

The Decline of Capitalism and the Rise of Sovietism

By ISRAEL AMTER.

MR. HUGHES has often declared that Soviet Russia is in no position to play a part in international commerce, so that recognition would be of no practical meaning. A glance over the present situation in a few capitalist countries and comparison of it with the situation in Soviet Russia would not be amiss, in order to blast this idea.

The late labor government in Great Britain boasted upon going into power that it alone had the means of abolishing unemployment and raising the industrial and political condition of the country. Ramsay MacDonald may be a brilliant orator, but he cannot get glib with facts. Great Britain is in the midst of a real crisis. The Dawes reparation plan, which is intended not only as a means of restoring Germany to world economy, but also of improving the general economic situation of the capitalist world, has brought no wave of prosperity to Great Britain. On the contrary, the general situation has become more critical. At the end of September, only 170 of the 484 blast furnaces were in operation. The September iron production amounted to 562,000 tons compared with an average monthly production of 869,000 tons in 1913. The month's exports of iron and steel amounted to 325,462 tons compared with 353,463 tons in 1923 and 414,100 tons in pre-war times.

The decline is attributed to the expansion of the Belgian and French iron and steel industry, the competition of America, which is exporting in ever larger quantities to countries which hitherto have been British domain, and the fact that the British colonies and Dominions are becoming large producers of iron and steel themselves. Thus the decrease of 46 per cent in iron and steel exports from 1913 to 1922 is accounted for by a diminution of 44 per cent to the colonies and 59 per cent to the Dominions.

Coal production has reached a critical stage in Great Britain. In nine months, it dropped 12,650,000 tons. Exports decreased 14,832,000 tons,

meaning a reduction in export values amounting to £1,557,000. On September 27, 48 mines shut down.

The crisis in the British coal industry is attributed in greatest part to French competition, to the opening of mines in Africa, India, the Far East and Central America, and to the increased competition of America which exported coal to the amount of \$85,000,000. No wonder that the British miners demanded that MacDonald reject the Dawes plan—not in the interest of their fellow-workers in Germany—but as a millstone that has been laid about the necks of the British miners.

The textile industry is in a hopeless state. Before the war, unemployment did not exceed 2 per cent. At the present time, 10 per cent of the male and 8 per cent of the female operatives are jobless, and half of the workers are working short-time amounting to 1 to 4 days a week. In 1913, the average monthly production amounted to 596,000,000 square yards; in August of this year it was only 374,000,000 square yards. The crisis is due to the growing importance of the French textile industry and the increasing power of the American industry. In 1913 there were 55,000,000 spindles in Great Britain, 29,000,000 in the U. S. A. In 1924, Great Britain operated 56,700,000 spindles, the U. S. A. 37,700,000. America's exports have increased from 27 to 39 million dollars. Furthermore, China, Japan and India have increased the number of spindles in operation.

Coal and iron are the life of modern industry. They are the very core of the power of British capitalism. These industries are slowly paralyzing in Great Britain—a capitalist state of the first order.

The Dawes plan, panacea for all the misery of the world, is in operation in Germany. At least the first steps have already been taken. Unquestionably being intended to aid the capitalists of the country in restoring "order" and in paying the reparations—WHICH MUST COME FROM A SURPLUS OF EXPORTS—it ought to produce excellent results. Dawes, the honorable vice-president-elect of the

U. S. A., and his boss, J. P. Morgan, have told us so, so facts should substantiate their reasoning. But the facts do not. In September imports exceeded exports by 59,400,000 marks (about \$14,000,000). Exports increased from 564,050,000 marks in August to 539,300,000 marks in September; but imports rose from 448,200,000 marks in August to 523,400,000 in September. The value of exported manufactured wares decreased from 454,600,000 marks to 442,800,000 marks, while that of half-finished products increased from 37,050,000 marks to 42,760,000 marks—the sole increase.

Wages, as a consequence, are steadily decreasing in Germany, factories and mines are shutting down, hours are being lengthened. Wages are as low as 15 marks (about \$3.50) a week, from which must be deducted 10 per cent for taxes, insurance, etc. Apprentices get as low as 7 marks (about \$1.60) a week, with the usual deductions.

This is capitalist Germany, where two-thirds of the direct and indirect taxes are shouldered by the working class, while the big capitalists report an "improvement in conditions."

These are two typical examples of capitalist countries, which give the workers "happiness, prosperity and well-being." These are a few of the immediate "wholesome" results of the Dawes plan, which was halld by the capitalists and capitalist governments the world over as the means of saving humanity.

Soviet Russia, on the other hand, to which Morgan, in his beneficence, has suggested the application of a Dawes plan, is ever steadily on the upgrade. Despite the years of revolution, blockade and famine—and despite the poor crops of this year—conditions in Soviet Russia are uninterruptedly improving. In the month of September, production of coal increased 11 per cent, of yarn 56 per cent, of textile goods 51 per cent. The metal, textile and leather industries cannot supply the demand for goods. Despite the demand which, in capitalist countries leads to rises in prices, prices in Soviet Russia have been lowered. The NEP people have tried to take advan-

tage of the situation, but the competition of the state-controlled and co-operative organizations has booted them. There is a discrepancy in the wholesale and retail price index, in favor of the latter, but that is to be regulated by the government.

In September, the value of the total production increased 150,000,000 rubles (\$75,000,000). Soviet Russia intends to buy \$200,000,000 worth of goods in the United States. This will include about 425,000 bales of cotton, worth 100,000,000 rubles. The budget for 1924-5 provides for exports of \$235,000,000, an increase of \$10,000,000 over last year. This will mean an export balance of \$38,000,000. Included in the exports will be 1,350,000 tons of grain.

This steady solidification of Soviet economy in the face of a collapse of world capitalism is one of the phenomena of the day. Even if there is a temporary period of stability in the United States, as long as Europe cannot buy from the United States, American industry will be threatened. The failure of crops in Argentine, Australia, Canada, Germany, Rumania and Soviet Russia have aided the American farmer during the past few months. The manipulations of the capitalists during the election campaign, and the fact that stocks were being used up, have temporarily kept the unemployment figures in the United States from mounting. The Dawes report states that the condition in Germany as it was before would have led to "insurrection or revolution." The situation of the German worker is NOT improving; it is getting worse. The British worker is getting into the same position. These are symptoms of the fact that the Dawes plan, the last attempt of the capitalists to restore Europe, cannot rehabilitate her.

Need it be argued that Sovietism is the only safeguard for the workers against further exploitation and degradation? Need it be argued that capitalism is leading world economy to hell and that, despite all attacks, military invasions and blockades, Soviet Russia is rising to new heights? Facts speak. Let the above facts speak for themselves.