dawn of the new society. To mobilize the workers against the danger of imperialist war, to permeate them with the idea of the class war for emancipation against the imperialist war of enslavement, to rally them for the defense of the workers' fatherland—there lie imperative duties for the revolutionary Communists. And upon us, the American revolutionists, lies the double duty of the struggle against that imperialist power which, by its might and its rapaciousness, is bound to play a decisive, initiatory role in the coming conflict.

The Crisis in the United States and Its Effects on Labor

The present crisis is distinguished from many which preceded it in the history of capitalist production by its virtually planetary character. Not even the world war of 1914-1918 furnished a more illuminating example of the world character of present-day economy and politics than is supplied by the crisis wrecking world capitalism today. In the complex system of capitalist world economy, each individual country occupies its specific place, intimately bound up though it is with all the other countries. The specific features of the crisis in the United States must therefore be viewed from the standpoint of the unique position it occupies in the world economic and political chain.

The crisis in the United States made its appearance after a period of prosperity unprecedented in economic history. Gifted with vast economic resources, a highly efficient industrial production, it had the added advantage of issuing out of the war the only major victor—its economic organization infinitely less disorganized than that of war-torn and debilitated Europe, its political life undisturbed by such intense revolutionary convulsions as ripped through the fabric of Continental society. In less than half a decade after the war, the econ-

omic center of gravity had shifted from Europe—more specifically, from England—to the United States, with the latter transformed from a debtor into a creditor nation, into the banker and industrialist of the world. With the termination of the early post-war crisis in the U. S., and the ebb of the revolutionary wave in Europe (1923-1924), the United States experienced a new period of expansion and consolidation, translated abroad in its assumption of the role of "stabilizer of Europe" and at home by the unparalleled "permanent prosperity period" of 1924-1928.

Prices on the stock market (averages of 25 industrial and 25 railroad stocks) swung from the 1924 low point of \$2.20 to the unheard of peak towards the end of 1929 of 311.90. The index for "business activity" rose from little better than 85 in 1924 to over 110 towards the middle of 1929. In the same five years the growth of manufactures was expressed in the rise from the index figure of less than 250 in 1924 to more than 300 in 1929 (1899 equals 100). Such key branches of production as pig iron rose respectively from index figures of 67.5 (low point in July 1924) to 127.4 (high point in July 1929) and steel ingot output from 64.6 (low point in July

1924) to 132.2 (high point in June 1929), even though the European share of world production in these two industries had been increasing and that of the United States decreasing. The foreign trade of the United States maintained the figure for the war years of 1917-1918, and, in 1929, even surpassed them, even if with a less favorable trade balance. The foreign investments of American imperialism reached the fabulous sum of \$16,000,000,000, penetrating into every branch of the industrial and economic life of virtually every country in the world. Rising out of the unemployment trough into which it had fallen between 1920 and 1922, the U. S. was able, in this period, to maintain both the number of factory workers employed and the wage level at a fairly even keel, at least, without great fluctuations or declines.

The unfolding of this unprecedented period of relative prosperity coincided with an equally unprecedented period for the working class, above all for the organized labor movement. The great mass movements of the workers in the turbulent post-war year, manifested in strikes in basic industries involving hundreds upon hundreds of thousands of workers, gave way to the slumberous calm of labor inaction, manifested in a sharp and steady decline of strikes. The trend towards independent political action, which at one time attained substantial proportions in the movement for a labor party, was absorbed by the petty bourgeois La Follette movement and finally dissolved into nothingness. The Communist movement began to experience a period of stagnation and decline. The steady advance of the Left wing and progressive movement inside the trade unions came to an abrupt halt and began to develop along a downward curve. The reactionary bureaucracy of the A. F. of L. became more soundly entrenched than ever, the resistance to it became weaker and less heeded. The philosophy of class collaboration and class peace penetrated every fibre of the labor movement, corrupting and undermining its militancy, poisoning its consciousness, rendering it impotent. It was lulled into a sleep of false security in the lap of a fantastic "permanent prosperity" in which the working class was allegedly sharing to an ever increasing extent and without the need of struggle. Under the weight of American imperialism's stupendous economic preponderance in world economy, combined with the illusions of "labor" banking, stock sharing, "permanent" high wages, and similar manifestations of this period, the bourgeois ideology of the "new capitalism" became the determining influence in the life and activity of the decisive bulk of the American working class, affecting not only such reactionary instruments of capitalism as the A. F. of L. and the Socialist party, but to a certain extent even the organized Communist movement.

The appearance of the crisis, which disrupts the economic structure of the country, lays the basis for a profound and thorough-going change in this situation. The crisis broke out with all the greater sharpness precisely because the unique position of American capitalism enabled it to postpone for a time the precipitation of the crisis. The dynamic forces for the crisis had been accumulating for some time. The highly rationalized American industry, the intense speed-up of production, the contraction of the domestic and the world market only served to hasten the process of overproduction which lies at the bottom of the present crisis. The highly-strung productive mechanism, with its accumulation of surplus commodities finally reached the congested end of the market funnel, resulting in the machinery of production and distribution collapsing for lack of room to expand. The water-logged securities market, hugely inflated out of all proportion to actual values, was driven into a corner and squeezed down by the pressure of the industrial decline.

The depth of the crisis in the United States may be seen by a comparison of present indices with those prevailing in the "boom" period. Prices on the stock market (stock averages mentioned above) collapsed in little over a year from the peak average of 311.90 (September 1929) to a low point of 135.43 (December 1930). The index for "business activity" fell from 110 (May 1929) to 75.7 (December 1930), not only marking a decline below the figure for 1924, but reaching a point lower than any other since March 1908! The index figure for manufactures fell in one year to 250, barely above the figure for 1924, that is, a loss in one year of the gains made in the five preceding years, with the growth of population showing a steady rise all along the line. Pig iron production declined from its high point of 127.4 to a 1930 average of 83.3, and a low point of 53.5 in December 1930. Steel ingot production declined almost by half from its June 1929 high point in the 1930 average of 77.9, and reached a mark in December 1930 (50.0) only a few points above the low point of 1921. Freight car loadings took a dizzy drop in little over a year from 107.5 to 80.0. The decline in electric power production was only slightly less. Automobile production slumped from 138.8 (December 1928) to 64.3 (November 1930) and 86.0 (December 1930). A sharp decline in foreign trade (merchandise) affected the United States not only in a decline in exports and imports, but in both, as well as in a decline in the favorable balance: The first quarter of the current year

showed a foreign trade for the United States of almost exactly half the figure for the same period in 1929 and lower than any figure for more than a decade.

The harshest effects of the crisis are undoubtedly to be found in the records of unemployment. Even the tendentious figures of the government bureau show a terrific decline in manufacturing employment. If March 1925 is taken as roughly 100 (100.4 exactly), the month of February 1931 showed an index figure of 74.1, that is, a falling off of one-fourth of the jobs in manufacturing. More authentic figures place the ranks of the unemployed in the United States at between nine and ten million workers, with no serious indication that this condition of unexampled acuteness is to be ameliorated in the near future. To these telling figures should be added the uncomputed numbers of part-time workers, and a decline in pay-roll totals for those still employed which gives adequate testimony to the broad sweep of the wage-cutting drive. The misery and sufferings which these figures bespeak destroy, by themselves, the legend assiduously cultivated for years that the standard of living of the American working class is assured of a permanently progressive improvement.

The indices listed above serve as the barest outline of the breadth and depth of the crisis in the United States, but they suffice to point out the severity of its effects. To foretell with any measure of exactitude the duration of the crisis, even in its sharpest forms, is exceedingly difficult, particularly because it is not only the United States which is involved, but practically the entire capitalist world. What does appear clearly, however, is the fact that the spurious optimism of the official bourgeois economists and statisticians in the last two years has not only been proved baseless, but that there is no immediate prospect of any substantial turn for the better. Even the more sober of the bourgeois economists now acknowledge that it "seems quite unlikely that American business will attain to what it is willing to call 'prosperity' before some time in 1932" (Annalist). A more objective estimation of the prospects for a decisive upward swing of the conjuncture would put the period for a commencement of recovery at an even later date.

The present crisis of American capitalism is not its final revolutionary crisis, but it is also distinguished from the cyclical crises distinguished by the United States prior to the world war. The latter were characterized by a relatively favorable equilibrium between the development of the productive forces and the development of the internal market, between the growth of agriculture and the growth of industry, and by a position in world economy of very modest dimensions. The present crisis comes after the existence of an acute disruption of the "equilibrium" between agriculture and industry, and only serves to aggravate the agrarian situation; it appears coincidentally with a contracted domestic market which gives no appearance of noteworthy extension in the immediate future; and, finally, it occurs in the period of declining world capitalism and as part of a planetary crisis which, precisely because American imperialism's sources of power are spread all over the world, invests the disruption of American economy with a highly perilous character.

Bearing down in the other direction, however, is another factor which distinguishes the United States today from pre-war America. This factor is the position of world preeminence, in economics as well as in politics, which the United States has conquered for itself since the end of the world war, and the pressure to which it submits the rest of the capitalist world. In the period of its present crisis, this pressure, far from being relaxed, is certain to be—must be—intensified. The vast resources of the United States, its unique post-war position, its gradual displacement of England as the leading factor in world economy and politics—all these factors which enabled the American colossus to extricate Germany—and in large measure, Europe in general—from the post-revolutionary crisis (1924), are still effective enough to warrant its ability to extricate itself out of its present crisis by shifting the burden of it not only upon the working class at home, but upon the nations of Europe, even if this time at the expense of hastening the revolutionary crises on the Continent. That the process of "liquidating" the crisis in the United States will not be an easy or speedy one, flows inevitably from the relations between America and Europe. On the contrary, it will bring in its train the bitterest resistance to America and the sharpest convulsions and crises for European capitalism, regardless of whether the initial shock occurs in Asia, Latin America, or Europe itself.

At the present time, what appears to be the most likely avenue of escape from the crisis for the United States? To adjust its production apparatus to the present divisions of the world market would mean to reconcile itself to the status quo of the crisis or worse. The United States will therefore seek to re-adjust the present divisions of the world market to its own productive possibilities. But the successful execution of this attempt pre-supposes, in turn, a readjustment of its industry in preparation for a vigorous assault upon the world market made all the more necessary by the

The outstanding feature of the present situation is the world-wide character of the economic crisis, more severe in its effects than any other manifestation of the anarchy of capitalism since the precipitation of the world war of 1914. Eloquently testifying to the fact that capitalist economy today is predominantly world economy, that the prevailing mode of production and distribution has entered into the most violent conflict with the needs and interests of the masses of society, that the development of the world's productive forces is acutely incompatible with the innumerable national boundaries that restrict it, the crisis has swept over every important country in the world with the ruthlessness of a social epidemic. No country that moves actively within the orbit of world economy is immune from the convulsions of the crisis. Following the delating collapse of the American stock market and the dizzy industrial decline that has ensued to this day with almost uninterrupted regression, the crisis has wracked the economic or political life of every important European, Latin American, and Asiatic nation. Even France, which enjoyed a relatively favorable conjuncture for a number of years following the stabilization of the franc, has been drawn into the maelstrom of decline.

The Soviet Union, too, which has not been and cannot be liberated from the pressure of world economy, has felt the effects of the international crisis, to a far more limited extent than the capitalist countries, it is true, but it has been influenced by them nevertheless. The radical international decline of commodity prices has seriously affected Soviet exports, that is, its growing connection with the world market, which becomes an increasingly important factor in the development of its machine industry. Yet, the successes and advances of the Soviet Union stand out even more prominently in contrast to the universal anarchy and decline of capitalist economy. In the society of tomorrow, despite its isolation, despite the antagonism of the rest of the world, despite all the tremendous difficulties and barriers placed in its path by the world bourgeoisie and by the interior deformation of the principles upon which it was founded, progress is being made at a rate never attained under anarchic capitalism. Even in its embryonic stage, the superiority of planned production and distribution, the advances towards the socialist ideal, are being made clear to every greater millions throughout the world. Its very existence serves as a challenge to the parasitic, decadent social system under which the rest of the world is laboring. Regardless of the imperialist dangers that threaten it from without, and the Thermidorian and Bonapartist corrosion which menaces it at home, its progress in laying the foundation stones for a socialist economy, the advances made in the field of industrialization and the reorganization of its terribly backward agriculture, are a milestone in the forward march of humanity which capitalist society, torn to bits by insoluble contradictions, cannot ever hope to reach.

The crisis in capitalism manifests itself economically in the violent disruption of industrial life and the universal decline in production; in the general precipitous fall of commodity prices; in the radical reduction of world trade; in the aggravation of the insoluble agrarian crisis, a sore that has festered since the end of the war and impoverished the agricultural population throughout the world; in the enfeeblement of the monetary systems of numerous countries (China, Spain, etc.); and, what is of the greatest consequence, in the constitution of an international army of unemployed numbering more than 10,000,000 in the United States alone, and forming the supplement to those still engaged in industry whose wages and standard of life are systematically cut down.

The political manifestations of the crisis are equally universal. The restlessness of the masses who feel the crisis most acutely and seek a way out of the bonds of misery, combined with the maneuvers of the imperialist powers to jockey themselves into a more favorable position on the restricted world market, have produced violent outbreaks and even revolutionary uprisings in the most widely separated parts of the world. Latin America has experienced a number of them recently. India, Indo-China, sections of China itself, the Philippines—all these are to be found in varying stages of politically rebellious activity. In Europe, a popular movement has driven the monarch from Spain and opened up the perspective of an even more far-reaching change. The pressure of economic difficulties has driven Germany and Austria to proclaim their unity openly, in a form (a customs union) which foreshadows a closer, more avowedly political union—despite the violent objections of their many neighbors. In Germany itself, the proletarian revolution is being inscribed on the agenda, and while the struggle for power between Bolshevism and Fascism appears to have reached a momentary stalemate, it still holds first place in German politics. As the crisis grows in breadth and depth, and all indications point in that direction, its political effects will assume sharper forms and come into ever more open and more revolutionary collision with the prevailing order.

The crisis has by no means exhausted its severity. On the contrary, The par-

oxysms experienced at the present time by the American imperialist colossus are harbingers of even more convulsive tremors in the economic structure of Europe. It is not Europe that will issue out of the crisis at the costs of the United States; the prospect is rather summed up in the contrary. The key to the problem of Europe versus America, the central problem of capitalist world politics, is at present held by American imperialism, with its position of dominant economic and financial power and its tremendous resources. The United States confronts Europe (and Latin America) as the main creditor nation of the world. Both of them confront a world economy in which the international market, both domestic and foreign, is not only limited but progressively diminishing. The stupendous war and post-war debts which converted the U. S. into the principal creditor nation of the world have become one of the most powerful levers at work to undermine even that fragile stabilization achieved in the second half of the last decade. The debts (including interest and sinking fund charges) owed directly to the United States, or indirectly to it through other creditor nations which are America's debtors (e. g., England, France) can be paid only in gold, or through the acceptance of new credits, or in goods. The acceptance of new credits, the form adopted in Germany for four years following the initiation of the Dawes Plan, can no longer be pursued to such an extent—Germany's investment needs having diminished. Debt payments in gold are today even more difficult than ever before, and that not merely because of the inadequacy of the gold supply for this purpose. In the last two years alone, all of the new gold supply production available for monetary purposes has been absorbed by the United States and France. Half of the gold coming into these two countries has been taken from the gold reserves of the rest of the world. The principal source of debt payments is therefore left more than ever before to payment in goods.

It is here that the world domination of the United States appears in its unique form. In distinct contrast to the pre-war world hegemony of Great Britain, which at that time enjoyed the position of world banker and creditor. Before the war, the main creditor of the world was a free trade country, and the principal debtor countries were producers of raw materials whose exports could be absorbed by the creditor nations. Today, creditor and debtor nations are of similar economic structure, exporters chiefly of manufactured goods.

The raw materials producing countries, tormented by the crisis and saddled with foreign debts, are selling their commodities at low prices, and even below production costs in certain cases, in a desperate attempt to adjust themselves to the pressure of the situation, which is accentuated by the general rise of tariff barriers throughout the world.

The industrial countries are in an equally disastrous dilemma. The domestic market everywhere has been narrowed by the fall in the purchasing power of the masses which the fall in commodity prices has not arrested because of the widespread unemployment and the international wage-slashing campaign. The domestic market of one country being the foreign market of another, the export figures of these industrial nations have been cut down radically. The complement to this process is the decrease in imports, spurred on in many countries by the hope of thus maintaining the favorable balance of trade which may enable them to honor their debtor's obligations. This task of Sisyphus is made doubly difficult in the present crisis, which has brought in its train such a sharp decline in commodity prices throughout the world. It has been estimated that the fall in prices on the world market has raised the gold value of payments provided for under the Young Plan for reparations to such an extent that they are made equal to the payments fixed under the Dawes plan, which the Young plan was to ameliorate for Germany.

It is these conditions, which lie at the base of the tortuous situation in Europe, that the plan recently proposed by Hoover for a war debts-reparations holiday seeks to cope with. But it cannot hope to eliminate the condition. Testifying though it does to the tremendous world power enjoyed by American imperialism, it can nevertheless only ameliorate Germany's ills for a brief span of time, while delivering a blow at France at the same time. It cannot solve the burning problems of the markets, of the anarchic disruption of industrial life in Europe, it cannot lay the axe to the roots of the evils of the Versailles system and the perpetual conflicts among the capitalist powers of Europe itself. It may pull tighter the American noose around Europe and serve to delay a collapse in Germany which will only make it all the more convulsive when it comes.

Given such a relation of forces, a recovery of the European section of world economy appears as a very distant prospect. Turn where it will, it always finds itself at the end of a blind alley, issue from which is blocked off by the economic and political domination of the United States. The attempts to solve its problems on a purely "European" basis are doomed to failure in advance. The unequal position on a "European scale" of the individual European countries reduces to a fantasy the Briand proposal for a capitalist United States