

methods of these leaders are to dampen the militancy of the strike to the point of willingness to surrender. And with the same stone, the bird of the "Old Deal" capitalists must be made to see and accept Roosevelt's more scientific methods of liquidating workers' struggles. These leaders were both "reputable and reliable" with a radical safety valve in the form of the physiognomy of the Communist Party.

Several months before the strike, the government had already set up a Maritime Commission, one similar in powers to the Interstate Commission, to regulate the industry in line with "New Deal" capitalism and its military requirements. More recently, an Inquiry Commission was set up principally to probe into labor relations and to lay the basis for a regulatory law similar to the Railway Labor Act. Both of these commissions, particularly the latter one, were received with displeasure by the Old Deal Capitalists, the non-conforming economic royalists of the industry.

The government thus seeks to balance one against the other for its own ends while allowing the process of the struggle to assist in forging new chains about the neck of labor.

#### Within the Camp of Labor.

The fight among the capitalists on the question, "How to rule under the present conditions of capitalism," accelerated the break, long overdue, in the American trade union movement. The Roosevelt Administration from the start favored vertical (industrial (?)) unions as against the craft unions of old capitalism. With Roosevelt's reelection, the political aspect of the fight received a quietus, but the economic struggle, under way for a year, continues with increasing sharpness. The Tampa Convention of the A.F. of L. registered a new 'high' mark in this fight. At that convention, the maritime strike was singled out as a specially fit situation for the craft union leaders to ingratiate themselves with the Old Deal capitalists and to indicate how far they would be willing to go in the future.

The convention suspended its regular order of business in order to pass a resolution declaring the seamen's strike "outlaw", and endorsing the recruiting of scabs by the top officials of the International Seamen's Union, an A.F. of L. affiliate. Reinforced by this decision, Joseph Ryan, president of the International Longshoremen's Association, and one of the leaders of the A.F. of L. craft bloc, ordered the members of his union not to unload steamers of countries whose workers had refused to unload steamers manned by strike-breakers

of the A.F. of L. The strike is thus one in which it is legitimate for members of the A.F. of L. to act as strike-breakers.

The bulk of the members of the maritime craft union, reinforced by masses of unorganized, are of course disobeying the orders of the convention and its agencies on the waterfront. Nevertheless the scabbing work of the A.F. of L. is doing heavy damage to the strike. This is particularly true on the East Coast because of the fact that only about one-third of the total of maritime labor of all categories is involved in it. The port of New York, largest and most important, is the center of the fight against the A.F. of L., precisely because this port is the backbone of reactionary unionism in the industry. Unions like that of Ryan's Longshoremen's, truckers, etc., have been solidly entrenched for a long time, and have been acting in the more or less exclusive interests of the shipowners.

#### Maritime Labor.

The strength of the American Merchant Marine up to the last world war, and the working conditions on the ships, were determined by cut-throat competition. This competition and commensurately the terms of work was especially severe with deep-sea going traffic.

When, as a result of the late war, American shipping took a leap ahead, the government feared the impending labor rebellion so much that on the eve of the United States' entry into the war, it passed the famous Seamen's Act which gave the seamen, for the first time, something approaching human conditions. After the war this Act, like so many others enacted to tide over the period of stress, was discarded as so much paper.

In proportion as the U.S. government was pressed to round up foreign markets, and as maritime traffic became of vital importance, the government was obliged to facilitate the growth of the industry and to enter into its internal affairs. This is being done more and more as time goes on.

Meanwhile the old generation of seamen, mostly foreign born, was replaced by native born or naturalized Americans as a measure, among others, to convert the industry to war needs. Only on the waterfront proper does foreign-born labor still predominate. The unions that grew on the waterfront under such conditions were of the rough and ready variety, just as much of the American shipping entered into illegitimate operations such as smuggling arms, bootlegging, etc. Thus the old, dilapidated craft union, corrupted to the core, had continued

to infest the industry long after it had become highly concentrated in control and ownership.

The present strike thus is a rebellion against all the antiquated conditions that have survived in the industry. This strike is led by workers of the West Coast who were considered free from the taint of real unionism up to three years ago. These newly organized masses have issued a leadership of communist disposition (notwithstanding that they turn toward Stalinism) and also of syndicalist leanings. Whatever may be the shortcomings of these leaders, they are, from the class viewpoint, miles ahead of the buccaneering variety of leader represented by Ryan. The hard-boiled, anti-union capitalists have thus, for the first time, met a real challenge. The masses of the East Coast helped to spread the strike and these were joined later by the older and more skilled of maritime labor.

#### The Communist Party.

The opposition against craft unionism in this strike is led not by the C.I.O. but by the Communist Party in the first place, and by adherents to the syndicalist theory (Lundeberg and others) in secondary positions. John L. Lewis has tried to carve out an intermediary group from the situation, but thus far has failed. Thus the C.I.O. has not actively intervened on the side of the strikers nor has it, thus far, done anything against them.

The reason for no collaboration between the C.I.O. and the Stalinist-led strike is not one of principle. The difference is grounded on the fact that according to the Stalin line, the American Stalinists are to build the A.F. of L. and not to destroy it. The C.I.O. unions, however, comprising over one million members have given up all hope of reforming the A.F. of L. even on a class-collaboration basis, and are moving in the direction of a new labor federation. The Stalinists advocate the industrial program as an inside the A.F. of L. movement. Their slogan is "Unity inside and within the A.F. of L." while the C.I.O. is already building a movement outside. The Stalinists advocate industrial unionism as an ideological slogan to be realized within the A.F. of L. gradually without rocking the boat of "Unity", while the C.I.O. is moving to realize that slogan organizationally.

The Stalinist strike leadership thus finds itself aligned with the craft nobility who also spread the gospel of "unity" to the rebellious unions. In a word: the Stalinists accommodate themselves to the craft set-up on the waterfront while seeking to modify it in an industrial union direction by federating the crafts

within the A.F. of L. into a union of the type of the Maritime Federation of the West Coast. Thus while syndicalist-led unions seek affiliation with the C.I.O., Stalinist-led unions continue to affiliate to the A.F. of L. This is why all hook-ups with the C.I.O. have thus far failed to hold.

The Communist Party thus finds itself way to the right of the class-collaborationist C.I.O.

How far the Stalinists are willing to go in ignoring the desires of the masses and jeopardizing the success of the strike in order to carry the "line" is illustrated and foreshadowed by the incident in connection with Ryan's refusal to unload the French steamer Champlain. That steamer could have been unloaded by the strikers in spite of Ryan's orders. The strikers were ready to unload in order to continue the solidarity with the French dockers. The unloading of that ship moreover would have shaken Ryan's strangle-hold on the New York waterfront, and these are precisely the reasons that some back-stage negotiations between the Stalinists and Ryan's men resulted in the Champlain's returning to France with cargo not unloaded. So was broken the solidarity between the French dockers and the American workers. Stalin never drove a sharper knife with surer aim into the workers' back.

#### Conclusion.

The strike is a three-way fight inside the camps of labor. The strikers have many resolute enemies and a few dubious friends. There is moreover the risk that the West Coast strike will be settled by the Stalinist leadership and leave the East Coast in a lurch. This rebellion must either wash out the corrupt craft unions or, at the least, heavily undermine them. It might, depending on the outcome, wash out much of the fetid Stalinist influence and give the syndicalist elements a fuller lead. Considering the importance of the industry, the nearness of war, and the dimension of the rebellion, sweeping changes in the maritime industry are due to take place; changes which can scarcely escape the line of Roosevelt's "New Deal" and the line of the C.I.O. To these changes the Stalinists will accommodate themselves or suffer the consequences. The workers will be temporarily conciliated and relieved and will, naturally, continue in the historic capacity as wage-slaves of Capital. But one lesson, valuable beyond all others, the workers will learn. They will learn the primary lesson of class struggle - the lesson of class-solidarity.

- J. Z. -

## A LETTER FROM GERMANY

The National Socialists of Germany realize the need of catering to the wants of certain large sections of the population. They seem to realize the seriousness of conditions in Germany and make every effort to solve those problems that threaten their control. Thus they are trying at all costs to reduce unemployment. Although military conscription has absorbed a considerable number of able workmen, and for a number of them even opened the prospects of modest careers, although the armaments industry is working at the peak of capacity and all workers familiar with metal trades work are employed, there is still considerable unemployment. Those not employed in the war industries fluctuate between welfare work (Fursorgearbeit), railroad building (Reichsautobahn), compulsory labor service (Arbeitsdienst), and compulsory agricultural service (Landhilfe). This applies primarily to young workers.

Welfare work (Fursorgearbeit) means the receipt of a small additional amount above the permanent aid provided by law; railroad building signifies a wage of 56 pfennigs per hour; compulsory labor service and agricultural service are paid for in board and lodging with inconsiderable pocket money and are required before the worker is eligible for a better job.

Agricultural service is among the most feared and detested of all welfare labor. The young workers here receive a wage of 15 marks a month and work every day including Sunday. As compared to the labor service, there is no social activity which plays an important part in the labor service. Every half-year's service in the agricultural service is certified with a letter that the worker receives. There are cases of young workers presenting four of these letters at the state labor bureaus without receiving work. New hope is offered to some if within six months they can learn some of the simpler operations of machine hands. If competent, they can find work in the metal industry at 63 pfennigs per hour, thus forming serious competition for skilled metal workers who still receive 92 pfennigs per hour.

Considerable feverishness marks these efforts to provide work. Thousands of workers - printers, painters, all who are not metal workers - are employed in public works for about three months and then sent back to the state labor bureaus. This feverish activity exposes

the lack of work even though the war industries are operating up to 74 hours weekly. A gigantic state apparatus tries to master the situation, for the question looms ominously whether the National Socialist's can overcome the economic crisis. Even the plain, nameless unemployed who is expected to realize that National Socialist prestige demands the employment in good jobs, first, of old party fighters, senses this. The dictatorship of the party book is clearly apparent at the state labor bureaus.

Besides the metal workers, the capable stenographers also can figure on employment. The bureaucracy is growing more rapidly than the armaments industry. Courses in stenography are training the girls to do their share in the great "armament for peace"

During the Olympiad, the reins were noticeably loosened. The foreign visitor had to be impressed with a picture of peace, a land without suspicion or terror. The "Sturmer", much read by the young, was nowhere to be found. From the employees of the travel bureaus to the SA men on the streets, all were drilled to receive the foreign visitors, who, although they had been too prone to believe atrocity stories in the past, were welcome spenders of foreign currency and must be treated accordingly.

In addition to the Olympic games, entertainment and diversion was provided for paying and gullible foreigners. In Hamburg, for instance, there was the World Congress for Leisure and Recreation. Although foreign participation was meager, a few Bulgarians in national costume danced for the enthusiastic "people" and the delighted Dr. Ley. From all German districts representatives appeared in costumes. There was much laughter and trade in badges, and autograms flourished. Chairs were rented to spectators at two marks per hour. In short, interest and enjoyment in the old folkways are growing; the German laughs again.

Viewed superficially, all is order and happiness in Germany. Order of the sort that evoked plaudits of praise, on the part of certain tourists in Italy, for Mussolini, after the march on Rome because the trains ran on schedule. Joy and happiness in the sense that there is no lack of uniforms, costumes and, above all, of flags. In the better cafes, on excursion steamers, etc., snappy military music can be heard; soldiers of the various military divisions enliven the trains that are otherwise none too well occupied; the old romances with soldier sweethearts are in bloom again, and the special excursions of the Strength thru Joy movement provide a continuous season of travel.

This organization of leisure has the most fantastic results. The people are uncritical and nonpolitical to a degree that seems incredible. Speak to a "good German" about the armaments, that have ceased to be a secret since conscription, and he will say that Hitler is the most peace-loving being on the earth, - his armaments serve solely the cause of peace. Reply with statistics or excerpts from the "Führer's" speeches that prove the contrary, and he answers that he isn't interested in politics and there are probably other matters in this connection which we know nothing about - "but the Führer . . ."

But what is the sentiment among the former opponents of Hitler, in the mills and factories? Although we have had no large strikes or demonstrations, it can still be disproved that the German working class as a whole has become National Socialist. Whoever interprets the failure of the German labor movement as arising from general working class defection to National Socialism will be equally unable to understand the possibility of a rallying for a renewed class struggle.

It seems as though the workers are awakening from a long narcotic sleep which had possessed them after their defeat. None of the former factors or organization and conflict any longer play a part. The underground illegal groups, comparatively small in numbers, do not appear on the surface; are non-existent for the broad masses of workers. The former organizations are wiped out. One class can move without "playing politics" even though deprived of its organizations. The pay envelopes of the workers are getting no thicker. They and their wives feel that, and are compelled to continue their struggle for existence. Dr. Ley recently visited a Rhenish factory where the force greeted him with a truculent "Heil Hitler", but at the same time demonstratively held aloft their lean pay envelopes. While this was merely an initial demonstration of growing economic dissatisfaction, there are increasing signs of collective political resistance. A few examples: in a large North-German machinery works, the force of several thousands was ordered to assemble in one of the large work-halls to hear the last Hitler election speech. Only the bosses and white-collar help, however, appeared; the workers assembled in the factory yard in front of the gates which were kept closed until the broadcast was over. The situation had become critical; the few real Nazis left among the workers dared not open their mouths. Generally, things are happening in the plants today that would have been impossible a year ago. A comrade tells me of an armament factory in Greater Berlin employing over 5,000 where he had worked since before Hitler's ascendancy. After the collapse of the

labor movement, the men were completely demoralized, and could see no end to the new slavery. A rigorous control system was introduced. An armed uniformed overseer watched over each ten men; passes had to be secured to go to the toilet. Two armed men were on watch there. The hours were 74 per week. The workers had only one free Sunday in four. Until a year ago, the men were completely terrorized but then they had "acclimatized" themselves. Today they come to work in their old Reichs-banner, Communist and Iron-front shirts. When the overseers objected, they answered "Heil Hitler, buy me another," and ignored him. No one any longer fears the boys with the revolver belts. The workers discuss matters openly in larger and smaller groups during their lunch and other rest periods, and move about as formerly. The control is powerless; the whole force is rebellious and seems inspired by a belief that they positively will live to see a complete change of conditions.

It is quite possible that the government will again resort to terrorism in the factories in order to end such conditions. But in that case they will encounter no longer the impotent terror of formerly, but increased hostility on the workers' part. The government has failed to conquer the plants; it can only make the workers its embittered enemies.

The ordinary tourist, of course, fails to perceive any of this. He can never gauge the true sentiment of the workers; at best he may witness some accidental evidences of dissatisfaction by business men, farmers, etc., who formerly were the blind followers of Hitler but now, in view of their continuous misery, openly damn present conditions. On the other hand, he will see little of the real intensity of German armaments although military parades, aerial maneuvers, etc., are a part of the daily picture in Germany. Wherever possible, things are concealed; thus it is with the production of the greater part of their war materials. From certain centers the web of the armament industry spreads thru-out the whole of Germany. Mostly the individual plants produce only parts, the destination of which is unknown to the workers. Outwardly, the plant sports a harmless name such as "Hansa Chain Factory", but manufactures munitions. Among the workers are girls as young as fifteen who, with the rest, are pledged to secrecy and sign an agreement that subjects them to the death penalty in case of "treason".

The new munitions factories are veritable gardens. The plain factory yards are transformed into flower dotted patches, the flat roofs are luxuriant in green plants. Garden craft raises the working spirit and forms excellent camouflage against hostile planes and bombing

attacks of vicious neighbors who will not let Germany arm in peace. In order to provide perfect cover, equipment is installed to permit operations under cover of complete external darkness. Krupp is building new plants in northern Germany that appear as harmless frame buildings while the real works are in bombproof quarters underground.

In regard to Spain, the news in the German papers is so unanimously pro-fascist that I was astounded by news in foreign papers of the valiant stand of the Peoples' Front. This kind of isolation results in complete passivity by the German workers who not only remain passive in relation to Spain, but are equally passive in relation to German nationalism.

There still remains the question of the form of the new German labor movement. As yet there is none. Only its basis exists no matter how long and painful its development. Aside from the small number of nameless "illegals" who consciously try to maintain the thin threads of their connections against the overwhelming forces of Terror, Force and Lies, who have hardly as yet found definite forms and methods of their work; aside from these splitup groups that as yet form no definite movement, the mass of workers is beginning to move. They are no longer dull and dead as in the first years of the dictatorship. They are rallying for the first, modest, solidaric actions against the Hitler-regime. The working class has not been caught in the mesh of the gigantic Hitler propaganda. It turns against him and seeks to find itself, to comprehend its difficult situation, and to establish the foundations for its struggle: the unity not only of its resistance, not only against the increasing exploitation but against the entire unwholesome atmosphere of the lying and terroristic Hitler dictatorship.

#### NOTES ON THE QUESTION OF UNEMPLOYMENT

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The arguments about unemployment turn almost exclusively on the question of whether the machine displaces workers or not. While the one side asserts that the machine has enabled the expansion of old and the creation of new industries, the other maintains that the machine and everything connected with it gives rise to increasing unemployment.

This debate, in which on the one hand the development of technology is esteemed as creating more jobs and, on the other, unemployment is regarded as originating from this technology in conjunction with the present relations of distribution, is largely doomed to sterility, since it isolates the development of technology, as something independent, from the general capitalist laws of accumulation. By reason of accumulation, however, the number of workers increases in the upswing period of capitalism, regardless of workers being displaced by the machine.

According to Marx, the growth in the number of factory workers is conditioned upon a proportionally much more rapid growth of the total capital thus invested. If production does not increase more rapidly than the advance in the development of technology--that is, if accumulation does not proceed in an accelerated manner--then the number of workers is bound to decline. It is true that the number of workers in the United States increased down to the year 1920, yet in relation to the growth of capital the number continually diminished. The tempo of accumulation, which manifests itself in the increasing wealth of society, was more rapid than the rate of increase in the number of workers. At the same time the number of unproductive workers increased more rapidly than that of the productive. As in all other countries, the magnitude of the unemployment fluctuated with the volume of production. When the economy had reached a relatively stagnant phase, the unemployment increased absolutely.

In case the production of surplus value, as the exclusive motive of the present mode of production, fails to meet the demands of a progressive accumulation of capital, this accumulation is bound to slow down or even to become suspended, until in a number of ways the necessary profitability is again reestablished, enabling once more an accelerated accumulation. In the meanwhile the enormous amount of unemployment appears as a result of over-production of commodities, brought about thru an excess

of means of production and a deficiency of mass purchasing power. It is true that the overproduction of commodities is one of the manifestations of the overproduction of capital. According to Marx, however:

"It is not a fact that too many necessities of life are produced in proportion to the existing population. The reverse is true. Not enough is produced to satisfy the wants of the great mass decently and humanely. It is not a fact that too many means of production are produced to employ the able-bodied portion of the population. The reverse is the case. In the first place, too large a portion of the population is produced consisting of people who are really not capable of working, who are dependent through force of circumstances on the exploitation of the labor of others, or compelled to perform certain kinds of labor which can be dignified with this name only under a miserable mode of production. In the second place, not enough means of production are produced to permit the employment of the entire able-bodied population under the most productive conditions, so that their absolute labor time would be shortened by the mass and effectiveness of the constant capital employed during working hours." (Capital, Vol. III, p. 302)

A number of investigations on productive and consumptive capacity in the United States have led, for that matter, notwithstanding the popular opinion to the contrary, to the recognition that the productive capacity is not great enough to meet the needs of the entire population. As a matter of fact, the productive equipment of 1929 was used to 80 percent of its full capacity. The Bureau of Home Economics of the U.S. Department of Agriculture holds that a 75% increase in the 1929 production level would be necessary to provide a "reasonable" standard of living for every family in the United States. It is only in individual industries that the productive capacity was or is great enough to satisfy all the needs of the population. The purchasing, and hence consuming, power of the great masses of the population around 1929 was far from affording a standard of living which according to present-day criteria could be regarded as reasonable, so that even the application of the 20 per cent of unused productive equipment would have made little difference. Even in the so-called period of prosperity there was not a single year in which the workers incomes attained the minimum computed to be necessary for a decent existence. From the standpoint of a reasonable society, computing with use values, there is accordingly no excess of means of production and workers, but indubitably a deficiency. Any further progressive expansion is bound up with the further development of the social forces of production.

Unemployment and unused productive possibilities are not to be traced back to the development of technology, but to the manner in which this technology is conditioned and impeded by way of the laws inherent in a profit economy. This is also the sufficient reason why all attempts to solve the problem of unemployment and to overcome the crisis by way of reforms of the mechanism of distribution alone are destined to remain fruitless; the only matter of any avail in this connection is a change in the mode of production itself. Until that time the restriction of the productive forces (inclusive of technology), with the accompanying lack of goods and shortage of workers, assumes to the superficial observer the paradoxical form of over-production and excess population.

The hopelessness of a strictly capitalist solution of the unemployment problem has led to various proposals of a more or less "extra"-capitalist nature, mainly three. In addition to the ideas of planning, which for the most part proceed from the monstrosity of a capitalism conceived as stationary, holding it possible by means of a suitable policy with respect to money, credit and prices to bring about a socially stable equilibrium between production, consumption and profit and which in practice nevertheless merely promote the concentration of capital and accordingly intensify the crisis and unemployment in the same measure in which they try to operate against them; and apart from the consistent demand so often heard for a complete state capitalism, which at any rate presupposes a thorough overturn of the present property relations, there has also arisen a backward looking movement which has reference mainly to agriculture and which, under the name of Agrarianism, has its spokesmen especially in the southern states of the Union.

Agrarianism, in the conception of its representatives, is to be regarded as the antithesis of industrial capitalism. The self-providing farmer who has made himself free of the laws of the market is here regarded as a model to be initiated not only on the part of the majority of the present farm population but also on part of the urban unemployed.

As a matter of fact, however, the condition of self-sufficiency, whether desirable or not, is possible only as an exception to the social rule. The great majority of the farmers cannot, owing to the high degree of specialization already attained, fall back into these primitive conditions. That part of the farmers which has been forced into primitiveness can look upon its position only as a temporary relapse, to get away from which, by all means at command, is the matter of moment. Those elements which have swarmed back into agriculture from the cities are either members of the farming popu-

lation or people with savings who, by reason of the crisis, invest their holdings in farm property with the hope of thereby being in a position to spend their final years in a peaceful tho modest manner. Even the farm tenants making a new start in life are obliged to have enough capital in order to find the change from the city to the country to be at all possible. The lease obligations preclude for these people any adjustment to self-sufficiency; they are rather, in order to be able to exist, compelled to engage in the keenest competition.

The whole previous development of american agriculture is opposed to the possibility of the agrarian idea; as it is also opposed to the alleged solution of the unemployment problem contained in this program, a return to the days of the covered wagon. Pioneer activity had reached its end as early as about 1890; there was no more tillable free land. With the setting in of the technical revolution in agriculture, the number of workers engaged in it declined. With the recession of industrial expansion and with the increase of unemployment in the cities, arose the permanence of a situation in which over-population on the farms was combined with over-production of farm products.

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Not only from the standpoint of a planned economy thinking in terms of use values, but even from the standpoint of the present mode of production no way out of crisis and unemployment is to be found other than thru the further expansion of the social forces of production. Any real attempt at solving the crisis must take the direction of liberating productive forces which are now held in the dormant state, however much this solution may accentuate the finally fatal contradiction between productive forces and relations. The impossibility of any real planning of capitalist activity precludes not only that the productive forces will be restricted because of a recognition of the consequences to which their further development would give rise; it precludes also the opposite policy, that of consciously promoting them. The strangling of the productive forces during the crisis is a compulsory one; while at the same time the crisis forces the addption of measures which bring with them a greater or lesser overflow of the productive forces in the excessively narrow bed of the productive relations.

Any theory of a conscious limitation of production with a simultaneous rise in mass consumption for solving present contradictions is doomed to remain in the theoretical stage and is only a piece of propaganda designed to conceal the actual situation. If possibilities for new capital investments are present, they are also

seized upon, without regard for the social consequences, since every capitalist concern can act only on the basis of its individual needs. Capitalistically, as well as in general, crisis and unemployment can be overcome only by way of increased production. To make this possible within the framework of capitalism is the aim of all capitalistic strivings. There are hundreds of thousands of projects for agriculture and industry, fabulous possibilities for the expansion of production,--scientific and other literature is swarming with them,--the actualization of which, however, hinges upon their profitability. All the efforts of capital are therefore directed to reestablishing a basis for increased surplus value, hence to the appropriation of a greater mass of surplus labor. From this point of view, the shortening of the work day, of the labor time, as a solution of the unemployment problem is likewise rejected by capital.

The well-known demand of the Roosevelt Administration for the limitation of production, this also was raised only so long as the actual stagnation would have made the opposite demand as well a matter of no concern. This demand was in harmony with the process of cartelization and concentration of monopoly capital during the deepening of the crisis. It helped to extend the stagnation of the large capitals to the whole of capital, and thereby prevented in part the realization of extra profits by smaller capitals, which paradoxically and for a time had possibilities of accumulation which were precluded for the large capitals. With the slight upswing since 1934, however, the program for the limitation of production was allowed to drop; in fact, it began to be opposed, as involving artificial and restricting price schedules which the country was unable to bear. More elbow room to business became once more the order of the day.

More unpaid surplus labor and less paid labor is the final secret of the reestablishment of profitability, and this presupposes the expansion of the field of production and the raising of productivity. Anyone who wants to exploit more workers is obliged first to exploit a given number of workers more intensively. Anyone who wants to exploit at all must continually increase the rate of exploitation. It is not necessary for this law to enter the consciousness of the capitalists; but their most immediate necessities compel them to those actions, and to only such, which would be taken if this law were a part of their habitual consciousness. With the far from exhausted possibilities of exploitation of the world before their eyes, incapable of harmoniously adapting their activity to the limits of profitability, even if these limits were known to them,

the whole class of capitalists, or the entire movement of capital, must, like each individual capitalist, be adjusted to further leaplike expansions. The difficulties with which capital is faced in its attempts at re-establishing profitability and the progressive accumulation of capital bring with them, regardless of all the optimism, a great fear of disturbances of this process thru the reactions of society to the intensified exploitation. A great army of unemployed must be on hand to keep wages within limits if the tender bloom of the rehabilitated capitalist paradise is not to be nipped in the bud. This army must, at the same time, be mighty enough to enable the expected increase of employment, together with the relative displacement of workers, without for that reason essentially diminishing the rate of exploitation. A deficiency in unemployment brings capitalistic successes into question. However much, on the one hand, unemployment is looked upon as a burden, it is no less also a guarantee of the stability of present-day society. In particular, the international competitive struggle and the imperialist policy conducted with a view to raw materials and export of capital and commodities, and which at the same time is the process of reorganization corresponding to commodity economy within the framework of the world economy, and which has its culmination in war, requires a superfluity of population and makes the over-population into a mighty, however horrible, instrument of capitalist expansion of the productive forces, which are always at the same time forces of destruction.

"That the natural increase in the number of workers does not satisfy the requirements for the accumulation of capital, and yet all the time is in excess of them, is a contradiction inherent in the movement of capital itself." (Marx: Capital, Vol. I, page 704)

Thus we have, on the one hand, the fear of unemployment and on the other the fear of its loss, a fear which comes to expression particularly in the ever louder complaints about the dangers of the declining birth rate to humanity in general and about the decrease of population to the further destinies of capital.

After all previous crises, the reestablishment of a sufficient appropriation of surplus value, that is, the assuring of profitability on a lower value and price level, was bound up with an increase in the absolute number of workers. Today also there is no prospect of a new upswing unless success is attained in binding up with the expansion of the productive equipment an increase of exploitable workers. The accumulation must be so strong that it results in new opportunities for work. The success does not depend on additional employment of workers; and

yet a success is only possible on condition that the upswing is so great it draws more workers into production. So that to anyone who, in spite of all the unemployment and in spite of all the stagnant means of production, expects a further progressive advance of capitalism, the present productive equipment and the present number of workers are necessarily inadequate. The external compulsion which governs the movement of capital is stronger than any insight of the capitalists involved. The urge to accumulation, that is, the self-preservative instinct of present-day society, does not admit of conceiving unemployment simply as unemployment. The social activity must be carried on in such manner as if an actual shortage of workers existed.

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#### TO THE RIGHT THERE IS NO LIMIT

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In France, the "Communists" have made tentative proposals for the formation of a "French Front" (Front Français), which would involve a widening of the Popular Front to include even fascist groups. Still more incredible is the recent manifesto of the Communist Party of Italy, which advocates the "brotherly union of the people of Italy thru the reconciliation of Fascists and non-Fascists". We published this manifesto in the previous issue of the Council Correspondence. We now reproduce an appeal of the Central Committee of the Communist Party of Germany, printed in the "Deutsche Volkszeitung", No. 31, of October 18, 1936. The following is a faithful translation:

"On May 1, 1935, Dr. Ley promised to introduce the fair wage.

"It is high time for the "German Labor Front" to be brought into action with a view to increasing the workers' wages to correspond with the increased output and the higher cost of living. Let us all in common see to it that at last a fair wage be paid!

"German peasants! the 1932 program of the NSDAP approves your demands for fair prices and the breaking of interest slavery. . . . We should all require that these demands now be converted into fact.

"The 3000 millionaires with the old reactionary Schacht

at their head, who in 1924 was one of those who subscribed to the Dawes Tribute Plan, have hitherto maintained their privileges without scruple.

"The 3000 millionaires have once already driven Germany into defeat.

"The 3000 millionaires are further interested in a new war because they make billions in armaments.

"The 3000 millionaires want to keep wages down, for the higher than is their profit.

"The 3000 millionaires play one section of the people off against the other, for the better than can they remain on top and make their profits.

"Must all that remain as it is, German people? We are able to change it, all of us together. What a great power is represented by the millions of the people against the thin stratum of the 3000 millionaires, if we all desire to be reconciled to each other again, so that the people's will becomes the highest law, and not the egoism of the 3000 millionaires.

"You, National Socialist - you, Social Democrat - you, Catholic - you, Communist - you, worker - you, peasant you, artisan - you, technician: do we not all, sons of the German people, have the same longing for a life in peace, joy and well-being? Do we not all today have the same distresses?

"Let us pledge true comradeship for the defense of our vital interests and of peace, for the defense of Germany against the grasping upper crust of 3000 millionaires!"

Any worker who has retained some measure of political sanity will now be able to understand what Stalin meant when he told Roy Howard that the idea that the Soviet Union had any "plans or intentions of bringing about world revolution" was tragic-comic misunderstanding.

# INTERNATIONAL COUNCIL CORRESPONDENCE

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**FEBRUARY 1937**

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