

# Broadening Effects of the Economic Crisis in U.S.A.

By J. Amter (New York).

The first result of the crisis in the U.S.A. was ~~mass~~ unemployment. The decline in industry, which began in April-May of last year, had its biggest dip to the then lowest point in January-February. As the crisis deepened, markets shrank; foreign trade continued to decline, even foreign investments diminished and the number of unemployed increased.

Up to March 6th, outside of calling his National Businessmen's Conference in Washington and obtaining "solemn pledges" from the employers not to reduce wages, and the still more solemn pledge from the fascist leader of the American Federation of Labor, William Green that the A.F. of L. would lead no movement for wage increases, the government did nothing—except "see prosperity return".

March 6th woke the capitalists up with anxiety in their hearts. One million and a quarter workers followed the leadership of the Communist Party in demonstrations against unemployment. These were unparalleled demonstrations of

workers in the United States — far larger and deeper than any demonstrations the Party had ever led.

Thereupon came discussion in Congress, State legislatures, city councils—unemployment became the question of the day.

What are the facts of unemployment? In the June issue of the American Federationist, William Green declares that in May 37 per cent of the building trades workers were out of work (the industry that was to relieve unemployment) 20 percent of all members belonging to the A.F. of L. were jobless:

On June 26, Secretary of Commerce Lamont issued the preliminary figures on unemployment, collected and classified by the Census Bureau, which had just finished the decennial census. According to this report, there are 2,298,588 unemployed in the United States. These figures are fraudulent. First of all the census taking was deliberately carried on in a manner to underestimate the crisis and the amount of unemployment; secondly the figures do not indicate the cases where men may have obtained a day's or a week's casual work after being unemployed for months. Frances Perkins, New York State Industrial Commissioner who continually ridiculed the figures issued by Hoover and Secretary of Labor Davis, when they stated (before the census) that there were 1,800,000 unemployed, states that there are at least 5,000,000 unemployed.

If one takes estimates made by census supervisors, one might approach the estimate of the N. Y. Herald Tribune that there are 6,600,000 unemployed.

The agricultural crisis, linked up with the bankruptcy of small farmers and the mechanisation of big farms, has resulted in the disemployment of many hundreds of thousands of the farming population. An analysis of the census by Dr. C. J. Palfin, expert of the Bureau of Agriculture, shows a shift of at least 4,000,000 to the cities. In the corn belt of Iowa, reports from 759 villages and 1287 townships show a net loss of 25,000 in the present census. The present acute agricultural crisis has accentuated this situation. Green does not include unemployed farm workers in his estimate.

In addition is the army of office and store clerks—white collar slaves—who have joined the army of unemployed.

The University of Pennsylvania has made a survey of unemployment in Philadelphia and finds 14.4 percent of the workers unemployed, this being an increase of 40% over the same period of 1929 (April). John J. Aeschback, for 50 years in welfare work in Buffalo, N. Y. stated at a conference that "never before in the history of the department have we had so many able-bodied, married men applying for public aid as in the past winter and spring."

In May in New York, 1000 men and 695 women applied for every 100 jobs for each sex respectively. Forty-eight thousand persons applied for 200 city jobs in New York, 25,000 workers applied for 41 jobs at the Victor Graphophone Works in Camden, N. J.

The figures issued by Lamont are so obviously falsified for propaganda purposes for the capitalists and especially the Republican Party, that the N. Y. Times gives no credence to them stating that

"the decline in business activity as measured by automobile production, steel, car loadings, railroad earnings and other established tests plainly suggests an amount of unemployment that does not square with the official estimate of "not much above normal"." (Emphasis own, I. A.)

The cumulative effects of the crisis resulting in seven to eight million unemployed, have given the capitalists an opportunity to conduct a merciless wage cutting campaign against the workers. In the mining, steel, metal, textile, food, auto, shoe, clothing, industries—practically in every industry they have cut the wages. In the month of January, according to the Department of Labor, there were 9 wage cuts, 23 in February, 26 in March, 25 in April. This was done despite the pledge to Hoover not to cut wages and of course supported by the A. F. of L. leaders, who in promising to make no fight for wage increases, have cooperated with the employers in these wage cuts. This, however, is only a fragmentary report, which shows wage slashes in all industries.

What is the reaction of the workers to the attacks of the capitalists and the government? Miners, metal workers, longshoremen and various other groups of workers have answered with strikes. These strikes have all been led by the Trade Union Unity League. Large numbers of workers as yet have not been involved.

The response, however, of the workers to the calls of the Communist Party and the Trade Union Unity League—on March 6th and May 1st—clearly show that the workers will fight. Communist work in the shops is not yet organised as it must be if the Party units are to lead the struggles. The Party is not yet rooted in the shops of big industry in large measure. Few active shop committees exist.

Wall Street pays little heed to the pronouncements coming from Washington. Wall Street is busy building up stock and trying to keep the exchange from another crash. But this crash is inevitable. Industry continues to sag, profits and earnings diminish, and this does not bode well for the future of "prosperity". Now the capitalists speak of "fall" or "next spring" as the date of the return of prosperity—but as the N. Y. Evening Post says, "based on hopes".

Overproduction has not been overcome. Although hand-to-mouth methods were supposed to rule in America, the truth is that in Agriculture and industry there are vast stocks of unconsumed commodities. The deepening crisis postpones the date of a resumption of operation—and in the meantime, the number of unemployed will increase. Many small establishments will be liquidated, mergers of big concerns are following one upon the other, plants are being modernised—new labour-saving, speed-up machinery and systems are being installed, which will displace more hundreds of thousands of workers.

The wage slashing campaign will be intensified, inspired by the German wage reduction agreement between the capitalists, government and social-fascist trade union leaders. This has led to open announcements to the workers that they must accept lower wages if industry is to start again.

In the meantime, the government is making a pretence of aiding the unemployed. Senator Wagner introduced three bills in the Senate calling for the establishment of federal employment bureaus, a new unemployment census and an appropriation of \$ 150,000,000 for public works; only the first bill was adopted—which will not start industry and will provide no jobs. The social-fascist socialist Party and Wm. Green supported Wagner.

Governor Franklin Roosevelt of New York called on the farmers to "create a job, even temporarily" for the unemployed! This he addressed to the farmers who face ruin!

Hoover's Conference on Unemployment proposes to plan work to meet a crisis. It declares in a report signed by open shop bankers, manufacturers and such labour "leaders" as Wm. Green that:

"As an unplanned form of emergency relief for unemployment, public construction has long been tried and found in great measure wanting" . . . Instead of reserving all public construction for crisis, the report recommends "the skilful timing in the use of a comparatively small margin of public construction".

Finally, a plan proposed by the open shop General Electric Co. is for unemployment insurance to be paid by the workers and the company, based upon the reduction of the working force to a minimum. This is called by "experts", "industrial statesmanship", a "pattern for the world", "adjusted unemployment".

Unable to remove the basic causes of unemployment and determined to shift the burden of the world economic crisis on to the shoulders of the workers, unemployed and employed, and the farmers, the capitalists, with the aid of the fascists and socialfascists, come forward with such schemes.

Hoover's committee declares as its aim a programme to the end "that employment may be more stable and adequate income more assured," and this shall be accomplished "mainly by the business community itself, aided by public administrators and an informed and responsive public opinion". This is a declaration of developing fascism!

The U.S. Congress has just passed that Harnley-Smoot Tariff bill, which is a declaration of commercial war on the world. The London "disarmament" parley was a declaration of armed war between the imperialist powers and laid the basis for war on the Soviet Union. The growth of Socialism especially under the Five-Year Plan as opposed to the growing misery under capitalism has filled the capitalists with terror—and the new tariff bill is also directed against the Soviet Union.

The perspective is clear—a fall and winter of tremendous unemployment, wageslashing, rationalisation in an acute form. The government and the capitalists progressing more and more to fascism, will make more brutal assaults on the workers. The innumerable arrests, breaking up of meetings and conventions of revolutionary workers and organisations, the Whalen forgeries

against the Soviet Union, the investigation of the Communist Party, Trade Union Unity League, Daily Worker, etc., by the Fish Congressional Committee are indications of the steps the capitalists are taking in preparation for their drive.

On July 4—5 there took place the National Unemployment Convention in Chicago of unemployed and employed workers to launch the nation-wide movement for unemployment insurance, 7-hour day, 5-day week, against speed-up, against wage cuts and for wage increases, for equal rights for Negroes, against imperialist war and for defence of the Soviet Union.

This is the beginning of a broad movement to build up the Trade Union Unity League, to prepare the workers for the counter-offensive against the bosses, their government and fascist A. F. of L. and social-fascist socialist Party tools. The Communist election will be an integral part of the fight, which will proceed all along the line.

Coolidge may say that what the nation needs most is "religion", but the workers think differently. They do not intend to accept the burden of the economic crisis. They do not intend to accept unemployment and hunger as a "natural phenomenon". The Communist Party now leads masses of workers; it must penetrate further into masses and these masses will learn that only by overthrowing capitalism and by following the path of the workers and peasants of the Soviet Union can real security and well-being be assured.

## IN THE INTERNATIONAL

### The Plenary Session of the C.C. of the C.P. of Germany.

We publish below an extract from the report of the "Rote Fahne" on the last Plenary Session of the C. C. of the C. P. Germany. Editor.

On the 16th and 17th July there took place in Berlin the Plenary Session of the C. C. of the C. P. of Germany. After a comprehensive report by Comrade Ernst Thälmann on the development of the crisis of capitalism in Germany and the experiences and new methods of our revolutionary mass work, the Plenary session thoroughly discussed all the problems raised by the report and by the political resolution of the Politbureau submitted to the Plenary Session.

The Reichstag was dissolved on the day after the Plenary session. The election struggle confronting the Communist Party of Germany has a more decisive and deeper significance than an ordinary Parliamentary election in normal times. The fact of the dissolution of the Reichstag and of the new elections was not dealt with by the Plenary Session of our Central Committee. But all the tasks set by the report of the Party leader and by the discussion speeches of the members of the Central Committee and by the resolutions of the Party acquire increased importance by the dissolution of the Reichstag and the new elections. How correctly the Party leadership has raised the problems of the political development and the tasks of the revolutionary class struggle is seen from the fact that the new situation created by the dissolution of the Reichstag has not at all surprised the Party but only confirmed all its decisions.

The policy of the Party is clearly outlined in the decisions of the Central Committee. This policy consists in developing the revolutionary mass struggle for the proletarian solution of the crisis of the capitalist system, for the proletarian way out of the threatening catastrophe. The approaching election struggle of the Communist Party will be conducted by the Party by mobilising the broadest toiling masses for this struggle, which is directed against Young-Germany—this slave colony of international and German finance capital—against mass misery and fascism, with the aim of establishing a free socialist Germany.

Comrade Thälmann emphasised particularly that the thesis of Lenin according to which there does not exist for capitalism a situation which is absolutely hopeless only on the basis of the general objective conditions and factors of crisis—no matter how strongly they may shatter the foundations of the capitalist system—but that only the subjective factor, the revolutionary mass struggle of the proletariat and of the toilers, under the leadership of the Communist Party, is