

QUESTION BOX

S. P. "MILITANT", N. Y.— Question: If foreign intervention is excluded, how can the possibility of a counter-revolutionary overthrow in the Soviet Union be spoken of, since there is no class upon which the reaction could base such an overthrow?

Answer: If your premise were correct, there would be some basis for your conclusion. The peasantry, however, remains as the class upon which the counter-revolution can draw.

The moujik is no idealist. He thinks in terms of the hard, material things of life: grain, shoes, cotton cloth, pots and pans, etc. Just so long as the Soviet regime provides him, in return for his grain, with as many, or more city-made products as he could obtain in the open market, he will continue to support the Workers' Dictatorship. If, however, the open market promises him more for his grain than does the Workers' State, he endeavors to throw off those fetters which stand in the way of his material advantage. It is only one step from this demand for the open international market to the demand for the open international market—the abolition of the monopoly of foreign trade.

Without, therefore, wishing to re-establish capitalism, the peasantry under these circumstances will naturally become the ally of reaction.

It is incorrect, particularly at this point, to abstract from foreign intervention. Usually this is thought of in the pure military sense, and it is forgotten that in the economic field it goes on continually. Because the industrial development of the imperialist countries is superior to that of the Soviet Union, which is tied economically to the world market, a constant intervention is taking place, which weakens the possibility of the Workers' State in overcoming the gap between what is taken from the peasant and what is given to him.

Unless the proletariat of the advanced capitalist countries are able to give timely aid to the Soviet Union, this process may prove to be fatal, particularly since armed intervention stands ready to back up its more powerfully economic ally.

C. W. K., New Haven—

Sorry, but there is no short cut to economics any more than to geometry, and your editor knows of no books where you can find such a simplified explanation of the mechanics of inflation as you request. The following, however, may help you if you are faced with the necessity of explaining this phenomenon to workers with limited economic knowledge.

Because of the limited development of commerce and finance practically all of the business in the middle ages was transacted through the medium of gold or silver coin. Since the carrying of the coin was both expensive and dangerous, many merchants found it expedient to form institutions in which the metal coin could be deposited, and upon which you could issue certificates, to use for making payments. The receiver of such a certificate, knowing that he could get the metal on demand, fully accepted it at its face value. If, however, he wished to make a purchase or payment, he would merely pass it on to the next merchant, and in this way certificates equal in value to that required for the normal transaction of business would remain in circulation.

Assume that 100,000 pounds (by weight) of gold had been deposited in such a central warehouse by various merchants and that 100,000 pound-notes had been issued to them as receipts, which were then put into circulation. If each note should change hands on the average of four times a day, the daily business transacted would have a value equal to 400,000 pounds of gold.

Under these circumstances no inflation could have occurred, regardless of what happened to business conditions. At the worst all the gold in the vaults would have found its way back into private hoards. However, as long as the rate of turnover of money remained as above, no more than 400,000 pounds of business could have been transacted daily, the same as if the gold itself had been used instead of notes.

If the daily average of business increased to 800,000 pounds of gold in value, the deposit institutions could safely go into the lending business and issue an additional 100,000 pound-notes, confident that the 200,000 pound notes would continue to circulate even though there was only 100,000 pounds of gold in the vaults.

If, because of a crisis, the average daily value of business fell back to 400,000 pounds of gold, 100,000 pound notes would turn up at the institutions demanding gold. If all the gold were permitted to be withdrawn, there would be none left as a basis for the rest of the notes in circulation, and these, upon discovery of this fact, would soon become practically worthless, except for other assets which the institutions might possess. This would be tantamount to a complete inflation.

(The result would have been the same if for some reason or other, the institution had issued 200,000 pound notes while the total value of business remained at 400,000 pounds of gold, requiring only 100,000 pound certificates for circulation.)

The institution might, however, keep the inflation partial, a so-called "deflation". Upon becoming aware of the situation it might have announced that henceforth each pound note was to be redeemable only in a half pound of gold. The 200,000 pound notes would then have a value of 100,000 pounds of gold and would remain in circulation since this much would be required for daily business. (This, essentially, is what Roosevelt did by means of the 60 cents dollar.)

In most cases, today, such gold notes, or currency issued by either a banking institution backed by the state power, or by the latter directly, and the process is more complicated by the banking system through which many of the payments made are balanced against each other, eliminating even the need of paper currency. Otherwise there is no essential difference between an inflation as we understand it today and the illustration cited above.

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Manifesto of the Workers Party of Canada

(Ed. Note: The Manifesto printed here is taken from the Vanguard, organ of the Workers' Party of Canada, formerly the Left Opposition.)

Humanity stands at the crossroads. Fascism points to the most barbarous exploitation of man by man, perpetuates the cleavage of society into classes, and prepares another imperialistic blood-bath. Communism liberates the forces of production, ennobles the standard of life, and realizes the international solidarity of the race. Which alternative is to prevail, the class struggle will decide.

World Crisis of Capitalist Decay

Driven by profit-lust and inexorable laws of the market, the capitalist system of private ownership of the means of production and exploitation of wage-labor, was once in the van of social progress. Superior economic efficiency shattered the bonds of feudalism, organized the national state, and created the international division of labor. Under the banner of the rights of man and popular sovereignty, and in a series of wars and insurrections, the bourgeoisie successfully fired the imagination of the masses, mobilizing them to end the privileges of the former regime of priest, landlord and noble.

But Capitalism has reached an unendurable state of decay. Private property and the national frontiers can no longer confine the tremendous productive powers of a world economy. The "free competition" of small capitals have given way to the international competition of gigantic monopolies desperately battling for a shrinking world market. The struggle for colonies and spheres of influence to which to export surplus commodities and capital resulted in twenty million killed and maimed in the imperialist war, leaving a deadly legacy of sharper antagonisms and more monstrous militarism. The world war and the treaties, the necessary consequences of capitalist development, marked a turning point, the breaking up of the foundations.

The world economic crisis of the past five years was no longer the normal business cycle of pre-war boom and depression but the symptom of the crisis of capitalism itself. By the close of 1933 more than a third of the world's trade had disappeared; the gold standard, once the barometer of capitalist stability, had been replaced by wild zig-zags of paper currency and inflation. The increasing misery of the masses was attested by colossal armies of unemployed. The concessions, in the shape of wages, hours and conditions, which capitalism in its prime had yielded to the mass pressure, and which formed the social basis of reformism, were withdrawn. The bitter tooth-and-fang struggle for markets drives capitalism to launch an offensive for the reduction of the living standards of the workers to the barest minimum of subsistence.

The Menace of Fascism

Under these circumstances, Finance-Capital finds the "normal" methods of parliamentary no longer suffice to keep the mounting class antagonisms and the deepening social crisis in control. The State has always been the organ of the possessing classes to hold the exploited classes in subjection; a general democracy in the sense of social equality, for both exploiter and exploited, is impossible. The mask of bourgeois democracy concealed the essence of capitalist rule. But parliamentary democracy, fraudulent though it be, had developed in the struggle against feudalism; its limited democratic civil liberties afforded the most favorable ground for the rise of working class organization. Aiming at the unhampered exploitation of the working class, Finance-Capital unleashes fascism, the most savage despotic method of capitalist dictatorship to smash all the institutions of proletarian democracy, trade unions, parties and press. Fascism is the regime of the sabre, the bludgeon and concentration camp.

As its pawns to crush both bourgeois democracy and the working class, Monopoly-Capital uses the petty-bourgeoisie (middle classes) which the monopolies have themselves ruined by mass production and distribution, by inflation and deflation. The social crisis, undermining their former social superiority over the worker, has thrown the small business man, professional man, and farmer off their balance. Where there is no sufficiently powerful revolutionary party to place itself at the head of the nation the middle classes are drawn into the net-work of anti-semitic, nationalist and anti-foreign-born demagogues, and are fed with the illusion of an "authoritarian" state which will subject the great capitalists to the interests of the small property-owners. But once the subsidized Fascist movement has triumphed, Finance Capital turns on its petty bourgeois allies, dispelling their illusions under the iron heel of bureaucratic police and military dictatorship.

The natural ally and leader of the middle classes is its partner in social misery, the proletariat. The middle classes must be brought to understand that the way out of the crisis does not lie in the return to more primitive economic forms, in projects of monetary reform or dif-

fused stock ownership under conditions of capitalist concentration and control. The small farmer ground down by Mortgage Capital, loaded with debt and threatened with foreclosure must realize that all the Pools, Marketing Acts, and "freer credit" are unavailing against the technical revolution in agriculture and the domination of finance capital which bring about the chronic agrarian crisis. The solution of the basic problems of the middle class is the same as the solution of the crisis for the working class, the socialization of land, industry, and credit. The only way to abolish overproduction, "under-consumption", and to pass on the gains of technical efficiency in the form of ever rising standards of living and culture is to replace the anarchy of the capitalist

market by purposive social planning and control.

The Conquest of Political Power

The means of this fundamental change in the property relations are revolutionary mass action and the dictatorship of the proletariat. The workers can and must utilize the ballot and parliamentarism for propaganda, agitation and mobilization of the masses. But no feature of the social-democratic program has proved more completely bankrupt than the idea of the painless transition from capitalism to socialism by means of piece-meal parliamentary social reforms. The Workers' Party does not reject reforms; they can be used to consolidate the positions of the workers for further struggle. But reforms must come as the by-product of class-struggle and not as alleged,

Economic Conditions Behind Textile Strike

Sprawling and scattered from Maine to South Carolina—as far West as Mississippi, the textile industry ranks with steel, mining, railroads and autos, one of the super-industries of the country. Unlike some of its giant brothers, it has been in a state of crisis, not for a few years, but for more than a decade. Along with the great mills in England it has since the war been at the center of the international crisis in textiles. This crisis has had the same fundamental earmark of the general crisis of capitalist industry: over-expansion of productive capacity, and overproduction (underconsumption) of goods.

During the war the industry expanded to meet government demands, seventy-five percent of production going for military purposes. After the owners had participated in cutting the melon of war profits, they found on their hands excessive plant capacity. Then came the depression of '21 to which this condition importantly contributed. Despite all of these signs of serious illness, the industry plunged into another orgy of expansion. The competition was—the "best man" would win, they said. Consequently, throughout the '20's an average of two million spindles in the cotton section alone were continuously idle.

Crisis Intensified

Speed-up, stretch-out, and improvement of machinery have accelerated this condition. The struggle of cotton and wool against silk and rayon, capricious fashions, waste and anarchic methods of distribution have added color to this pretty picture. The struggle of the textile lords of Lancashire and Tokyo, for the foreign market, is one of the forces behind Roosevelt's naval building campaign. The whole world is overproduced. Profits dwindle, unemployment increases, the home market shrinks. The textile employer alternates between cutting wages and consulting his war department.

For several years a merger movement has been growing, a movement aptly supplemented by cartelization in line with the provisions of the N.R.A. The bosses are organized.

Altogether there are more than a million workers in the textile industry. They comprise one-eighth of the manufacturing workers in the country, a greater number than in any other single industry. And the wages of these workers are the lowest in any manufacturing industry except tobacco. In 1927 for example, a relatively good year, wages in cotton mills were more than 37% below the average earnings for workers in all manufacturing industries in the country. In wool they were 10% lower. Under the codes they remained the lowest, with differentials bringing even lower scales in the South.

Squeezing the Workers

The textile employers, as a result of the declining market, take up the slack of reduced profits by every maneuver known to capitalist industry. Machinery is perfected; workers are unceremoniously fired; the stretch-out squeezes the last ounce of the workers' energy. Along with the lowest wages the textile workers suffer the worst working conditions in the country. The result has been a long and bitter struggle for the right to unionize, for shorter hours and higher wages, and for better working conditions, especially with regard to the stretch-out.

Methods and devices for increasing speed in order to secure greater production for the worker are now common in every industry. In textiles the speed-up has gone so far that the nervous strain upon the workers has gone beyond the limits of physical toleration. While the number of spindles has been increasing, the number of workers has been decreasing. The aim of the mill owners has been to lower costs and raise profits. If you want to make five thousand a year, once advised the American Wool and Cotton Reporter, addressing new overseers, prove that you are worth it. "Prove it by cutting down costs, by doubling up the machinery per operative and saving wages."

"Labor Specialization"

The movement to reduce labor costs and dependence upon the skilled workers, has progressed with increasing severity for many years. Employers' organizations meet regularly to formulate practical methods of speeding up production. "Labor specialization" has become a profession, such efficiency experts being hired to do nothing but travel from mill to mill showing employers how to "extend" labor.

There is probably no other industry where this problem is attacked more energetically and deliberately. Today the bosses are getting back whatever gains were made by the lowest paid workers under the codes. Patents for new textile machines bear evidence of the continuous replacement of workers by machinery and the production of more pounds of goods per operative. Work becomes increasingly specialized and standardized. Old workers find it hard to follow the pace. Young workers are brought in and burned up. The workers in a mill which has hired the services of these "industrial engineering" corporations suddenly find themselves being watched by strange men with stop-watches in their hands. These men will talk to no one nor will they answer any questions. They merely watch every motion of the workers, making notes on everything that happens.

The "Stretch Out"

These men calculate every movement of the workers. If the worker takes a drink of water, visits the lavatory, has to wait for material, speaks to a fellow worker for a few minutes, it is timed and noted by the stop-watch man. The latter then retires and calculates the number of seconds that the worker has used in stopping to breathe, in going for a drink of water or to the rest room. More work is then given him on the bases of the time study: The time is divided into three main divisions: (1) Amount used in skilled work. (2) Amount in semi-skilled work. (3) Amount in non-skilled work. The workers are then divided into these groups, a varying wage is paid, and each group is then driven to greater and greater speed. This is the stretch out. The looms per worker increase; the wages for most of the workers go down; production increases; total payrolls decrease.

Resistance to the stretch-out, to low wages and long hours, has made the textile industry, next to mining, the most active battle ground in the class struggle in America. The battles of these workers with company gunmen, police and troops has made the earliest, the most continuous and some of the most glorious of militant American labor traditions.

History of Unions

Cotton workers first organized in 1838 into the National Cotton Mule Spinners Association. Locals and federations of other crafts in the industry followed. The first strikes broke out in Fall River and New Bedford, time honored spots in textile history. Cotton workers were in the International Labor Union (1878) and later conducted several big strikes under the banner of the Knights of Labor. In 1891 the National Union of Textile Workers was organized in Lowell. It continued—later under the name of International Union of the Textile Workers—till 1901, when it merged with some of its own secessionists, to form the United Textile Workers of America.

Many strikes were held by the National Union and by the United, though not many of the great ones were sanctioned by the top leaders. Like most labor skates the bureaucracy of the United cared more about a large treasury than the low wages of the workers. The very place-names of these strikes bring the memory of heroic struggles: Lawrence (1912); Manchester (1918); Lowell (1918); Passaic (1919); Lawrence (1919); Utica (1919); Charlotte (1921); New England (1922); Willimantic (1925); Passaic (1926); New Bedford (1928); Marlon (1929); Gastonia (1929); Danville (1930); Elizabethton (1930); Marlon (1931); Patterson (1931); Patterson (1933).

installments of socialism. The Labor Cabinets of Great Britain and the Social Democratic Governments of Germany, both reformist and constitutionalist, by their treacherous collaboration with the capitalist state machine shamefully betrayed the workers, and paved the way for fascism. The workers cannot use this capitalist machinery with its civil service, police, military and courts to establish the socialist order. The workers must first break the old and then set up the new, the Soviet State, to protect socialism from sabotage and counter-revolution. The Soviet State is a dictatorship against all those seeking to restore the old order; for the masses it is the widest possible basis of real democracy. As the process of socialization destroys the economic roots of class divisions in society, the State itself, the product of class antagonisms, will vanish, leaving a society ordered not by compulsion but by administration based on voluntary labor and self discipline.

Defence of the Soviet Union

As the first country of the proletarian dictatorship the Soviet Union is a source of inspiration to the working class of the world; its collapse or destruction would unleash a terrific wave of world reaction. The October Revolution of 1917, under Bolshevik leadership, was the product not only of the internal antagonisms within the country but of the break-down of capitalist imperialism at its weakest link; it was the prelude to the international revolution. The victory of socialism in a predominantly agrarian country was based on the union of the workers and the peasant but could be finally assured only by the support of the social revolution in some of the advanced countries. Between the directly antagonistic systems of socialism and capitalism there could be no enduring collaboration or peace.

But Leninism, the strategy of world revolution as the basic policy of the U.S.S.R., has been replaced by Stalinism, the policy of "socialism in one country", of national self-sufficiency. Under the pressure of petty-bourgeois elements, the deftly of the revolutionary movement abroad, and the capitalist encirclement, the proletarian dictatorship has been undermined by the canker of bureaucratism. The central apparatus, crowned by the personal regime of Stalin, usurped the positions of power, stifling all workers' democracy in the Soviets, the trade unions and the party. The Bolshevik-Leninist Opposition, loyal to the program of world or permanent revolution, was exiled or driven underground as "Trotskyism". Economic policy zig-zagged wildly between a course of pro-kulak opportunism and the adventurism of "liquidating classes in five years."

The Comintern has become a pacifist frontier guard. Security of the U.S.S.R. is sought not in a powerful revolutionary movement but in non-aggression pacts, alignment with an imperialist bloc and projected adherence to the League of Nations. The problems of the U.S.S.R. affect the destiny of the international proletariat at every turn. The attitude of the Workers' Party has nothing in common with the sentimental or platonic "sympathies" of the liberals or pacifists. The Workers' Party stands for the unconditional defence of the Soviet Union by the active struggle for the overthrow of capitalism in all countries, which means the building of revolutionary mass parties and a Fourth International, independent of the stranglehold of Stalinism. The Soviet Union is threatened by military intervention; an equally grave menace is the degeneration of the proletarian dictatorship under the Stalinist regime.

The idea that industrialization and collectivization lead automatically to socialism is false. Without the communist party which is the will and the consciousness of the working class and which has been strangled by the bureaucracy, the Soviet Power could succumb at the first shock of a crisis. The Workers' Party will aid the Bolshevik-Leninists of the U.S.S.R. in their struggle to cleanse the dictatorship of the elements of degeneration. For the unconditional defence of the Soviet Union! Against Stalinism!

(Continued in Next Issue)

PIONEER NOTES

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WORLD OF LABOR

PUERTO RICAN COMMUNISTS REBEL AGAINST STALINISM

From a bourgeois press report we learn that at a general meeting held in San Juan, Puerto Rico, the Communist party membership voted overwhelmingly for a break with the Third International and the establishment of the Independent Communist Party of Puerto Rico. It was categorically affirmed that the Puerto Rican Communists will take no orders henceforth from Stalin's International but will attempt to build a party and work out a program in accordance with the dictates of their own judgment. After heated discussion and airing of opinions, but four party members withdrew from the organization in protest against the decisions arrived at by the majority.

We know nothing more of this case than the simple facts as given above. The very fact, however, that a small, newly formed party, has at the present time broken with Stalinism, is in itself very significant. It is indicative of a general trend developing in several Latin American countries, where more breaks of a similar nature are certainly not out of the question. The break with the Third International at this time may be considered a progressive step on the part of these comrades. We may even venture to guess the reasons for this step on their part. Since the adoption of the Litvinoff pledge, the Stalinists have sacrificed the Cuban revolution, the cause of Soviet international relations, by giving the order "Han's off imperialist property" to the Cuban C. P. Our surmise is that some similar order may have been given to the Puerto Rican party, which was entirely too big for the comrades to swallow.

If, as appears likely, this break with Stalinism embraces the entire party of "our insular possession" and not only the San Juan section, if it is the result of a fight at the top, we can then feel certain that the pressure of the membership and not of a faction fight at the top, we can then feel certain that the Puerto Rican comrades will find their way towards the Fourth International and will not fall into a "national-communist" morass.

INTERNATIONAL COMMUNIST SENTENCED

Neunkirchen Echo, social democratic paper in the Saar, publishes the news on Aug. 27 that Wilhelm Doerfler, 36-year-old leader of the International Communists in Frankfurt am Main, Germany, has been sentenced to two years' imprisonment. Hitler's court martial, emphatically called the First Senate of the Peoples Court, clapped this stiff sentence on the militant for "having prepared high treason" and "leading in the organization of an illegal party". The frequency of these imprisonments and the infrequency of news concerning them should warn every class spirited worker that the terror in Germany has far from subsided. International solidarity with the victims of Fascism—today as much as ever—is one of the paramount duties of the revolutionary and labor movement.

SAAR WORKERS BEGIN ACTIVE RESISTANCE TO FASCISM

Despite the pulverizing features placed on the united front by Stalinist and reformist officials, the first signposts of fighting opposition to the Fascist bands are appearing in the Saar. In Saarbrueken an armed fascist band gathered in front of a workers' printing plant with destructive intent. The workers in the locality were notified and hundreds immediately appeared and put the murderous vandals to flight. Similarly in Zinnertal, the workers routed a Fascist gang.

Once the united front breaks out of the halter of meetings, parades and oratory and takes the road of action—the organization of an armed workers' militia—the Fascist refuse will crumble like paper before the impact of its mighty power.

COSTA RICAN BANANA WORKERS STRIKE

Incomplete and vague news reports inform us of the resumption of the general strike of workers on the Atlantic coast of Costa Rica. Following their return to work under a favorable settlement with the government, under which the most important demands of the union were granted, the United Fruit Company immediately commenced a series of violations of the agreement. Any recognition of the Fruit company would be a denial of the latter's rights of the workers by the slave driving United whole past, and would serve as an incentive to organization for all of the plantation workers of the Caribbean area. The imperialists well know that a "favorable settlement of the Costa Rican strike will lay the basis for a wave of organization and struggles in the fruit, sugar, tobacco and coffee plantations of all Central America, Colombia and the West Indies. This is why, in spite of being forced to make concessions in the first strike, no time is being lost in an attempt to wipe out the gains of the workers.

The government and the United Fruit company are attempting to smash the strike by every means, and the situation on the plantations approaches one of civil war, while the whole industry continues to be tied up.

THE ADVANCE OF FASCISM IN SPAIN

On September 9 Gil Robles, chief of the Catholic fascist party, "Popular Agrarian Action", delivered himself of a load of demagoguery at a national fascist rally held at Covadonga, scene of the final defeat and expulsion of the Arabs from Spain. About 8,000 fascists participated in the demonstration, which would undoubtedly have been much larger had it not been for the militant action of the workers, who were able through general strikes in many cities, and acts of sabotage on the railroads and highways, to prevent the arrival of many more.

Gil Robles has since declared that certain of his statements in the speech at Covadonga were misinterpreted and exaggerated. He now claims that by "demanding power" for his party, he only referred to fascist participation in the new government that will be formed within a few days. After an interim of participation in a coalition government with other "rightist parties, the fascists will be prepared to play their highest cards, in a direct bid for power.

Meanwhile the general movement for the Workers Alliance continues although with varying degrees of success. In Badajoz province the official Communist Party participates with the Communist Left, Socialist party and various trade union organizations in a provincial Workers Alliance. On a national scale, however, the Stalinists continue in their ultimatum demand for a "united front" with the Socialist Party to the exclusion of the minority groups and the unions. The Socialists, pressed by their own left wing, insist on a broad united front within the Workers Alliance. Although they are sabotaging the creation of this organization on a national scale, a favorable decision by the anarcho-syndicalist controlled C.N.T. would force them to take immediate steps for a national Workers Alliance.

The existing Workers Alliances in Asturias, Leon and Madrid are functioning very poorly. Only in Catalonia, Valencia and Badajoz, is the organization of working class unity functioning effectively. Throughout Spain it is the minority groups, the Communist Left and the Syndicalist Libertarians who are in the vanguard of the struggle for the Workers Alliance.