

who ever worked under the present speed-up methods knows that no worker could toil 12 or 14 hours daily anymore, and in some industries even the 8 hour day has already become too long. This is illustrated by the fact that the 40 year age limit is rapidly being established. Such measures are just as harmful for capitalism as they are for the working class because in a crisis it will be much more difficult to find a new basis for profits; it is a situation that tends to lengthen the crisis and to shorten the period of a new prosperity. For the working class it simply means that a further rise of the living standard becomes impossible. For a while wages will stagnate until a point is reached where the downward trend becomes absolute. The old labor movement, whose policy it is to fight for better living standards for the masses, is bound to suffer defeat after defeat, and due to this ineffectiveness heads towards a complete breakdown. It would be erroneous to find the explanation in the unions' numerical weakness, or in their non-revolutionary activity, but it is the economic laws of motion that dominate every phase in society, especially in regard to the value of labor power. Were the unions in a position to monopolize the price of labor power, they might be capable of increasing it temporarily above its value. However, this has already become an impossibility on account of the steadily growing army of unemployed. With this, the old labor movement has lost its ground. It continues to live on its past success. A revival of that activity is an economic impossibility. The old labor movement is doomed and must make room for new forms of organization.

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N O T E:

The COUNCIL CORRESPONDENCE often accepts articles from writers who are not affiliated with the Groups of Council Communists.

These articles are signed to denote that we do not necessarily endorse the view of the writer entirely. All material presented without signature is to be considered as the collective work of the members of the Groups of Council Communists. We will appreciate suggestions, criticism and articles.

INTERNATIONAL COUNCIL CORRESPONDENCE

For Theory and Discussion

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TROTSKY and Proletarian Dictatorship

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INTERNATIONAL

COUNCIL

CORRESPONDENCE

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By the Groups of Council Communists of America

The period of progressive capitalist development is historically closed. The decline period of capital, a permanent condition of economy, to new imperialistic and military conflicts, to ever increasing unemployment and to general and absolute impoverishment of the workers. Thus is given the objective situation for the communist revolution in the capitalist countries. For the working class, there is only the revolutionary way out, which leads to the communist society. No one can deprive the workers of this task, which must be carried out by the class itself.

The publishers of Council Correspondence see in the acting self-initiative of the workers and in the growth of their self-consciousness the essential advance of the labor movement. We therefore combat the leadership policy of the old labor movement, and call upon the workers to take their fate in their own hands, to set aside the capitalist mode of production and distribution in accordance with social rules having universal validity. As a fighting slogan and statement of goal we propose:

All power to the workers' councils! The means of production in the hands of the Workers!

THE BROWNSHIRTS OF ZIONISM.

A few days after the termination of the Arab strike and revolt in Palestine, two unsuspected and harmless Arabs, passing thru the Jewish town of Tel Aviv in a carriage, were fired at and wounded by "unknown assassillants". Unknown for the reason that they escaped. Everybody, including the police, knows that they are to be found in the ranks of the "Revisionists" or extreme Zionist nationalists who have never concealed their liking for "direct action" and terrorism. Needless to say, they are very vocal, but hardly convincing, in proclaiming their innocence and talking of "Marxist calumnies". Yet the fight against the Arabs, a fight in which all means may be employed, is one of the guiding principles of Revisionism which has justly earned the name of Zionist Fascism. And it deserves to be noted that the Tel Aviv outrage was preceded by statements from authoritative Revisionist sources which are near to advocating the employment of terrorist tactics. In a statement on the situation in Palestine, made on Sept. 9, 1936, Vladimir Jabotinsky, Duce of Jewish Fascism, said: "During the first weeks of the struggle, the exercise of restraint served a useful purpose. It showed that the Jew, when armed, is content to defend himself and does not attack and try to revenge himself. For this reason, I vetoed all thoughts of retaliation; but now I consider it my duty to proclaim that I have withdrawn my veto".

This unmistakable signal for terrorism was supplemented a few days later by a statement from the Viennese organ of the Revisionists, the "Nation", referring to the situation in Palestine: "It happens nowadays that Jewish newspapers in Palestine publish reports, hidden away in small type between unimportant news, of Arabs killed here and there in Palestine, of Arabs wounded, of Jews arrested and accused, etc. Jewish papers published outside of Palestine go even farther in hiding facts. They talk of Arabs being killed by Arabs. What is the good of all this eyewash? Is it our fault that the world forces us to go its ways? The world today understands no language but that of guns, machine guns and pistols. Now we too begin to learn this language. Let it not be forgotten that ours is a talented people. We have already learned many lessons. The time has come to learn the language of fire and blood". The shots in Tel Aviv provide the echo to this incitement.

The Jews are no chosen people. They are, in one respect, like other nations under capitalism, so much so, that there is even a Jewish brand of Fascism. This may surprise the casual observer who is inclined to regard Fascism as a kind of Anti-semitism, or, at least, as bound up with Anti-semitism. But it must be remembered that classical Fascism, that of Mussolini, was never anti-semitic. Fascism is an international epidemic, although in each case profoundly nationalist. Its roots are basically the same in all countries, and is worth noting that the epidemic has not stopped at the doors of the ghetto or at the border of Palestine.

The principle germ-carriers of Jewish Fascism are everywhere the lower middle classes, although Fascist tendencies are not confined to them alone. Since the war, almost everywhere they are caught between two fires. On the one hand, they are finding it more difficult to escape pauperism; but nothing horrifies them more than the thought of becoming proletarians. This, however, is their fate. In striving to escape from it, their hatred turns against the working class. They look back upon history, to the past that never returns; and because they struggle against their inevitable submergence in the great mass of the proletariat, they are the easy prey of every demagogue who promises them the return of the Golden Age. This is the peculiar function of Fascism, itself born of the same urge, which lures them with its shrill war-cries of "national unity" and "common welfare". Instead of achieving unity with the lower classes, they permit themselves to dream of rising to upper social strata. But the paradise to which the Pied Piper of Fascism leads them inevitably turns out to be the servile state in which the middle classes are crushed and exploited as never before. The Jews have not been able to avoid this contamination.

Their abnormal situation favored the spread of the disease. To the fearful economic need to which they are subjected in all countries of eastern Europe, and in Germany, are also added national persecution, the withdrawal of political rights and even brutal physical terror. While the class-conscious workers among them take part in the social struggle of these countries with a view to solving their own national problem as a by-product of the victory of Socialism, the pressure to which they are subjected generates an inflated nationalism among the numerous petty-bourgeois elements. The fact that many countries which heretofore absorbed Jewish emigrants are now closed to them (U.S.A., Canada, South America), creates the impression that Zionism is the only solution and Palestine their "Promised Land". To them, immigration into Palestine means hopes of a better future. Each time Zionism shows itself to be incompatible with reality, the more the demagogues find a fertile field. To the desperate masses, all kinds of quack medicine is appealing. Take for instance the plan recently proposed by the Revisionists which provides for the settlement in Palestine "on both sides of the Jordan" of one and a half million Jews within the next ten years. Obviously this widely advertised plan, which is presented with much ballyhoo, is manifestly absurd. Yet Jabotinsky is hailed as a Messiah by many of the impoverished eastern Jews who cling to every straw.

In regard to Palestine itself, the majority of the Jews who come here are sincere in proclaiming the need of a "restratification" of the Jewish people. By turning former traders, middlemen and "air"-men into productive agricultural and industrial workers, the social structure of the Jewish people will be profoundly altered; the Jews are to be "Normalized", to use the current phrase. This idea, which is essential to Zionism, as to every other nationalism, is often supplemented by vague concepts of a socialist society in Palestine. But there is another group of immigrants composed of traders, middlemen and other unproductive elements unwilling to adjust their lives to the new conditions. To this latter group, Palestine is merely a haven in which to continue their parasitic role. This group within the Jewish community and the Zionist movement, struggling to preserve its identity as being distinct from the working class, is the social basis of Jewish Fascism.

Jabotinsky stands for a "revision" of official Zionism which he accuses of "national treason" and - "Marxism". The methods are always the same... The Revisionists accuse the Zionist Executive of "being the agency of Arab and supposed British, rather than of Jewish, interests". They are nationalist diehards, hundred percenters. To

them official Zionism is "the renunciation of Zion". Their minimum program provides for the establishment of a Jewish State on both sides of the Jordan, i.e., including the mandated territory of Transjordan, and based on a Jewish majority in the country.

Firmly convinced "that there can be no spontaneous reconciliation with the Palestine Arabs, neither now nor in the future", Jabotinsky rejects the idea of a political parity between the two peoples and demands the creation of a Jewish military force as an indispensable condition for the realization of his aims. "Zionism is impossible without a Jewish Legion... The whole Jewish people must become a people in arms."

The setting up of this Legion is also declared by the Revisionists to be "a prime necessity for the security of the British Empire". At the same time, they declare themselves ready to proceed "with, without or against the British". This flexible formula hides a pro-Italian tendency which has of late become more marked. The military formations of the Revisionists (strangely enough their shirts are brown) are regarded as the nucleus of the Legion whose purpose it is to break by force the opposition of the Arabs to Zionist penetration and to establish a "fait accompli" and possibly more than one.

It has often been remarked that there exists a close resemblance between the phraseology of Zionist Revisionism and that of German National Socialism. But the resemblance is not only one in words. The Revisionists fight "the increasing preponderance of the workers' organizations". They protest against the subsidies given by the official Zionist movement to settlements maintained by the Jewish workers. They insist that private initiative is more important than public funds. The Zionist labor movement is accused of "intransigence and lust of power", "unnecessary insistence on social conflicts", "dogmatic application of the class struggle theory which derives from Europe". All this is the more absurd since every objective observer is forced to admit that extreme nationalism is the beginning and the end of the policy pursued by the Jewish Labour Federation in Palestine. This policy is made completely subservient, in theory as well as in practice, to Zionist nationalism and renounces everything remotely connected with independent class politics. In spite of these well-known and unassailable facts, the ultra-moderate trade unions which make up the bulk of the Zionist Labor Party, are accused by the Revisionists of Marxist and Bolshevik tendencies as well as of "sacrificing ideals to the golden calf!" Compulsory labor arbitration is demanded in order to ensure the "subordination of all particular interests to the prime necessities of national unity."

Is it not obvious that, if anything, this program "derives from Europe"?

The Revisionist organization was founded in April 1925 by Vladimir Jabotinsky, a Russian Zionist journalist, who had organized a corps of Jewish volunteers in Alexandria during the world-war to serve on the Gallipoli front. Even at that early date he stood for power politics, first against Turkey, for some time against England, always against the Arabs and the workers. In 1920, Jabotinsky, then lieutenant, was expelled from Palestine by the British for organizing illegal formations. In 1923 he made a pact, behind the backs of the official Zionist Organization, with the representative of the Ukrainian "White" General and ferocious Jew-baiter Petlyura, for the creation of a Jewish corps within the frame-work of an anti-bolshevist White Guard in the Ukraine. When the intrigue leaked out, violent protests were made by the Jewish labor organizations compelling Jabotinsky to resign from the Executive of the Zionist Organization. This gave the 'enfant terrible' his chance to play his messianic role with a vengeance. He became a "leader" and, copying the Hitler movement, built up a strictly authoritarian and militarist organization based on centralized direction, the "Leader principle", and an incredible cult of the personality of the "Leader".

The adherents of the movement in Palestine, supplemented by recruits from the backward Oriental Jews, carry on a campaign against the Socialist workers which far outstrips even their terroristic offensive against the Arabs. In Palestine, too, the "extermination of Marxism" is on the agenda. Here too the workers' organizations are to be "smashed". The Revisionists' organized strike breakers, their activities resulting in pressure on the wage standard. Parading their Brown-shirts thru the streets, they did everything to provoke the workers. They attacked meetings (a meeting in honor of Brailsford, the English Socialist, was bombarded with stones by their hooligans) and organized gangs to beat up political opponents. Some years ago terrorist groups belonging to their party were discovered in Jerusalem and in Tel Aviv. In 1933 the Revisionist speakers and newspapers conducted an incredible campaign of slander, on the lines of the recent Salengro campaign in France, against Dr. Arlosoroff, then leader of the Labor Party and prominent member of the Zionist Executive. On June 15, the Revisionist Organ culminated its "mud-slinging" campaign by depicting him as a "traitor to the Jewish people, its honor and security". Thirty hours later he (Dr. Arlosoroff) was dead - assassinated in Tel Aviv, the 100% Jewish town.

Similar tactics are employed outside of Palestine. The spread of anti-semitism is welcomed by the Revisionists. They do not fight it. Rather they utilize it to further their own ends. While a wave of persecution and torture swept Germany after the Hitler coup, Jabotinsky made a speech in public in Berlin which was nothing less than a wholesale indictment of the Socialists within the Zionist movement. The aforementioned Hebrew Organ of the Revisionists, the "Hasit Ha'am", 1933, glorified Hitler and presented his movement as a shining example to Zionism. They admire Mussolini and Franco.

In Germany the Revisionists carried out raids on labor clubs. In other countries they perform attacks on Socialists. In other words, the peculiar "spirit" and methods of the Brownshirts are shown to be quite compatible with Judaism. Revisionism proper might be described, to use a mathematical formula, as "Zionism plus Hitlerism", or as "Hitlerism minus Anti-semitism".

In 1925 Jabotinsky was able to muster four followers at the Zionist Congress. In 1933 his followers captured twenty per cent of the total poll and sent forty-five delegates to the Congress. Two years later, they left the Zionist Organization and held a separate convention at which, according to their own reports, delegates representing 700,000 members of the "New Zionist Organization" participated.

The Arab revolt of 1936 was a godsend to these Fascists leading as it did to a wave of chauvinism among the Jews. The Revisionists are doing everything to make capital out of this fact. They are playing a dangerous game, since to them "a world war would be the best chance of realizing the Zionist maximum". Their aim is to become universally recognized as the standard bearers of Zionist intransigence and maximalism. Their slogan continues to be: "Judea must be reborn with fire and blood."

- ABNER BARNATAN -

(Tel Aviv)

CHILD LABOR
A Class Issue

The particular issue that causes so much intra-class conflict among the exploiters from time to time is that of child labor. But the children and youth of the land will continue to be exploited regardless of legislation, protests, and the fine desires of those capitalists whose profit-making does not require the direct expenditure of children's labor-power.

Exploitation of Child Labor is
Necessary to Capitalism.

The exploitation of children is a necessary factor in production for profits. Under capitalism, the working class and its children are only a part of the investment capital in the production of surplus value. The labor-power of child workers will be always in demand in capitalist production because its maintenance and reproduction is less costly than that of adult workers. Anything necessary to the production of surplus value cannot be abolished by legislation, but only by a revolutionary working class bent upon changing the relations of production from capitalist to communist relations.

When the framers of the Child Labor Amendment made 18 years the boundary line between childhood and maturity, they had hazardous industries in mind; that is, those particular factories and mills in which the labor-power of children and youth is not so productive.

Under the codes of the one-time National Recovery Act, 100,000 children marched out of mills and factories thruout the country to make places for workers hitherto unemployed because these workers could not successfully bid for the sale of their labor-power at wages at which the children were hired. But American labor embraces more than the industrial scene. Two million children between the ages of ten and eighteen are now listed as working. Industry accounted for only a small proportion of the total. The greatest number, nearly a half million, are engaged in agriculture. Where labor-power is employed on a large scale, children's hands and eyes are important because they are cheaper, and this is why most of the agrarian states oppose legislation prohibiting child labor.

When, over a period of time, the exploitation of

children presents itself to the population in all of its degrading reality, when capitalists themselves can fully view the results of their handiwork--workers with maimed and stunted bodies, mentally subnormal and neurotic,--when such a situation tends to threaten even the existence of capital itself, only then are legislative measures formulated, interpreted, passed upon and enforced. Nevertheless, the gamut of law-making and law enforcement must leave loopholes thru which the politicians eject their interpretation of the law in the interest of those sections of capitalists for whom the labor of children is necessary for their profit-making. In short, the history of child labor legislation reveals the age-old flexibility of capitalist legislation in general, where at times the remedy is worse than the disease.

The visionaries of a haven within capitalism everlastingly rub elbows with politicians in the hope of eradicating this or that over-shadowing feature of capitalist exploitation, but the pious wishes of such "hopefuls" do not allay the affects of capital in its exploitation of the working class and its offspring, as is disclosed from the monotonous history of child labor legislation in this country.

The States' "Legislation" of Child Labor

Every State in the Union has on its statutes laws for the regulation of children's labor. But there are always ways of getting around those laws. An example of this is the amount of tenement home work done by New Jersey children, distributed to them from factories in neighboring states. Thus New York manufacturers who were sending their work to New Jersey to escape the New York regulations against tenement home work, were not subject to the penalties imposed by the New Jersey laws. In this way, they successfully dodged state laws.

Only recently New York's Legislature supported a measure designed "to outlaw sale and production within the State of goods made by child labor as a substitute for ratification of the Federal Child Labor Amendment".

Child workers themselves cross state lines in search of work, where state regulations conflict with the necessity which capitalism forces upon the children who must be exploited in order to live. The importation of children from one state to another is a particular feature of capitalism, and cannot be eliminated so long as capitalist relations exist. As many industries have shifted to the southern states, the difficulty of securing adequate labor power has led to the importation of children from northern cities for seasonal work,

such as exists in the canning industry, these children returning when they are no longer needed.

New York City is the worst example of tenement home work. Thousands of boys and girls, some as young as two and three years old, make artificial flowers, sew garments, make cheap toys. Tedious and menial jobs! The State cannot interfere with this kind of child labor because it licenses tenements for home employment and does not employ sufficient inspectors to see that the child labor laws are obeyed.

Industrial capitalists in some states raise the cry of "Unfairness" when their products must compete on the market with those of manufacturers in states where lower child labor standards are permitted. Even though a Federal minimum of wage rates and hours of labor were fixed for children for all the states, enforcement of these laws proved "too slow and inadequate". For this reason Congress and the Federal administration were finally looked to for the remedy.

Federal Legislation of Child Labor

In December 1906 the first proposals for a Federal law was made in Congress to "prohibit the employment of children in the manufacture or production of articles intended for interstate commerce". Ten years later, in September 1917, the Federal child labor law was adopted. Congress sought in this measure to close the channels of interstate and foreign commerce to the products of child labor. After this law had been in operation nine months, the United States Supreme Court passed a decision that the law was not a legitimate exercise of Congress's power to regulate interstate commerce and was therefore unconstitutional.

Following this decision, Congress enacted, in Feb. 1919, as part of the revenue act of 1918 a provision for a tax of ten per cent on the annual net profit of certain establishments which employed children in violation of the age and hour standards laid down in the act. The Supreme Court again held that this law was not a valid exercise of Congress's right to lay and collect taxes.

Only two methods were therefore left to Congress. It must either abandon the object which was sought in the above two laws, or the constitution must be amended so as to give Congress the power which it was believed to have when these two laws were passed. The latter course was taken.

The type of law that Congress would be likely to pass under the Amendment is as follows: it would prohibit

the shipment of interstate commerce of goods produced in mines and quarries in which children under 16 years of age were employed; or in workshops or factories in which children under 14 years were employed, or in which children aged 14 to 16 worked more than eight hours a day or six days a week or between 7 p.m. and 6 a.m.

The Amendment was submitted for ratification by Congress in 1924, rejected by thirty-five states within three years after it was submitted by a two-thirds vote of Congress and revived in State legislatures in 1933 by the N.R.A. Among the 28 states which have ratified the Amendment are many which originally rejected it. As for the record of rejections by States, since 1933 there have been a total of 41 rejections; of these, eleven came in 1933, seven in 1934, nineteen in 1935, and four in 1936. So much for the hopeless attempt to regulate and prohibit the exploitation of children by capitalist legislation.

The Holy Roman Catholic Church!

The Catholic Church is poking its nose into the issue in the hope of stiffening opposition to ratifying the Amendment. The Amendment, if ratified, would "threaten interference with religious education". This reason took hold of the Church's flock of Democratic members, particularly in the New York State Assembly at Albany and prevented ratification by that Assembly. The Catholic Church partially maintains its schools, convents and orphan asylums by the labor of Catholic orphans and by the labor of those children whose parents cannot afford to pay for their training. The Church is up to its medieval trickery of hiding under its religious cloak the real reasons for its existence.

To the Ladies!

At the time woman suffrage was made lawful in this country, the economic specialists staked their hopes on the woman voter. They expected much improvement in social legislation thru the civic zeal of the woman voter and were confident that American women were against "child slavery". But, alas! furthered capitalism left its mark: there is not the enthusiasm on the part of the women for child welfare that "public spirited" individuals anticipated, although feminine philanthropists continue to go about as usual in Polyanna fashion prying into the humble affairs of working mothers. In the fashionable Biltmore Hotel in New York City, Secretary of Labor, Frances Perkins, recently appealed to 300 business and professional women "to exercise their ancient mercies" by interesting themselves

in those children who are forced to work. The capitalist class is composed of women as well as men; women who do not hesitate to exploit the children of working mothers if such exploitation assures them a life of leisure. The misery of the working class and its children arises from society's division into economic categories. Therefore, any special appeal to either sex as such is useless.

State Maintenance of Children

From time to time there is advanced the idea that the State should take over the feeding and care of the children, and in this way eliminate child labor. Altho this scheme is entirely an illusion, as capitalism needs the family form for its very existence, assuming State maintenance of children to be possible, then the value of labor-power would drop; it would no longer include the reproduction costs. If parents were relieved of the cost of maintaining their children, then in actuality the wages of the parents will be depreciated by way of competition. Childless married men would compete with the fathers of families and share in the wage reduction without being relieved of any burden. Freed of the care of their children, mothers would be forced into the labor market to sharpen the competition there. Childless wives would also be forced into the struggle for work. Male workers would be compelled to compete with women for their living and their wages would be reduced accordingly. So that capitalism gets the labor-power of the women as well as of the men for the subsistence of the two sexes, instead of only the labor-power of the men.

Child Labor Under Communism

We do not oppose child labor. On the contrary, we are in favor of children working. What we do oppose is the ruthless exploitation of both child and adult workers in the production for profits.

In the absence of capitalist relations of production, children will be required to work, but their labor will be a combination of productive labor with instructions, according to different age periods. Training children at an early age to work will be a necessity under communism. It will lay the foundation during tender years for future useful men and women of a society where each individual contributes his share to the total social labor. Freed from the necessity to exploit the labor of children, society will find no need for "demands", above all, such a sentimental one as "Prohibition of Child Labor", a demand arising from the ruthlessness of capitalist exploitation of children, coupled with the sight of children of the capitalist class who are coddled,

(continued on page 21)

WAGES AND PRICES

To conceal the real situation and disguise the manipulations of the exploiting class has always been the foremost task of the capitalist press. A willing and well serving instrument of capitalism, it does not have to try very hard to twist things around in order to make the functioning of our capitalist system difficult to understand. To get a clear picture of the complex structure of the capitalist apparatus thru newspapers is an impossibility. Statements of the press and comments on current events and economic topics only contribute to the general confusion and ignorance. However, disregarding the partiality and comments of the capitalist press, there remain a number of statistics and quotations valuable for individual analysis.

The New York "Times" said recently: "Steel prices put up to offset outlay for higher wages.....Higher wage rates may act to retard re-employment.....Higher wage rates with a shorter working week and no increase in efficiency, whatever they may mean in dollars, must mean less real income for workers....as if the worker could not get more except at the expense of capital; as if the whole question were one of fair distribution of existing income, and as if granting a living wage to the poorest paid workers were primarily a moral or a legislative issue....The real gains of labor must come from an increase in the national output".

Undoubtedly there is some truth in these statements, but what here is truthful has nothing to do with the question posed at present. True, higher wages and correspondingly higher prices do not increase consumption; on the contrary, there might result a fall in consumption since many workers and middle class people do not get an increase in income. And those workers who are fortunate enough to get wage increases may, after all, not be able to buy more commodities because, according to the theory of bourgeois economists, higher wages are met by higher prices. Hence the struggle for higher wages appears to be senseless since the working class does not seem to gain anything at all. This is precisely what the capitalist press has in mind with its twisting and confusing but nevertheless cleverly advanced phraseology.

What is the real issue? At closer analysis there are a few conspicuous deficiencies in this capitalist theory of wages and prices. Referring to the steel industry,

it will be noted that wages were raised almost without struggle. Due to the grand-scale armament defense programs, the steel industry could hardly fill the recent orders pouring in from everywhere. The supply--altho the steel output in the last year has been tremendous--could hardly satisfy the demand. Raw materials, too, (necessary for the steel industry, as scrap iron, copper, lead, tin) went up considerably. Under these circumstances, price increases were natural. Labor trouble, disturbing this prosperity boom, would be disastrous at this moment. To avoid trouble and loss of profits, wages were raised. Capitalism, in order to assure a smooth functioning of its industries for the near future, in this case could afford to give a little of its increased profits to labor. As mentioned before, it could also afford to raise the price since steel is very much in demand at present. Nevertheless, to let the workers know what is waiting for them if they keep on asking for higher wages, the theory of higher prices due to higher wages was brought to their attention. Labor's situation, however, is somewhat different. We recall that prices in the food and clothing industry--industries where the workers mainly invest their money for life necessities--went up long ago, and continue to rise. Precisely because of these higher prices of their life necessities, workers in other industries were forced to demand higher wages also.

The capitalist is not so wicked or greedy that he does not want to give a living wage to labor; as a matter of fact, it is of interest to each capitalist to give as many life necessities to his workers as possible in order to keep them fit for the more and more intensive work they are required to do with the growth of the productive apparatus. But each capitalist is also interested in raising his own profitability, and if possible at the expense of other capitalists. Therefore, if the prices for food, clothing and shelter can be kept down, so much the better, because in that case the wage earning class can be satisfied with less money. However, if prices for the consumption goods of the workers should rise and force them to demand higher wages, the capitalists will fight with all means at their disposal in order not to reduce their profits.

The capitalist press also stresses the point that higher wages are justified only if there is sufficient increase in efficiency and national output. While we do not refute this conception, we like to refer to the fact that both these conditions were fulfilled to a great extent last year before the present strike wave for higher wages set in. According to official statistics, the total Net Profits of several main industries for the first nine months of 1936, in comparison to the same time in 1935,

were as follows:

	1936	1935
Steel	\$62,300,000	\$7,500,000
Machinery	18,400,000	8,700,000
Food	97,400,000	75,800,000
Textiles	2,500,000	1,100,000

Against this tremendous gain in profits, we have the following figures for labor:

Employed in:	Nov. 1936	Nov. 1935
Steel	841,100	719,900
Machinery	985,600	854,500
Food	758,500	716,200
Textiles	1,707,600	1,631,000

with the following pay rolls:

Steel	\$23,252,000	17,039,000
Machinery	25,117,000	19,779,000
Food	16,429,000	14,415,000
Textiles	27,621,000	25,563,000

If we bring these figures in relation to each other, we see that although average wages were about 10% higher in 1936 than a year before, capitalism succeeded in raising its net profits by an average of 50%. How high the actual output in commodities was these figures do not reveal. However, since it was possible to increase the profits so tremendously (with approximately only 10% more workers), there is reason to assume that the productivity (compare the figures of the machine industry) has grown immensely.

In another corner of the capitalist press--in the "Business Section" that is seldom read by workers--we find the following interesting statement: "...An advance such as occurred in 1936 has always been characteristic of a period in which consumption and business activity were recovering rapidly, after a depression period. For this disproportionate rise, the reason is perfectly well known. It has been only to a relatively small degree a result of the increased consumption of better times.... Primarily, it has measured the great change since the early Thirties in the world's agricultural production; particularly the recurrence of short crops such as always follows prolonged abundance; this action of Nature being emphasized by the official program of restricted acreage in this country".

Here we approach the state of reality much closer. Supply and demand, abundance of goods and restriction programs play a decisive role in the determination of the market price. It was Marx who gave us a clear

picture of the functioning of capitalist society. He started from the conception that commodities--or new values--are created by labor power only. Price is nothing but the monetary expression of value; the conversion of value into price by which commodities are expressed as quantities (hours) of social average labor. Commodities sell at their value, or in other words, in proportion to the quantity of labor realized in them in the production process. In calculating the exchangeable value of a commodity, we must add to the quantity of labor last employed, the quantity of labor previously worked up in raw materials, and labor bestowed upon the means of production. However, the real value of commodities is subject to the fluctuations of the market, namely, supply and demand. If supply and demand would equilibrate, which very rarely happens in reality, the market price of a commodity would coincide with its real value. Thus, according to the laws of supply and demand, commodities sell in the market sometimes below, sometimes above their real value.

Wages constitute only a part of prices, that is, a part of the value (or price) of the total labor time employed. The total value--in terms of money--goes partly to labor in wages, partly to the capitalist in profits. If the exploiting class is forced to give a greater share in wages to labor, its own share, the profit part, will be reduced. This would, however, broadly speaking, not affect the prices of commodities, or their values, since the labor time incorporated in a given amount of commodities has not changed thru this process.

Capitalists, by economic laws, have to raise their profitability constantly, and since the most productive enterprise realizes the highest profits, and maximum output means maximum returns, they are compelled to increase continuously the productivity by installing newer and better machinery, improving management and extracting greater efficiency from the workers. Only by enlarging the output and decreasing the cost of production can capitalists attain the required rate of profit. Because wages constitute a part of the production cost, the exploiting class has to cut down also in this direction as much as possible. Under these circumstances, labor will be forced to fight again and again for higher wages in order to acquire the necessities of life. To quote Marx: "...a struggle for a rise of wages follows only in the track of previous changes and is the necessary offspring of previous changes in the amount of production, the productive powers of labor, the value of labor, the value of money, the extent or the intensity of labor extracted, the fluctuations of market prices, dependent upon the fluctuations of demand and supply, and consistent with the different phases of the

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