

The Economic Crisis, the Unemployment Situation and the American Working Class

III.

The enormous accumulation of capital in the United States, the gigantic growth of industry and of the process of concentration of production and of intensity of production, has pushed it ever more onto the world market. The credit system, so highly developed here, vastly accelerated the material development of the forces of production. In the early stages of the capitalist mode of production the expansion of foreign trade became a great aid to its development. Now, however, it has become an integral part of this mode of production through its need for an ever expanding market. This is particularly aptly illustrated by the position of American capitalism in the world market.

| Year (Jan.-March) | Exports | Imports |
|-------------------|---------|---------|
| 1932 | 459 | 398 |
| 1931 | 710 | 398 |
| 1930 | 1,129 | 893 |
| 1929 | 1,420 | 1,122 |
| 1928 | 1,203 | 1,069 |

The favorable balance of trade for this quarter (excess of exports over imports) was \$61,000,000, compared with \$111,000,000 in the preceding quarter and \$142,000,000 in the same period of 1931.

We can easily comprehend the immense obstacles in seriously contracted home market which meets the American government's "reconstruction" program to "break the backbone of the crisis"; but these obstacles become so much more strongly accentuated on the world market. While the sources of power of American imperialism are spread all over the world its contradictions accumulate ever more rapidly. Yet as far as the present situation is concerned it has been able not only to maintain the gold standard but even to strengthen the position of the dollar.

Since 1929 about \$2,250,000,000 in short term funds lodged in this country by foreign central banks have been repaid by gold withdrawals from this country. At the early period of these withdrawals the gold holdings here, due to the favorable trade balance, nevertheless continued to increase to a record high, on September 16, 1931 of \$5,015,000. But these foreign banks continued to convert their dollar holdings into gold, and since then up to the present time, the gold holdings here have decreased to about \$3,900,000,000. The Wall Street bankers call these withdrawals which they estimate as about having come to a close a disturbing element now removed from the financial situation. In their view the lack of confidence is being removed, the dollar is emerging stronger.

It has been correctly asserted in these columns before that a new ascendancy for the capitalist system as a whole is not possible. We have already entered the epoch of capitalist decline and proletarian revolutions. The existence of the Soviet Union, growing constantly stronger despite its difficulties, testifies eloquently to this fact. It is being further reinforced by the growing revolutionary movements within the capitalist countries. But it is just as important to also remember that in the imperialist stage of the unequal development of capitalism has become more pronounced. And the question of the ability of American capitalism to issue out of the crisis on the backs of its own working class and at the cost of the status of other capitalist powers in world economy still remains. It is being confirmed by the powerful role it plays in the constantly recurring conflicts on questions of the war reparations, international debts and moratorium. Each of the international conferences held on these questions increases the importance of participation by the United States—whether or not the participation takes the form of presence or absence of official delegates. These conferences, however, also increasingly show the ominous signs of sharpening imperialist conflicts and of imperialist maneuvers against the Soviet Union. This reflects the fact that the world economic crisis is becoming ever more bound up with the question of war. In that perspective we cannot fail to notice the increasingly aggressive role of American imperialism.

While we take due notice of the enormous contradictions developing and of the future furious conflicts implied in the efforts being made to "break the backbone of the crisis", it would not be correct to consider this crisis as a bottomless one. It would be wrong for us to assume that American capitalism, as a distinct national imperialist power, cannot issue out of it, or even that the present contracted mass of surplus value realized by it, by its exploitation of workers at home and abroad, will be the basis for "normalcy" in the future. It would still be too early to point to any such definite limitations to its future process of accumulation. What can be said definitely, however, is that in the next stage the conflict of the development of the forces of production with the existing property relations and the conditions of wage labor will sharpen manifold.

For the American working class, on the other hand, one part of the question of its perspective is already settled. That is the part which has relation to its future standard of living. The capitalist efforts to issue out of the crisis are entirely conditioned upon the saddling of its burden entirely onto the working class. In other words it will be at the price of a lower level for the working class. In the final analysis, therefore, the very question of American capitalism overcoming its crisis depends decisively upon the proletariat. And, on a world scale this is so much more the case.

Everywhere, within the capitalist nations, the crisis has unleashed tremendous forces. There is an army of permanently unemployed workers comprising many millions. The struggle to further reduce the working class standard of living will go on. The growth of the revolutionary movement is unmistakable. The future direction depends decisively upon the Communist forces.

—ARNE SWABECK.

An Open Letter to the Party District Committee

June 29th, 1932

District Executive Committee

New York District
50 East 13th Street
New York City, N. Y.

Comrades:

Last Saturday evening, June 25th, the open air meeting of our organization, the Communist League of America (Opposition), on the corner of Wilkins and Intervale, the Bronx, was broken up by a group of party members and sympathizers. As a workers' organization, as a Communist group we wish to strongly protest against such action.

The Communist in the United States who are in the forefront of the struggle for the interests of the working class, are the first to struggle for the elementary rights of free speech, press and assembly for the workers and their organizations. The master class and its state power, particularly during the present crisis is continually interfering and denying these rights of the workers. The Communist Party, our vanguard organization in this country, has correctly put forth as one of its demands in the coming elections the right of free speech, assembly, etc. for the workers.

The tactic of interfering with workers' meetings by members of the Communist party, not only weakens this fight, but plays directly into the hands of the Socialist reformists and the reactionary parties. It leads to confusion of the workers who witness it, makes them lose faith in the sincerity of the Communist struggle, and means a loss of prestige of Communism, and in the first instance, of the Communist party. Further, it brings the police and the capitalist government to "settle" the disputes which exist within the working class and Communist movement.

But even more than this. Since our organization, the Communist League, was founded we have supported the Communist Party in its daily activity, demonstrations and elections campaigns. Several weeks ago we sent you a letter in which we reiterated our support of the party in the coming elections and offered our services (platform, speakers, literature, etc.) in the work. We stated that we intend to actively participate in the campaign this year as before and bring the message of Communism to the working masses.

We received no reply to this letter. However, we have been carrying on our work in this direction. The meeting on Wilkins and Intervale, which was broken up last Saturday by party members and sympathizers, was called to discuss the problems of the workers and urge them to support the party in the coming elections as well as in the day to day struggle.

We repeat, comrades, the tactic of breaking up workers' meetings can only lead to the discredit of the Communist movement and party.

We intend continuing our open-air work despite all obstacles. We ask you the responsible district body of the party to publicly either denounce such tactics or assume responsibility for them. We sincerely suggest that you take the former course, issue a statement in the *Daily Worker* denouncing such tactics and informing the Party members and the Left wing sympathizers of the disastrous consequences that may result from them.

We await an early reply to this letter.

Fraternally yours,

H. CAPELIS,

Secretary

New York Branch

Communist League of America

(Opposition)

CORRECTION

A Mistake Crept Into Our Previous Issue

We advertised a free copy of the "Problems of the Chinese Revolution" with a one year subscription to the *Militant*. This should be:

One copy of "Problems of the Chinese Revolution", paper cover \$1.00

One year subscription to *The Militant* \$2.00

Obtainable During the Summer Months for the Sum of \$2.50

A Political Biography of Stalin . . .

by LEON TROTSKY

(Continued from last issue)

10. We give here a story by Shliapnikov ("The Seventeenth Year", 1925, V. 2) about the change wrought by Stalin and Kamenev joined together at that time by the unity of their positions.

"The day of the appearance of the first issue of the 'changed' *Pravda*—the Fifteenth of March—was a day of rejoicing for the defenders. The whole Tauride Palace, from the men of affairs in the committees of the Duma to the very heart of the revolutionary democracy—the Executive Committee—was filled with the news: the victory of the moderate common-sense Bolsheviks over the extremists. In the very Executive Committee we were met with poisonous smiles. This was the first and only time that *Pravda* won the approval even of the stout defenders of liberal sense. When this issue of *Pravda* was received at the factories it caused complete perplexity among the members of our party and our sympathizers and malicious pleasure among our opponents.

"To the Petersburg committee, to the bureau of the C. C. and to the editorial board of *Pravda* came inquiries: what is the matter, why did our paper renounce the Bolshevik line of Lenin and go over to the line of the defenders? And the Petersburg committee like the whole organization was caught unawares by this turn and therefore was deeply indignant and blamed the bureau of the C. C. The indignation in the sections was colossal, and when the proletarians found out that *Pravda* had been seized by the three former editors of *Pravda* who had arrived from Siberia, they demanded their expulsion from the party." (The third was the former deputy Muranov).

To this must be added the following: (a) Shliapnikov's exposition was worked over and extremely softened under the pressure of Stalin and Kamenev in 1925 (at that time the "three" still dominated!); (b) no denials of Shliapnikov's story have appeared in the official press. And how can it be denied? Those issues of *Pravda* still exist.

11. The relation of Stalin to the problem of revolutionary power is expressed in a speech at a party conference (session of March 29, 1917): "The provisional government, in fact, took the role of strengthening the conquest of the revolutionary people. The Soviet power and the social democracy mobilize forces, control, but the provisional government—persisting blundering takes the role of strengthening those conquests of the people, which in fact are already accomplished by them. Such a situation has negative, but also positive sides: it is not to our advantage now to force events, to quicken the process of the split-off of the bourgeois strata which later must unavoidably go away from us."

Stalin is afraid "to push away the bourgeoisie"—the fundamental argument of the Mensheviks beginning with the year 1904.

"In so far as the provisional government supports the steps of the revolution, so far as it is to be supported; and in so far as it is counter-revolutionary, support to the provisional government is unacceptable."

Just so Dan spoke. In other words, it is possible to defend the bourgeois government before the revolutionary masses? The record further proclaims: "Comrade Stalin publishes the resolution about the provisional government adopted by the bureau of the C. C., but says that he does not fully agree with it, and rather concurs with the resolution of the Krasnoyarsk Soviet."

We cite the most important points of the Krasnoyarsk resolution: "To make clear in full that the only source of power and authority of the provisional government is the will of the people who accomplished this overturn and whom the provisional government is obliged to obey completely—"

"To support the provisional government in its activity in so far as it marches along the road of satisfying the demands of the working class and the revolutionary peasantry in the developing revolution."

Such is the position of Stalin on the question of power.

12. The date, March 29, must be specially underlined. In this manner, more than a month after the beginning

of the revolution, Stalin still talks of Millukov as an ally: the Soviet conquers, the provisional government strengthens. It is difficult to believe that these words could be uttered by a reporter to the Bolshevik conference at the end of March 1917! Even Martov would not have put the question this way. This is the theory of Dan in its most vulgar expression: the democratic revolution as an abstraction within the confines of which participate the more "moderate" and the more "determined" forces; who divide the work among themselves: one conquers, who divide the work among themselves: one conquers, the other strengthens. And nevertheless, Stalin's speech is not accidental. We have in it the schema of the whole Stalinist policy in China in the years 1924-28.

With what passionate indignation, notwithstanding all his reserve, Lenin, who succeeded in coming to the last session of that same conference lashed Stalin's position: "Even our Bolsheviks," he said, "manifest trust in the government. This can be explained only by the fumes of the revolution. This spells the wreck of socialism. You comrades trust the government. If so, our ways part. I will rather remain in the minority. One Liebknecht is dearer than a hundred and ten defenders of the Steklov and Chetize type. If you sympathize with Liebknecht and stretch even one finger to the 'defenders' this will be a betrayal of international socialism." (March party conference, 1917. Session of April 4. "Report of comrade Lenin", page 44).

It must not be forgotten that Lenin's speech and the reports in their entirety have been concealed from the party up till now.

13. How did Stalin pose the question of war? Exactly like Kamenev. It is necessary to awaken the European workers and meanwhile to fulfill one's duty in relation to the "revolution". But how are the European workers to be awakened? Stalin gives the answer in an article on March 17: "... we have shown already one of the most serious methods of doing it. It consists in compelling our own government to express itself not only against any plans of conquest, but to formulate openly the will of the Russian people to begin immediately negotiations for a general peace on conditions of renunciation by both sides of any conquests, and the right of nations to self determination."

In this manner the pacifism of Millukov-Guchkov was to serve as a means of awakening the European proletariat.

On April 4, on the second day of his arrival, Lenin declared with indignation at the party conference: "*Pravda* demands from the government that it should renounce annexation. To demand from capitalist governments that they renounce annexations—is nonsense, a crying mockery." (The March conference of the party in 1917. Session of April 4. "Report of comrade Lenin", page 44.)

These words were aimed entirely at Stalin.

14. March 14, the Menshevik-Social Revolutionist Soviet issued a manifesto about the war to the toilers of all countries. The manifesto was a hypocritical pseudo-pacifist document in the political spirit of the Mensheviks and S. R.'s who were persuading the workers of other countries to rise against their own bourgeoisie and themselves were going along in the same harness with the imperialists of Russia and the whole entente.

How did Stalin appraise this manifesto? "First of all, undoubtedly the bare slogan 'down with war' is unsuitable as a practical road—One can't help welcoming yesterday's appeal of the Soviet of workers' and soldiers' deputies in Petrograd to the nations of the whole world to compel their own governments to stop the slaughter. This appeal, if it reaches the broad masses, will undoubtedly return hundreds and thousands of workers to the forgotten slogan "Proletarians of all countries, unite!"

How did Lenin appraise the appeal of the defenders? In the already cited speech of April 4th he said: "The appeal of the Soviet of workers' deputies—there is not a word permeated with class consciousness. There is nothing in it but lifeless phrases." (The party conference of 1917. Session of April 4. "Report of comrade Lenin", page 43.) These words of Lenin are aimed entirely at

Stalin. Therefore the reports of the March conference are concealed from the party.

15. Conducting, in relation to the provisional government and the war, the policy of the Left Mensheviks, Stalin had no ground on which to refuse to unite with the Mensheviks. Here is how he expressed himself on this question at the same March conference of 1917. We cite the report literally.

"On the order of the day—Tseretelli's proposal for unity."

"Stalin: We have to go. It is absolutely necessary to define our proposal on the line of unity. Unity is possible on the line of Zimmerwald-Kienthal."

Even Molotov, it is true, expressed doubts, though not very articulately. Stalin retorts: "To run ahead and to anticipate disagreements is not necessary. Without disagreements there is no party life. Inside the party we'll get rid of insignificant disagreements." (March party conference. Session of April 1st. Page 32).

These few words say more than whole volumes. They show those thoughts on which Stalin was feeding in the years of the war and bear witness with judicial exactness that the Zimmerwaldism of Stalin was of the same stamp as the Zimmerwaldism of Tseretelli. Here again there is not a hint of the ideological irreconcilability, the false mask of which Stalin, in the interests of the apparatus struggle, put on a few days later. On the contrary, Menshevism and Bolshevism represent themselves to Stalin at the end of March 1917 as shades of thought that can live in harmony in one party. Disagreements with Tseretelli, Stalin calls "insignificant disagreements" which can be got rid of inside one party. We see here how it becomes Stalin to expose the conciliatory relations of Trotsky with the Left Mensheviks—in 1913.

16. In such a position Stalin naturally couldn't seriously oppose anything to the S. R.'s and Mensheviks in the Executive Committee where he entered as a representative of the party after his arrival. There is not to be found in the records or in the press one proposition, one statement, one protest in which Stalin in some measure clearly counterposed the Bolshevik point of view to the lackeyism of the "revolutionary democracy" before the bourgeoisie. One of the recorders of events of that period, a non-partisan half-defender, Sukhanov, the author of the above mentioned manifesto to the toilers of the whole world, says in *Notes of the Revolution*: "For the Bolsheviks at this time, beside Kamenev, there appeared in the Executive Committee. Stalin—during his modest activity in the Executive Committee (he) produced—not only on me—the impression of a gray spot, that sometimes glimmered dimly and traceless. More about him there is nothing to say (*Notes of the Revolution*, Book, pages 235-266).

(To be Continued)

Youth Notes

(Continued from page 2)

Time has wholly proven the correctness of the stand of the other comrades and myself.

The present politically impotent leadership has failed miserably in all its plans. In fear of being removed from their positions because of this they terrorized by expulsion or threats of expulsion all those who raised their voices in protest and criticism. Singled out were those who insisted on fraternizing with the expelled comrades.

Unable to meet the criticism of these expelled comrades, and failing to convince myself and others of the correctness of the line of the leadership in spite of lies, flinging dirt and slander, such as these comrades being counter-revolutionary enemies of the working class who have sneaked into the Y. C. L. the bureaucrats resorted to threats of expulsion to all who fraternized. Accusations without facts prove nothing. I am fully aware that these comrades are revolutionaries of high rank. I have continued to fraternize.

I agree with the Left Opposition on the following questions, which I have studied.

- (1) Germany; the necessity of a workers anti-Fascist united front.
- (2) The incorrectness of the idea of completing Socialism in one country, this theory is the basis of many errors.
- (3) Against bureaucracy.
- (4) The Leninist united front tactic.

I will continue to further study the question. I believe the Left Opposition is a revolutionary group and therefore should be re-admitted into the Communist party. The only political revolutionary organization of the proletariat.

I protest violently against the head-chopping of all comrades who dare think for themselves on a Marxist line.

I urge all comrades to study the position of the Left Opposition! Protest against any expulsions of comrades for fraternization or Communist criticism!

—IRVING BERN.

N. Y. PICNIC

For the benefit of the Spanish Opposition Youth Press

SUNDAY, JULY 10th, 1932
TIBBETTS BROOK PARK—PLOT 8
Take Woodlawn-erome Train to Woodlawn Station. Then trolley to Tibbetts Brook Park.
Amusements: Spartacus Youth Club

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Problems of the Chinese Revolution

by LEON TROTSKY

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