

The Social and Economic Consequences of the Crisis

by Jay Lovestone

(Concluded from last issue)

10. Tendency to shatter prosperity illusions: The present acute unemployment crisis is having an important influence on the minds, on the ideology, of the working masses. The continued worsening of the unemployment crisis tends to make even the most politically underdeveloped workers dissatisfied, discontented with things as they are and makes them begin to ask questions as to why things are as they are and how long they are going to continue this way. The violent bang with which the prosperity illusion, the Hoover bubble, burst, has already gone a long way towards undermining the influence and prestige of Wall Street abroad. The great mass of American workers still have faith in the capitalist system to the extent of not wanting to overthrow it, to the extent even of believing that prosperity is returning soon, yet the damage done to the bosses' propaganda about stock-ownership, about the workers becoming capitalists, is great. Nowadays, one does not hear so much talk by Communists about "the dynamic possibilities of the workers' savings" (Win. Z. Foster, July 1926 *Workers Monthly*) and about workers becoming capitalists a la Carver and Catchings. The rising tide of unemployment will help much in shattering the prosperity illusions of the workers.

The ominous repercussions of this developing feeling amongst the masses is evident to many of the more conscious capitalist leaders. This is to be seen, for instance, in the recent speech of Daniel Willard, father of the notorious Baltimore and Ohio Railroad class collaboration scheme. Mr. Willard did not mince words in pointing out the grave dangers to the entire capitalist system inherent in the continued existence of a huge army of unemployed.

11. Tendency towards sharpening class relations: The existence of a vast army of unemployed by weakening the divisions between skilled and unskilled, by bridging the gap between these two sections of the working class, tends to promote workingclass homogeneity. The trend towards the concentration of wealth, the tendency towards the wiping out of the middle class, the accelerated tempo of the industrialization of agriculture, are forces making for the working class becoming a still more decisive section of society.

At the same time the organic chronic unemployment brings about a pauperization of considerable sections of the working class. This pauperization lays the objective basis for a radicalization of the masses, for the increased resistance by the workers who are now compelled to fight not only for certain conditions of employment but even for the very right to any kind of a place at all in the productive system. The contradiction of permanent unemployment is thus developed to a deeper and higher stage, is transformed into the contradiction showing millions of workers, the same millions, being permanently unemployed. Herein lies the basis of the sharpening of the class struggle in which the workers, with proper Communist leadership, with effective revolutionary inspiration and policies, can deal mortal blows to the entire capitalist system.

12. Tendencies generating war: Unemployment causes a severe narrowing of the domestic market. This compels the bourgeoisie to put up higher and higher barriers to defend their home markets from competition by the capitalists of other countries. Hence, the recent marked trend towards higher tariffs. This powerful influence of unemployment is admitted by Professor Donham when he says:

"The world-wide tariff situation represents a real effort in country after country to deal constructively with major elements of change, threatening the stability of each nation. Of these, unemployment is one of the most important and every country will seek to build up industries to take the place of old industries which are no longer capable of competing."

The increasing commercial competition, expressing itself in the rising tariff walls, affords a most fertile soil in which flourish the germs of war. Imperialist war is, after all, only the logical, the culminating, the highest and most intense form of capitalist competition.

Again, the bourgeoisie of each country, now and then is compelled to resort to open armed conflict with its competitors in the world market in order to stifle the rising revolutionary protest by the workers at home upon whose shoulders the capitalists always try to place the full burden of the economic crisis.

The Bankruptcy of Capitalism

The present unemployment crisis brings into bold relief the bankruptcy of capitalism as a social system. The development of productive forces, the development of machinery, which is supposed to be the very strongest feature of capitalism as a social system, is no longer a means of even the slightest improvement of the conditions of the masses but has become a means of their degradation. Capitalism is now looking for a way out of its crisis, is trying to go forward by retrogression rather than advance—by stifling the processes of technical growth. Capitalism now more and more tends to become a fetter on and a hindrance to the development of the productive forces. This is true despite the fact that rationalization proceeds, the efficiency in one industry or another is advanced.

The capitalist system is wholly anti-social. Horse-power is today not the servant of the masses but is only a tool in the hands of the exploiters, a means for the few to exploit the many. Increased output under capitalism spells only in-

creased unemployment for the masses. Thus, increased output under capitalism means decreased output for the workers—mass underconsumption. The unemployment crisis painfully illustrates the tormenting uncertainty which is a source of the worst agony and disruption in the lives of the workers. Marx put the question as follows:

"Since, therefore, machinery considered in, and by itself, shortens the working day, whereas its capitalist use lengthens the working day; since machinery, by itself, lightens labor, whereas its capitalist use intensifies labor; by itself, it is a victory of man over the forces of nature, but, in its capitalist use, it subordinates man to the forces of nature; by itself, it increases the wealth of the producer, but in its capitalist use, it impoverishes him . . ."

In fact the capitalist system, more than any other system which preceded it, has brought extreme uncertainty into the lives of the toiling masses.

There is no way out of this mess for capitalism. That is why its economists and experts always talk of many remedies for the unemployment crisis but never find one effective remedy. This bankruptcy is dawning upon even the most optimistic and faithful of the bourgeois apologists. The growing consciousness in the ranks of the so-called statesmen of the bourgeois industry that there is something fatally wrong with a social system in which increased productivity brings increased misery and not enhanced happiness is especially reflected in the collapse of the "eternity" complex. There are an increasing number of bourgeois thinkers and teachers who are beginning to doubt that the capitalist system in the United States is eternal, who are really worried over the challenge to capitalism by the Soviet Union.

Prior to the present economic crisis very few capitalist economists and leaders would even speak of capitalism as a social system in the United States. Nowadays even railroad presidents and college professors have learned enough to recognize frankly that in the United States we have a capitalist system. They are cutting out a lot of shallow talk about "Americanism" and "rugged" individualism which has become in the face of ever-increasing breadlines, merely lengthening and multiplying, "ragged individualism". The bourgeoisie as well as the great masses of workers, willy nilly, by the very force of objective circumstances are developing a wider outlook, a more worldly viewpoint. In the country as a whole there likewise tends to develop an understanding of the intimate and inherent connection between the breadlines in the economic crisis and the deathlines in the wars.

A Significant Historical Contrast—Socialist Construction

There is a growing consciousness among large sections of the workers that

there is but one real remedy for unemployment and that this remedy is to be found in genuinely social, in genuinely planned economy—as applied in the Soviet Union. But this cannot be achieved under capitalism. Genuine social economy, first of all, presupposes the overthrow of the capitalist system and the establishment of the proletarian dictatorship. It is in Russia, and only in Russia, where these prerequisite conditions have been fulfilled that we have today genuinely planned economy, especially thru the Five-Year plan. And in the Soviet Union alone of all the countries in the world we find today no unemployment.

The death throes in which the capitalist system as a world social system finds itself today are becoming daily more evident particularly thru the grave unemployment crisis and the rapid progress of Socialist construction in the Soviet Union. International capitalism is in its epoch of decay, in its final, decadent stage. There can be short-lived spurts of prosperity here and there. In some countries there can and will be momentary upward trends in economy. The errand of capitalist development—downward as well as upward—is uneven and does not proceed in a straight line at the same pace and to the same extent simultaneously in all countries. This condition does not change the indisputable fact that world capitalism is decaying and that no capitalist country is immune from this process of decay.

Today, when so many of the inherent contradictions of capitalism have been so enlarged, have been enlarged to international dimensions, deepened and magnified to a world scale, the very upward trends of production and exchange in particular countries themselves serve as forces preparing the ground for a series of successive crises, each increasing in intensity, and culminating in the final crisis of capitalism. Under these conditions the peaks of economy reached in the strongest capitalist countries can themselves—as was shown in the outbreak of the present crisis—serve as the precipitating factor for a crisis which today cannot but be international, world-wide in character.

All the hopes, all the illusions, all the empty talk about returning prosperity cannot today hide the historical truth of the significant conclusion of Friedrich Engels in 1886 about the future for world capitalism:

"The sigled-for period of prosperity will not come; as often as we seem to perceive its heaving symptoms, so often do they again vanish into air. Meanwhile, each succeeding winter brings us afresh the great question: 'What to do with the unemployed'; but while the number of unemployed keeps swelling from year to year, there is nobody to answer that question; and we can almost calculate the moment when the unemployed, losing patience, will take their own fate into their own hands . . ."

Thru A Sailor's Eyes

Labor in Spain

by R. A. MacNamee

Spain—picturesque Santa Filieu. Narrow streets of workers—palatial hotels, marvelous walks and drives—for the "Summer resident." Workers paid barely enough to live upon and many out of work. Cafes, gilded and resplendent for the boss class—dingy dirty wine shops for the workers.

Wine is good and it is cheap. To the Spanish worker it is a food as well as a drink. He seldom gets drunk. He uses his wine instead of abusing it.

Labor unions? "Si Senor, a few—not too much. Unions not too good. Company controls them and then they rob the workers more than ever."

Communism? "No Senor! Quiet I beg of you! Communism is of the devil. It would take away the cork factories. It would remove those men of great wealth who pay our wage, then what would become of us? How could we live?"

"But no Senor! It is of the impossible! If the workers took over the factories and the farms what could they do? They would have no money—there would be no wages and then we should starve. No, Senor, it is better to have a little than nothing and now, at least, we live."

This was the sentiment of every man talked to in Santa Filieu, in Malaga and Alicante. Few indeed were the workers found who had even an elementary idea of Communism. Many were questioned but almost every one showed fear, distrust and ignorance.

In Barcelona it was different. While no actual Communist organization was really discovered by the writer, I was told that there is a "minority" Communist movement there that is well defined and active. I found the spirit of revolt well developed but since it was upon the eve of a repub-

lican uprising it was hard to determine the exact status of the revolutionary feeling.

A Russian ship, I am told, came into Barcelona harbor. The authorities, fearing the spread of proletarian propaganda posted armed soldiers about the ship, forbidding the Russians to land.

The populace, enraged at this injustice demanded that the sailors be allowed to land. When this request was denied several hundred of them stormed the ship and brought the Russian sailors ashore despite the order. Then they held a parade. The soldiers were withdrawn.

Seville, Spain—the prettiest, most picturesque town I have ever seen. A big bustling city of beautiful buildings, magnificent parks, glittering cafes, wild women and potent liquor—for those with money.

For the worker—the same old story. Poor squalid houses, few jobs and starvation pay. Beggars, whores, pimps in abundance. Women with babies in their arms carrying an old tin can down to the wharf, begging from foreign ships the scraps from the tables.

"Yes, there is a Communist movement in Seville, in Barcelona and a few other of the larger cities," said the worker who professed himself a Communist. "But," he added, "the smaller towns and the country districts of Spain are not 'of the Communists', and even in the large towns they are weak and poorly organized."

This same man had been told that America (the U.S.A.) was on the verge of a proletarian revolt, that the workers of the U. S. A. had organized under the new line tactics of the Communist Party and were ready to form a new and powerful Soviet of the U. S. A.

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