

WORLD-WIDE UNEMPLOYMENT

**20,000,000
UNEMPLOYED**

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“15 million unemployed in the world; 60 million starving.”

— *Deutsche Bergwerkzeitung*, January, 1930.

There is unemployment all over the world. Nobody can doubt this any longer. All the capitalist states and the colonial countries—with only one exception, France — have been struck by an acute economic depression which in most countries has assumed the character of a grave economic crisis. All the pretty pictures and hopes of the leaders of capital economy cannot change this fact one iota. The crisis is extending, it is becoming more serious. Lands which even a few weeks ago seemed to have been overlooked by the depression have now been affected by it. Industries which up to the present have been fairly prosperous are now witnessing a sharp decline in orders; the number of bankruptcies is increasing. Competition on the world markets is growing more bitter. The home market is rapidly diminishing. Gigantic sums are being spent to maintain the millions of unemployed, which were formerly accumulated by the capitalists.

All over the capitalist world the leaders of industry are meeting to discuss the prescriptions which must be made up for capitalism in its hour of need. But they have been unable to find new methods for healing this sickness, and they will never be able to find any. The partial stabilisation of capitalism and capitalist rationalisation have only led to a great decrease in the workers' standard of life and to a greatly intensified struggle for markets and for the sources of raw materials. The capitalists are at the end of their wits. The crisis which is developing will take capitalism a long way on the road towards its collapse. It is impossible to speak any longer of the stabilisation and reconstruction of the capitalist system. Those who believe in this miracle and all the clamorous apostles of this theory must hold their peace. Facts have a language of their own. The figures of unemployment speak for themselves. Here is the picture they present:—

Number of unemployed at the end of January, 1930, in :

U.S.A.	...	...	...	...	6,000,000
Germany	...	...	...	...	3,500,000
England	...	...	...	...	2,000,000
Italy	...	...	...	...	800,000

Austria	...	...	...	420,000
Czecho-Slovakia	...	...	...	435,000
Poland	...	...	...	300,000
Hungary	...	...	...	300,000
Bulgaria	...	...	...	180,000
Yugo-Slavia	...	...	...	200,000
Rumania	...	...	...	150,000
Greece	...	...	...	80,000
Scandinavia	...	...	...	150,000
Switzerland and Holland	...	...	...	80,000
Spain and Portugal	...	...	...	150,000
Mexico	...	...	...	500,000
Canada	...	...	...	200,000
Australia	...	...	...	200,000
South Africa	...	...	...	100,000
Japan	...	...	...	1,000,000
South America	...	...	...	1,000,000

17,745,000

A number of these figures are estimates, still they are not far removed from the truth; probably many of them should be higher. In this gigantic army of the unemployed there are not included the unemployed of China, India, Indonesia, Indo-China and the smaller countries of Asia and North Africa. In these countries, too, there are millions out of work who, with their families, are dying of starvation. Thousands and millions are dying in China to-day, and the christian missionaries and sisters shed some hypocritical tears; they've got nothing else to spare for the millions who are starving, these christ-like representatives of capital. Nor has the head of the christian catholics, the Pope in Rome, any time to concern himself about them. At the moment he is much too busy organising a new crusade against the Soviet Union, zealously supported by the protestant and methodist priests, the Jewish rabbis and the mohammedan mullahs. The kings of finance and industry are spending the "spare farthings" of their humble subjects for cannon, ammunition and armoured cruisers in order to take part in the crusade against the Soviet Union.

Terrorism Against the Starving.

Since the masses thrust into wretched misery and death by the capitalist system no longer regard their position as an infliction from God, as was perhaps the case in the Middle

Ages when great catastrophes afflicted mankind, there is a great deal of work for the ruling class and its social fascist lackeys to do. The baton as a means to pacify the masses when they express their discontent in a more or less mild fashion, and rifles, machine guns and armoured cars when the unemployed and the starving take more vigorous measures, are fully employed. Every day we can read in the capitalist and labour press about the energetic services rendered by the police and the military in maintaining "law and order." But the masses will not be pacified because—as the same newspapers assure us daily—they are urged on by the communists and by Moscow. Without Moscow and the Communist Parties, of course, the 18 or 20 million unemployed, and the 60 million who are starving, would remain peacefully in their corners, dying with a blessing on their lips for the prosperity and success of the capitalist paradise and for the well-being of the bellies of labour officials.

Christian-bourgeois society is a very proper and decorous lady. She cannot bear the spectacle of an ill-humoured crowd, still less the "horrid sight" and "repulsive smell" of unemployed and starving workers. The streets were made for traffic and not for demonstrators to "create a nuisance" in or to use for hunger marches, their favourite method of cheering empty stomachs. To prevent such a nuisance, whether it occurs in Warsaw, Vienna, Athens, Hamburg, London or Detroit, the forces of the state must be employed. On this point Pilsudski, Schober, Mussolini, Hermann Müller, MacDonald, Hoover and the Balkan tyrants are unanimous, however much they may differ otherwise. The democracy of the fascist "states of order" opens wide its prison doors to receive the rioters and so, besides the police, the state prosecutors and the judges of bourgeois justice, "uninfluenced by class prejudices and wholly independent," are also kept pretty busy. And there are, thank God, still enough patriots in the world willing to give up the eight-hour day to increase production a hundredfold if such measures are demanded by the grave situation of the fatherland, threatened by the unemployed.

The Causes of World Unemployment.

All the efforts of these faithful servants of the state will not, however, suffice to solve the problem of unemployment and mass starvation. Even if the capitalists wanted to wipe

out the whole army of "hungry rats" who are now beginning to march, the causes of the present crisis of capitalism still remain, leading to world unemployment. The crisis and unemployment will not disappear until their roots have been destroyed. The causes of world unemployment are not to be found in the present crisis alone. They have their roots in the structure of capitalism and in the post-war crisis of the capitalist system as a whole. Capitalists have arrived at the point "where they can no longer feed their wage workers."

This does not mean that market and seasonal conditions were not contributory factors in the crisis and in unemployment in the different countries. But when building workers and land workers are unemployed in the Argentine, in Mexico, in South Africa and Australia at the same time, just as in Warsaw, Berlin, London or New York, it is clear that the cause is not seasonal (that is, the winter), but that there are other causes. In the southern hemisphere at the present time the roofs are not covered in snow, nor does the mortar freeze. Why are the miners, the textile workers, the metal and ship-building workers unemployed in all countries, if it is merely a case of simple market stagnation?

There were many crises of capitalism in the pre-war period; there were often large armies of unemployed in various countries. But what is now happening in the post-war period is fundamentally different from the earlier depressions; the cycles are now shorter, the crises more acute; unemployment has assumed a permanent character. Capitalist rationalisation throws great masses of workers out of the process of production, for a long period, if not for ever. The essential gravity of the present unemployment consists precisely in the fact that, in addition to the millions of chronically unemployed there are now further millions unemployed because of the crisis.

Rationalisation—Worker of Miracles.

Misled by the tremendous capacity of the internal American market in the last few years, the idea arose in capitalist circles, and spread beyond them, that the "American economic miracle" could be repeated in other countries, if only the American method of maintaining prosperity was adopted. The battle-cry of rationalisation was born. By means of rationalisation all problems would be solved without difficulty. Since German national economy was particu-

larly heavily burdened as a result of the war, and the greatest efforts had been made in that country to find a way out of the crisis, the captains of industry, the governments, the reformist trade union and party leaders vied with each other in clamouring for the rationalisation of production.

Capitalist rationalisation was carried out in many countries. Nevertheless, there is an economic crisis which grows more acute from week to week; there is world unemployment on a scale never before dreamed of. And the strongest fortress of capitalism, the U.S.A., is deeply affected by the crisis and by unemployment; and since it is the premier country of world capitalism, the crisis in American national economy necessarily accentuates the crises in other countries or even gives rise to them. A demand is being made for a "second rationalisation," but not with the feeling of future triumph over depression; it is a cry of anxiety and doubt lest further capitalist rationalisation should make the position worse instead of improving it. The voices expressing scepticism about the rationalisation miracle are becoming more numerous. Leaden anxiety oppresses the economic leaders of European countries. They are afraid of a huge flood of commodities from the United States, which would utterly destroy any hope of improvement in European industry, even with the best rationalisation. The problem which capitalism has to solve to get out of its present crisis is not that of raising the productive capacity of its economy, but of winning markets for the profitable disposal of those masses of commodities which its present machinery is capable of turning out over and above the amounts demanded on the world markets. This is a problem which capitalism cannot solve.

The Deeper Causes of the Crisis.

From 1900 to 1914 (the outbreak of the world war) world trade grew extraordinarily quickly. Germany and the United States increased their share each by 100 per cent. Many other countries also considerably increased their imports and exports; world trade as a whole nearly doubled in those years. Because of this extraordinary extension of production the competitive struggle on the home markets was slowed down in the chief capitalist countries. Wages rose and unemployment fluctuated within very narrow limits (2 to 3 per cent. of the total number of workers), although even then workers were continually being dismissed as a consequence of technical improvements. These, however, found other employment

because of the growth in production. A number of capitalist countries were even forced to take on foreign labour in order to meet the demand for labour power (Germany, England, U.S.A.).

After the war the position was wholly different. It was only in 1928 that world foreign trade again reached the level of 1913. Little change was made during 1929. If statistics sometimes show a greater extent of world trade, the increase is deceptive for, with the creation of several new states, boundaries have arisen at which trade is registered, although it has not increased over the territory concerned. But a considerable change in forces has developed in regard to world trade and world production, which makes the situation very difficult for a number of states and aggravates all the problems of their respective crises. (England and Germany are now suffering from permanent mass unemployment because of this change.) America's share of world trade has increased tremendously, to the disadvantage of European countries, and in some other countries the machinery of production has been extended to a degree which makes them more independent of products on the world market.

Now that the Soviet Union is excluded from the sphere of capitalism and countries like China and India have of late become rapidly impoverished, world trade is being subjected to further upheavals. What, in such circumstances, is the result of further capitalist rationalisation? Can it increase world trade? Can it decrease the unemployment figure? Of course it is possible that one or another state, because of particularly favourable circumstances, will succeed in temporarily mitigating the present crisis, but this can be done only at the expense of its neighbours, whose position will consequently become worse.

The German Example.

Let us consider rationalisation in the period 1925-1929, up to the present crisis, taking Germany as an example. Germany's defeat in the war was followed by a serious crisis; the Versailles Treaty deprived German capitalists of the freedom of movement. In 1923 they tried to break their fetters by inflation; this attempt ended in complete bankruptcy, from which the German bourgeoisie saved itself by the acceptance of the Dawes Plan, which placed Germany under the control of its former enemies. With their help German economy was again set going. Germany borrowed 17 milliard gold marks

from abroad. With this sum and with a milliard profits which the German industrialists made in 1926 because of the English mining dispute, it was possible to build up a thoroughly rationalised production apparatus which put German industry in the first place after the United States.

From the autumn of 1926 German industry experienced a great boom, which induced German capitalists to regard it as "the forecast of the future." The new German imperialism celebrated its birthday, and the trade union leaders joined in the song of triumph. They said that their prophecy: "rationalisation will bring a boom and prosperity," had come true. The number of unemployed sank from two and a half million at the beginning of 1926 to half a million in July, 1927. The wages of workers rose. Only one thing did not happen, which was usually a sign of improvement in an industry attacked by crisis—a fall in prices. Monopolies, trusts and banks and the economic policy of the state kept prices high.

The Growing Intensity of Labour.

The most important result of rationalisation from 1926-1927 was the increase in the intensity of labour, which continued through the years 1928 and 1929. The capitalists themselves estimated that the increase in output as compared with the pre-war period, per head and per shift, amounted to 30 and 35 per cent. A few figures to illustrate this process.

The labour output per head and per shift increased in Germany to the following extent:—

Industry.	Output.	
	1913.	1928.
Ruhr mining	100	126.3
Brown coal	100	154.1
Potassium	100	167.6
Cement	100	174.4
Transport engineering ...	100	503.0
Iron ore	100	129.1
Arsenic and copper ores ...	100	145.6
Lead, silver and zinc production	100	137.3

In 1929 labour output increased still more; in Ruhr mining to 134.5 by September, 1929; machine construction, 133 in 1928 and 142 in 1929 as compared with 100 in 1925. On the *Reich* railways, it rose to 128 in 1928, the labour output in 1925 being taken as 100.

These figures cannot be understood in their full significance unless we consider that in 1924 the output per worker in the various industries was estimated at about 85-90 per cent. of the pre-war figure. Wages remained practically unchanged by this increased output. It is true that the wages-curve shows a rapid rise in wages between 1924 and 1927, but the 1924 wages cannot be taken as a basis of comparison, because the inflation in 1923 had reduced wages to a fraction of the pre-war rates. The real purchasing power of average German wages is not greater than before the war; if anything, it is slightly less, so that the whole increase in output has gone into the pockets of the capitalists. In other words, rationalisation was paid for with the pennies and farthings of the German workers.

Where Are the Profits?

In spite of this, the German capitalists are howling that they are unable to compete and that therefore wages must come down and output must go up. Nothing can be done without further rationalisation. The workers must take as their motto: Work more and eat less. How can we explain the outcry of the German capitalists, and their declaration that they have made nothing out of rationalisation? (The captains of finance and industry have made great profit in spite of everything.) Is their shouting just demagoguery? Then why the 13,500 bankruptcies in 1929 and the 3,500,000 unemployed who at present inhabit the streets, and whence the great deficit in the national treasury? Have prices fallen so much that production has become unprofitable? We have already stated that this is not the case. It was only in 1929 that wholesale prices fell slightly; this, however, will now be made up for by new tariffs. Nor has the money streamed into the pockets of the workers; and it must be somewhere. How does it happen that German capital's ability to compete cannot be maintained? Perhaps the cause is the reparation payments which Germany has to make? But up to the present reparations have been paid almost entirely with the money borrowed from abroad (9 milliard reparation payments and foreign loans amounting to 17 milliard). The complications of reparation payments under the Young Plan will only appear later and will have fatal results for German capitalist economy. The causes of German capitalism's difficult position are two; and they are present in other capitalist countries. It is therefore of the greatest importance to make them clear.

They lead to the roots of the present crisis and show that the capitalist methods of fighting against them can give no positive results.

Everything Rationalised.

When capitalist Germany, at the end of 1927, had carried out the rationalisation of its production in all essentials, and had experienced a certain industrial boom, most people were blind to the consequences which must follow from rationalisation. The capitalists and the social fascists rejoiced over "the miracle." "Germany's national economy is on the road to becoming the first national economy of the world." But the advance gained by the German capitalists' rationalisation of industry could not endure for long. The other countries also began to rationalise at full speed. France, Poland, England, Czecho-Slovakia and other countries made the greatest efforts to catch up to and surpass Germany. New works sprang up like mushrooms. Rationalisation was also accompanied by the closing down of many factories and the dismissal of large numbers of workers. This fact was exploited by the capitalists to lower wages and to increase the output of their workers. The lead of the German capitalists was caught up with. By numbers of lock-outs, threats and other measures the capitalists of France, England, Poland, Austria, Czecho-Slovakia, the Balkans, Italy, etc., succeeded in considerably reducing the wages of the workers in their respective countries. The French industrialist Bailly declared at the end of 1929 that France's prosperity rested upon the low wages of the French workers, which made it possible to produce a ton of steel in France 179 francs cheaper than in any other country of the world.

With the reduction in wages and the increase in unemployment the purchasing power of the masses on the home market was cut down, while at the same time the competitive struggle on the world market grew much more intense. Germany has for some years past sold considerable portions of its exports (steel, iron, sugar, potassium) on the world market at much lower prices than they are sold at home.

The narrower the home market grows, the greater becomes the necessity to export, even if the exports have to be subsidised. In such circumstances a new crisis was bound to mature, which would come to a head and break out at the moment that new difficulties arose on the home market or foreign credits were restricted. This is happening now when,

with the appearance of a new agricultural crisis in several countries, the purchasing power of agriculture is rapidly declining, for the peasants and farmers cannot sell their corn, coffee or cotton unless at a loss.* This agricultural crisis greatly diminishes the home market and chiefly affects the industries producing consumable goods.

Doubt in the Rationalisation Miracle.

As early as the end of 1927 a German capitalist of the name of Linguer, director of a chemical concern, questioned whether rationalisation, by creating new productive concerns and more expensive, technically improved means of production without any prospects of certain markets, was a reasonable course to pursue. Linguer denied this even while the overwhelming majority of capitalists and all the reformist trade union bureaucrats believed in the miracle of rationalisation. Lately Linguer has acquired many colleagues who are of the same mind. An anxious capitalist soul writes in the *Bergwerkzeitung*: ". . . Surely there must be something higher than continually improving technique; a rate of work which is continually increasing cannot, after all, be the way out."

Here is the good old German mystic risen from the reliquary. But how can that help, when all the world is crying: "Accumulation, accumulation! This is our Moses and the prophets!"

Even the *Berliner Tageblatt* is nervous. On the 25th January, 1930, a certain Dr. Georg Schröter discussed in its columns who was responsible for the crisis and for world unemployment, who is to blame for the declining markets:

"What then is the decisive factor in this phenomenon (great unemployment) if it does not arise from the special economic situation of a particular country? It can only be rationalisation, or rather its extremely rapid rate since the war, to be sure in conjunction with several other factors . . . So long as this extremely great rate of rationalisation endures, so long will we be unable to look forward to any appreciable decrease in unemployment. It is worthy of note that the British Labour government, whose main plank in the election campaign was the reduction of unemployment, has so far not the slightest success to show in precisely this sphere."

And in the *Bergwerkzeitung* of 24th December, 1929, appeared the following paragraph, which has already been so often quoted:

* The world price of sugar is considerably below the cost of production.

"In such a state of affairs Germany is inevitably approaching a crisis which in many respects recalls that of the year 1923, but the effects to-day will be much more grave, for at that time there was still some hope in the future. Now, however, hope is practically non-existent, for the work of political and economic reconstruction in the last five or six years has proved fruitless and unsuccessful in precisely the most important points."

Vorwaerts, too, utters a pious exclamation :

"So far rationalisation has brought the workers nothing but misery."

We could add to this chorus by quotations from many countries, but those already given are enough. Capitalists in particular cannot proceed from the standpoint of a dim insight to the solution of the problem. The internal mechanism of the system allows of no return. Whoever does not take part in the madness of capitalist rationalisation is sure to be swallowed by his competitors.

Now that the colonial markets (China, India) and the semi-colonial markets (South America, etc.), are rapidly diminishing, the fight for world markets will really flare up. When the "land of eternal prosperity" suffered a serious blow because of the American stock exchange crash in November last, President Hoover called a meeting of the financial and industrial powers in order to discuss with them a way out of the situation. "You may rest assured," he cried to the inhabitants of the American heaven, "that we shall retain our prosperity. There should be no uneasiness. If the American capitalists have not enough orders for the time being, the state and the municipalities will find money and orders." A few days later the Chicago authorities announced that they were unable to pay their debts, which amounted to 1,500,000,000 dollars, and nobody would lend them money any longer. Ten thousand workers and employees were dismissed. Snow and mud is littering the streets of the metropolis of the Central States of the U.S.A. But nobody can be paid to remove the snow and the mud. This contingency was not included in Hoover's plans.

The Prescriptions of the Prophets.

So that nobody in Europe should issue the prescription for restoring prosperity put forward by the genius of Mr. Hoover, Pierpont Morgan, for example, through his agent in Germany, Schacht, President of the Reichsbank, has re-

stricted the credits given to the municipalities and the German states. This increased the figure of unemployment by half a million in one blow. The Swedish economist, Professor Gustav Cassel, thereupon took up the fight, and issued a grave warning against any imitation of Hoover's action. He said :

“It is not a superabundance of capital which characterises the situation, as many seem inclined to believe, but a shortage of capital which forms the kernel of the entire present situation. This is also due to the fact that American capital export has decreased greatly . . . As conditions are in the world at present, large exports of American capital are indispensable if world economy is to flourish. It is therefore necessary to watch carefully any state action which will actually result in making the accumulation of American savings impossible even in America itself, because of uneconomic investments. . . A continuous fall in prices will certainly prevent American economic life from continuing its previous magnificent development. The fall in prices must affect the rest of the world and land other countries in an economic depression which will, of course, in its turn react upon the United States . . . The whole affair (Hoover's interference) is an awful example of the results of giving way to the modern tendency of unnecessarily allowing the state power to interfere in the economic sphere.”

Cassel was trying to annihilate Hoover's plan theoretically in Europe and to dispose of it as stupidity. Let us wait ! Even stupidities are often committed although they have been recognised as such. That depends on whether any other way is left open for American capitalists. Wilhelm II., after the battle of the Marne, carried on a lost war for four years, right up to its complete collapse.

Besides Mr. Hoover, America has another “genius who is admired everywhere”—Mr. Henry Ford. This man, according to the considered opinion of German social-democratic science, *à la* Sinsheimer, Nörpel and Tarnov, has developed Karl Marx further and founded practical Marxism. Henry Ford has discovered “the consuming power of labour,” by which the world can be healed of all its capitalist sicknesses, while capitalism itself receives no injury. The *Nieuwe Rotterdamse Courant*, organ of the Dutch grocers (men with good heads on their shoulders) wrote as follows on this discovery :

“The American economic theory of the consuming power of labour, inaugurated by Ford and to a large extent realised, is summed up in the phrase: ‘The shortest possible hours of labour and the highest possible wages.’ Ford argues: if the worker works too long, he has no opportunity to spend his money among people, and if he earns too little, the purchasing power of the workers suffers. Therefore—good wages and a lot of free time. In somewhat more cautious language than Ford, Charles Schwab, of the Bethlehem Steel Corporation, has dealt with the consuming power of labour. His theory runs: Pay the highest possible wages, for the welfare of the country is bound up with a high wage standard. The incorrectness of the theory of the consuming power of labour is obvious. The industrial welfare of the United States is not the result of high wages. American industry has lived through a number of years of unprecedented prosperity and is therefore in a position to pay high wages. The process of rationalisation in American industry, particularly in automobile and steel production, has advanced very far. In no other country of the world are the processes of production more highly mechanised than in the United States. Wages, in consequence, do not play a very large part in production. As for the rest, it is too often overlooked, that only a relatively small number of workers in the United States have a high income. Agricultural workers in the west of America have a very bad time. It is true to say that of the 40 million workers in America, only 4 million earn high wages. These 4 million cannot, it is clear, consume the products of the labour of the other 36 million while, on the other hand, the 4 million skilled industrial workers compel the rest of the working class to pay high prices for the products of their labour. This is the only way by which their high wage level can be maintained. The idea, therefore, that the artificially raised purchasing power of a small part of the population has resulted in a general rise of prices is wholly incorrect. The distress of American agriculture offers proof to the contrary. The theory of the consuming power of labour is nothing more than a phrase.

If Mr. Hoover is proved to be a false prophet, then he may make matters still worse than they would have been if they had been left quite alone.”

There is no doubt that matters will get much worse. But first of all the capitalists of the U.S.A. will try to alter the world situation in their own favour by making an attack with

commodities on the largest possible scale. This experiment will cost further millions of workers their jobs and many capitalists will go bankrupt.

What Is Wrong In the Different Countries?

U.S.A.

Despite the great prosperity of the U.S.A. since 1921, the number of workers employed there has not increased. In order to prevent the labour market from being flooded by foreign unemployed workers, immigration into the U.S.A. was made more difficult. These measures, however, could not prevent a slow growth in unemployment, although in recent years a new great industry has developed in the southern states of the U.S.A. The reserve army of industry in 1927 and 1928 was estimated at between two and three million. Even before the stock exchange crash in November there was a considerable increase in the number of unemployed. The number of miners employed fell from 600,000 to 350,000. A sharp fall was also apparent in the number of workers engaged in the clothing and textile industries. In the steel industry, and particularly in automobile production, the number of workers employed also decreased rapidly. After the stock exchange crash the situation became visibly worse.

At the foundation conference of the Reparations Bank in Baden-Baden, the American experts expressed the opinion that "the American Stock Exchange crash would give rise to a great world economic crisis. America lost 60 milliard dollars during the black days on the Exchange. It was a setback to the year 1897." These remarks may be exaggerated, but it is true that American economy has not ever before suffered such a blow. The automobile industry, despite Henry Ford's consuming power of labour, is only working at 35 per cent. of its capacity; mining is almost at a standstill, and the crisis is becoming more acute. Short time is being operated to an increasing extent in the textile industry. The number of bankruptcies is growing.

Now Charles Schwab has revised his welfare theory, for the working week in the Bethlehem Steel Corporation has been shortened, while the wages of the steel workers have gone down 20 per cent. As head of America's key industry, he gave the signal for a general reduction in wages. In spite of the famous policy of "not working for warehouses," in order to prevent an accumulation of commodities and a fall

in prices, unsold stocks of goods are now very large, particularly of cotton products. In addition there is a decrease in the export of raw materials, such as cotton, sugar, coal, oil. Imports and exports are declining rapidly, as the following table shows:—

	<i>Imports.</i>		<i>Exports.</i>	
	(In million dollars).			
	1928	1929	1928	1929
October ...	355	391	550	529
November ...	327	339	545	448
December ...	339	311	476	434

Apart from the decline in exports, we can take the export of gold as a sign of the decrease in the purchasing power of the dollar. Railway receipts have fallen considerably in comparison with the previous year. American finance capital is preparing for a great "commodity offensive" on the world market, which arouses the fear of industrialists and merchants in other capitalist countries. But no plot or plan can keep the Americans from taking this road, not even the blandishments of Professor Cassel. The growing crisis in agriculture is connected with the worsening of the economic position of industry; many farmers are giving up their land and migrating into the towns. The American capitalist will also make a cruel attack on his workers, to reduce their standard of life. Since the purchasing power of the American workers is to a considerable extent mortgaged for some time ahead to the deferred payment concerns (the American worker buys a great deal on credit), his situation, with unemployment, short time and wage reduction, is quite wretched, and the American home market will in consequence suffer still more.

England.

When the Labour government entered into office in June, 1929, it promised to solve the unemployment problem. This promise has not been kept. The official unemployment figure for 31.12.1928 was 1,520,730; for 31.12.1929 it was 1,510,200. That was a decrease of 10,000, a ridiculously small figure. But the government statistics in no way measure the real extent of unemployment. There are no unemployment statistics wholly free from objection; the English government is able to exclude large sections of the unemployed from receipt of unemployment benefit.

“In the year ending 29th May, 1929, 285,865 persons lost the right to unemployment benefit for contravening Statute 4.”

(Journal of German T.U. Federation, 1930, p. 24.)

In 1929 the Labour Party accepted the so-called Hayday formula, which declares that if any official of the Ministry of Labour or of the Labour Exchange can prove that anybody in receipt of, or seeking, unemployment benefit, has refused a suitable job offered by the Exchange or by an employer, that person shall lose the right to unemployment benefit for six weeks, or for a shorter period if the Courts or Umpire so decide.

By this formula, the way is opened for the arbitrary exclusion, by the Labour Exchange authorities, of the unemployed from receiving benefit. Miss Bondfield, that worthy member of the British Labour Party, can congratulate herself on having carried out an even more reactionary reform than her colleague in Germany, the social fascist minister of labour, Wissell, who made the conditions of unemployment benefit much worse for the German workers in October, 1929. Discontent with MacDonalld's unemployment policy is so great that the old liberal fox, Lloyd George, is again brandishing the claim that he can give the unemployed bread and work. On 22nd December, Thomas, a former president of the Amsterdam Trade Union International, spoke on unemployment. *The Times* reported on the following day that Mr. James Maxton, M.P., stated that he listened to Mr. Thomas with the greatest anxiety. He did not believe that there was a more unfortunate person in Parliament than himself; after he had heard Thomas's speech, he came to the conclusion that Thomas, instead of following his own sound working class judgment had allowed his speech to be prepared by the same civil servant who had done similar work for his conservative predecessor in office, Steel Maitland . . . Thomas was giving the capitalists, the railway directors and mine-owners forty million pounds sterling. He believed that the same amount of money would not be too much if it went directly into the pockets of the unemployed.

Unemployment in England is therefore not measured correctly by the official figures published by the government. It is much higher. In addition there is a very great deal of short time. About one-quarter of the working week of those employed in industry is given as a compulsory holiday. About 50 per cent. of the workers are affected by short time.

The English capitalists, ably supported by the social fascists, are trying to get over their difficulties by raising tariffs and throttling colonial industry, particularly in India. This means that if fewer workers are to be unemployed or on short time in England, more Indian workers have got to be thrown on to the streets.

Italy.

The fascist newspapers of Italy announce that there are 420,000 unemployed in that country. No figures are given of the number on short time. The official number given of the unemployed in pure imagination, for there are at least 800,000 without work in the fascist paradise. The discontent of the masses impoverished by short time and unemployment is expressed in great demonstrations and strike action. The well constructed system of suppression and the fascist trade unions were unable to prevent the outbreak of this mass movement. In 1929 there were more bills of exchange protested in Italy than in any other country of the world (more than 2,000 daily) and Mussolini was compelled to introduce measures in order to alleviate the economic situation. The large factories were ordered, despite the continuous limitation of production, not to dismiss any more workers. The only consolation that Mussolini has to offer is that: "national economy under the fascist system is no worse off than in any other country." Even the German *Bergwerkszeitung* could not refrain from a derisive comment on the grand Duce's dilettante economics, and on the feeble consolation which expresses his contentment with the fact that "Italy is no worse off than other countries."

Since Italian industry is very largely influenced by American economy, the growing American crisis will seriously affect Italy. An upheaval in the fascist state is therefore not so very far off. Mussolini has had a bright idea for fighting against unemployment, short time and poverty. He issued the following order:—

"The factory guarantees to every worker an advance amounting to five days' wages per week, even if he cannot be employed for that length of time. This sum is considered sufficient to satisfy the most urgent needs of the worker. Those workers who cannot be fully employed must work off the advance received as soon as they again get full time employment. In this way repayment will be extended over

a considerable period of time and the workers will therefore be able to get through the winter."

This means the re-introduction of debt slavery for the workers. They become, so to speak, the serfs of the factory owners. It is quite clear that this new welfare institution will not be received as such by the Italian workers, but as a cursed plague, and it will help to revolutionise the Italian masses.

Czecho-Slovakia.

Up to last November, the employers of Czecho-Slovakia believed that the economic depression would be avoided in their country. By the end of November there were already 220,000 unemployed, which has since gone up to 400,000. The workers' position is rapidly growing worse. Since, in Czecho-Slovakia, the so-called *Genter system* prevails (only those who belong to an organisation receive unemployment benefit, the state paying a contribution towards trade union unemployment funds) there are thousands of workers in that country who are entirely without means of subsistence.

Apart from the textile and sugar industries, which have been affected for a longer time, the crisis has recently become particularly acute in the metal industry. In the largest metal works (Mannesmann, Poldihütte, Nesselsdorf) masses of workers have been dismissed. Some works have closed down entirely. The resistance of the working class is expressed in no uncertain manner; while the unemployed organise hunger demonstrations, often leading to collisions with the armed forces of the state, struggles are continually breaking out in the factories, which work along the same line as those of the unemployed; the origin of these struggles is resistance to dismissal or to the introduction of rationalisation measures which would result in dismissals. Recently there have been such strikes in the glass, artificial silk, machine, metal and mining industries.

Poland.

Of all European countries, Poland is most deeply affected by the crisis. Half of its industry is at a standstill. In addition there is a tremendous agrarian crisis, which is shaking the whole financial system of the country; nor is there any prospect of improvement. The workers receive no unemployment benefit, or only a few coppers from public organisations. In January, 1930, the registered number of fully unemployed was 206,000, of workers on short time 100,000.

Hundreds of thousands are unemployed in Lodz and Warsaw. 400,000 workers are doomed to starvation. In spite of this catastrophic situation the Pilsudski band, in order to maintain themselves in power, are spending all the state income, and all the sums which can be borrowed from abroad, on police and military equipment. One unemployed demonstration follows another; bloody collisions are a daily occurrence. The police and the judiciary are kept very busy. By rationalisation, longer working hours and wage reductions, the Polish régime is trying to maintain its existence. The bourgeoisie is making every effort to bring about a new war against the Soviet Union, by which it hopes to get out of the present terrible position.

Matters in Rumania are very similar to those in Poland. The great economic crisis has seized upon the weak industry of the country, affecting every branch of it. The rebellious workers fearlessly encounter the police and the military. The government and its servants can no longer stop the mass demonstrations which are taking place in all the most important towns of Rumania, Bukarest, Klausenburg, Temesvar, etc.

In Hungary with its 200,000 unemployed, in Yugo-Slavia with another 200,000 unemployed, in Bulgaria with its 180,000 unemployed, the situation is growing more acute from week to week. The governments of these countries have no means of getting their industries going again. Terrorism alone is left to them, to ward off the attacks of the masses. Unemployment in Spain was one reason why Primo de Rivera's régime broke down so suddenly. A revolutionary situation is ripening in Greece, where unemployment and the agricultural crisis is becoming graver from day to day; peasant revolts are breaking out in Greece, one workers' demonstration follows another and preparations are being made for a general mass strike. In Switzerland, Holland and the Scandinavian countries, where unemployment is also increasing, the governments have so far succeeded in keeping the workers in check. But here, too, unrest and discontent are growing from week to week.

Austria.

Unemployment has been a factor in Austrian economy for some years past. In September there were 300,000 unemployed. Out of a population of six-and-a-half million this is a very large number. "In order to set industry on its feet

again," the bourgeois parties last autumn took a serious step, on the Italian model, for getting Austria out of the mud. The *Heimwehr* (a military fascist organisation) demonstrated its strength and the fascist *coup d'état* which occurred on September 29th, 1929, to which the Austrian social democrats subjected themselves unconditionally, placed the *Heimwehr* minister Schober at the helm. Since the establishment of the Schober dictatorship another 135,000 workers have joined the ranks of the unemployed. About one-fifth of the entire Austrian population have become "state pensioners" because of unemployment, living a wickedly meagre existence, or are at the mercy of private charity.

Austrian social democracy has entered into an alliance with the fascist minister Schober to suppress the unemployed. A deputation elected by the unemployed was thrown out of the town hall, controlled by social democrats. In Graz and Vienna Neustadt the social-democratic mayors prohibited demonstrations. Unemployed committees formed under Communist leadership organised a demonstration in Vienna, in which 5,000 took part, and in Linz 2,000 unemployed workers demonstrated, despite police measures.

The *Frankfurter Zeitung* reported the following incident as characteristic of the situation in Austria. In January the Halsmann case came up before the Vienna courts. Halsmann was accused of having murdered his father. One day an unemployed man approached the Halsmann family and asked that all the details of the murder should be written down exactly for him, and he would give himself up to the police and confess to the murder of Halsmann's father. In return he asked for nothing except that, when he was released from prison, Halsmann should give him a job so that he should no longer be unemployed. The *Frankfurter Zeitung* compared Austria itself to this pitiful man, who welcomed prison as a release from unemployment.

Germany.

The *Frankfurter Zeitung* seemed to consider that the story of the unemployed man in the Halsmann case was something exceptional, and it is sorry for poor Austria, in which such dreadful things happen. (A similar incident occurred in München in February.) Are things any better in Germany? Is not Germany the country with the greatest number of suicides, both absolutely and in proportion to population? In Germany the gas-tap has become the regulator of the lives

of many unemployed. Some considerable time has passed since Borsig, the Berlin industrialist, declared that "there are 15 million people too many in Germany, who must either emigrate or die." Since those words were spoken, an improvement occurred only during the few months of boom in 1927. When the unemployment figure sank to half a million in the middle of 1927, the unemployed thought that there was a glimmer of hope for a job, and the social fascists rejoiced that the Communists with their theory of "decayed capitalism" had been proved false by the facts.

At about the same time several members of the Communist Party disputed the Communist thesis of capitalist development. The right wing elements around Brandler enumerated all the factors of capitalist stabilisation and derided those Communists who were true to the Party line, and who "dreamed madly enough of capitalist stabilisation becoming rotten and uncertain." They were supported by the "conciliators," who also believed in the stabilisation and reconstruction of capitalism and who would not listen to anything about the leftward development of the workers.

Now, when there are three and a half million unemployed on the streets, the Brandlerites can no longer step forward as the apostles of capitalist stabilisation and console the workers with pretty tales of a proletarian revolution in the mythical future. Even in January, 1930, Brandler's newspaper *Arbeiterpolitik* wrote: "There is no crisis. It is only an invention of the capitalists to enable them to carry out their attacks on the workers, and of the Communist International, which uses this talk of crisis to cover up its incorrect policy."

While the number of unemployed was growing so rapidly last October, the capitalists and the social fascists still hoped that things would not turn out so badly. Since the American crisis these hopes have been suppressed. As we said above, very little is expected of further rationalisation.

The leaders of the German bourgeoisie had for some months expected a check and decline in the forward development of industry, and they prepared themselves for the forthcoming depression. The negotiations held for the purpose of replacing the Dawes by the Young Plan gave them an excellent opportunity. They put forward a plan which, even if the Young Plan was accepted, was to give them the possibility of surmounting their economic difficulties. They demanded a reduction in unemployment benefits. The

Reichstag met their request on 3rd October. They demanded further reductions in social expenditure, because expenditure for such unproductive purposes prevented the accumulation of funds. At their Düsseldorf congress in September they suggested a comprehensive programme for the whole policy of the state.

In response to these demands the government, through the social democratic minister Hilferding, introduced a financial reform which relieves the capitalists annually of 1,750 million marks in taxation and places upon the workers a fresh fiscal burden of 1,700 million marks and provides for further tariffs. In addition rents are to be increased and the rates for municipal transport facilities, for gas, water and electricity are also to be raised. By these means they hope to get over the crisis. On 13th December, 1929, Duisberg, the chemical industrialist, declared at the employers' congress that: "The house of German national economy is on fire, and the fire must be extinguished." The weapons used to fight the fire were the fiscal reforms, reduction in social expenditure and further rationalisations. The higher cost of living, unemployment and the intensity of labour in the highly rationalised factories are rapidly driving the workers to the left. The development of unemployment in Germany is reflected in the following table:—

Number of Unemployed in thousands :

<i>At the end of the month.</i>	<i>In receipt of benefit.</i>	<i>Not in receipt of benefit.</i>	<i>Total.</i>
July, 1927	452	approx. 50	502
Nov., 1927	604	—	—
July, 1928	564	„ 150	714
Nov., 1928	1030	—	—
July, 1929	723	„ 500	1223
Oct., 1929	889	—	—
Nov., 1929	1200	„ 700	1900
25 Jan., 1930	2500	„ 1000	3500

The annual report of the National Credit Company contains the following accounts:—

"Orders have decreased greatly in practically all sections of industry, so that a general decline in industrial employment has set in. The annual production is below that of the previous year."

And it says further :

"that there are now in Germany 400,000 households more than before the war without their own dwelling-place

and that the consumption of rye per head of the population has decreased by about one-third as compared with pre-war times, while the total consumption of bread has decreased by about one-fifth. The consumption of meat per head of the population has fallen steadily since 1928."

The tremendous increase in output, unaccompanied by any rise in the standard of life, has led to a great increase in the number of accidents and to a rise in the mortality rate. The table below gives the accident statistics:—

	<i>No. of insured persons.</i>	<i>No. of accidents reported.</i>
1910	9,382,000	484,000
1925	10,854,000	653,000
1926	9,948,000	754,000
1927	11,301,000	1,010,000

In the Prussian *Landtag* Hirtsifer, the Minister for Public Health, when dealing with the state of public health, made the terrible admission that the mortality rate in 1929 had increased by 33 per cent. as compared with 1928. In the months from July to December, 1929, the real income of the workers had fallen by 12.9 per cent. and money earnings by 13.6 per cent. Hopes are being expressed in the bourgeois press that unemployment will decrease as a result of the fewer births during the war and the practice of birth control at the present period. A remarkable hope, that of healing unemployment by a declining birth rate! The economic situation, however, has already changed the excess of births over deaths, which in 1928 amounted to 6.6 per thousand, into 1.2 in 1929. In the large towns of Prussia the excess of births over deaths, which amounted to 2.52 per thousand in 1928, has been changed into an excess of deaths over births amounting to 2.56 per thousand in 1929.

Like their foreign colleagues, the German capitalists see their only hope of salvation in a still greater labour output and an increase in the hours of labour. W. Roelen, doctor of engineering, wrote an article on "American and German Mining" in which the following occurs:—

"One returns (from America) with the painful realisation that untold millions of tons of coal in the Ruhr must be lost for practical purposes by mines being compelled to close down because, with the present legal restrictions on hours of labour, the employees cannot save the concerns where they are working from ruin by working overtime . . . If we were

given greater freedom to dispose of labour power and machines, we should not only find it possible to retain those workers still employed, we could win back lost markets and again give employment to thousands who were forced to leave work because of the decline of the coal industry."

The German chemical trust, on the other hand, is trying to get over the crisis temporarily by shortening hours of labour. The leaders of the chemical industry are imitating the very righteous Mr. Charles Schwab, of the Bethlehem Steel Corporation. The five-day week is being introduced in the Höchstev Dye Works; wages, irrespective of the existing agreement, are being reduced by 15 per cent. and, for these decreased wages, the workers are forced to turn out as much in five days as they used to in six. The great newspaper of bourgeois democracy, the *Frankfurter Zeitung*, also has its own recipe for eliminating unemployment. It says so quite clearly:

"It is not the wages which are desirable, but the wages which are economically possible that must serve as our guiding level." (According to the *Frankfurter Zeitung* the wages which are now being paid are at least 5 per cent. too high.) "If they (wages) are again adapted to the economic possibilities, then unemployment will disappear, for unemployment in Germany is not a structural phenomenon, but is due to the rapid rise in wages which disturbed the balance of economic life."

Class Against Class.

In all probability the capitalists of Mexico, South America, South Africa, Australia and Japan will express themselves in much the same fashion. And all capitalists have the same recipe to give to the unemployed when they come out on to the streets demanding bread and work. The brutal attacks of the police and military on the miners of New South Wales, who did not want to have their wages reduced, are of the same character and drawn from the same arsenal as the bullets with which the unemployed who demonstrated in Hamburg, Lodz, Bombay or Bukarest were shot down. What the bourgeoisie cannot do by means of its armed cossacks it tries to do by laws passed for the suppression of the revolutionary working class movement. The worse the economic position in capitalist states, the more reactionary the legislation. Every capitalist state thinks it necessary to create a law for the protection of the state which will supply the legal justification

for the systematic destruction of revolutionary parties and the murder of defenceless workers clamouring for bread and work. Shoulder to shoulder with the capitalists, the social fascists, the labour and trade union leaders, fight against the workers. Since the social fascists of the yellow trade union international have failed to save capitalism by establishing industrial peace, they are now trying to achieve the same object by emergency laws and the use of terrorism.

The situation of world capitalism and of capitalist economy in the different countries is, however, so acute that methods of terrorising the unemployed and starving masses will not pacify them. The world army of the unemployed is clamouring not only for bread and work. It is a revolutionary factor of primary importance. The tremendous extent of unemployment exposes the whole rottenness and putrefaction of the capitalist system.

Behind the unemployed, as behind the workers in the factories, stand the revolutionary forces grouped under the leadership of the Communist International. The communists of all countries will do their utmost to mobilise the whole mass of employed and unemployed workers for an energetic attack in reply to the capitalist offensive and the white terror; they will establish close relations between the unemployed and the employed, proving to them that the fight against unemployment is not only the concern of the unemployed themselves, but of the whole working class.

The workers who still have their jobs, who are daily threatened by dismissal and whose position is growing worse and worse through the process of rationalisation, are getting to understand that there is no sense in passively accepting the capitalist offensive. Employed and unemployed must act together, in order to beat back the capitalist attack by a united struggle. There is no other party but the Communist Party capable of formulating the demands of factory workers and of bringing them to a common denominator. All other parties believe in maintaining the capitalist system; in the present crisis of capitalism they can only thrust the workers still deeper into wretchedness and poverty.

The communists have formulated the demands of the employed and unemployed workers. There is no other possible fight for decreasing unemployment than the fight for a shorter working day. And there is no other way for the employed worker to protect himself from the sack than to

fight against the mass dismissals which are now taking place. Consequently our first demands are :

Stop mass dismissals.

No more overtime.

Fight for the seven-hour day, for shorter hours in mining and other dangerous occupations.

Equal pay for equal work.

Better protection for women and young workers.

Work for the unemployed at trade union rates or maintenance at average wage rates for the full period of unemployment.

Fight against capitalist rationalisation.

Workers, rally for the overthrow of the dictatorship of finance capital and fascism.

Clear the social fascists out of the working class movement.

Fight for socialism and the dictatorship of the proletariat.

March 6th was the day of international struggle against world unemployment. The demonstrations were organised on the initiative of the Communist Parties of Great Britain, France, Germany, Czecho-Slovakia, Poland, the Balkan Federation, Austria, Holland, Belgium, of the West European Bureau of the Communist International, the European secretariats of the Red Trade Union International and the Young Communist International. In all the capitalist countries of the five continents the revolutionary workers answered the call and when the million-throated cry of the working masses rang out, demanding bread and work, higher wages and shorter hours, the world bourgeoisie and the social fascists everywhere answered with police batons, machine guns and arrests.

Backwards to Barbarism With Capitalism or

Forward to Socialism Along the Road of the Soviet Union?

The workers in capitalist countries are realising more and more clearly that capitalist society is incapable of organising and developing the national economy and of raising the standards of the working class. The masses are thrust deeper and deeper into misery by the crisis of capitalism. In only one country of the world is the national economy progressing, are the numbers of unemployed decreasing, wages rising, hours of labour being shortened and the workers gaining steadily a higher level of culture. That country is the Soviet Union, the proletarian fatherland where the construction of socialism,

in the realisation of the Five-Year Plan, has achieved and is celebrating a tremendous victory. The decision should not be a difficult one for the proletariat to make.

The Five-Year Plan is not only a plan for increasing industrial production threefold, for industrialising and collectivising agriculture; it is a plan which will result in the entire elimination of unemployment. In the course of the first year covered by the plan, the year 1928/29, the number of unemployed grew less from month to month. This process, since the beginning of the second year, that is, since autumn, 1929, when the unemployment figures in Germany and U.S.A. increased by thousands every day, has continued at an even greater rate. From January, 1929, to January, 1930, unemployment in the Union of Socialist Soviet Republics fell by 19 per cent. The number of unemployed registered at the labour exchanges of the U.S.S.R. on 1st January, 1929, was 1,616,200. On the 1st January, 1930, it was 1,310,000. As socialist construction proceeds from victory to victory, more and more of the unemployed will be drawn into the processes of production. The number of industrial workers among the unemployed amounts to 14 per cent., that is, 187,000, most of them unskilled workers. In many industries there is actually a shortage of labour.

A few figures from the Moscow labour exchange will illustrate the gradual disappearance of unemployment from the Soviet Union: in the last quarter of 1929 there were 796 unemployed fitters and turners, while the demand for such workers totalled 1,953; 1,907 unemployed locksmiths with a demand for 2,827. The corresponding figures for toolmakers were 104 and 236, for foundry workers 267 and 369, for furnacemen 262 and 908. The same is happening in the Ukraine, in the Don region, in the Urals, in Leningrad. The number of workers required for the coming building season exceeds the number of workers employed in building last year by 60 per cent.

Unemployment in the towns, therefore, is being rapidly eliminated, and this process is at the same time of great cultural value, for it is connected with the training of unskilled workers, making them efficient and highly-skilled. In the course of the present year not less than 280,000 unskilled unemployed workers will be trained to do skilled work.

It is not only the development of heavy industry, the gigantic building works, the introduction of the seven-hour day and the five-day week (four days' work and one day rest)

which are solving the problem of unemployment in socialist fashion, that problem which the capitalist system can find no method of solving. On the land, too, the rapid industrialisation of agriculture, the organisation of great soviet farms, huge grain factories and collective concerns, are creating wide avenues of employment. The soviet farms employ thousands of workers; the building activities demand more and more workers, the growing use of tractors does the same.

According to the original estimates of the Five-Year Plan the number of workers in the U.S.S.R. should increase from 11,350,000 in 1927/28 to 15,724,000 in 1932/33. But we can see now that life itself has surpassed the original plans, that the Five-Year Plan will in all probability be carried out in four years and accordingly the figures given above will actually be greater. The socialist system of the workers' state, by developing productive forces, by increasing the welfare and therefore the needs of the people, creates unlimited possibilities of work for all working people.

Faced with the choice of sinking back into barbarism under capitalism, or going forward along the road taken by the Soviet Union to work, welfare and culture, the worker will choose the road mapped out by the U.S.S.R. This is the road of struggle for a new and better life and so the workers fear the terrorism of their oppressors less and less every day. That is why they will rally their forces under communist leadership and march forward until they reach their goal—the overthrow of the rotten, decaying capitalist system, and in every country of the world the road will be open for the building up of socialism, which gives bread and work to every human being.







