

Some Problems of the Present International Situation

By O. PIATNITSKY

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THIS year the proletariat in the capitalist countries, led by the Communist Parties, will demonstrate under slogans of Struggle Against the Capitalist Offensive, Against Fascism, War, and for Active Defense of the Soviet Union.

The Communist Parties and the revolutionary trade unions this year have made the proposal to the Socialist Parties and the reformist trade unions that May the First be celebrated under such slogans.

In a whole number of countries, the Communist and Socialist workers, members of the revolutionary and reformist trade unions, and in some countries, the Communist and Socialist Parties, are already engaged in a joint struggle against fascism and war. The growing urge of the working class for united action, and the joint action of the Communists and Socialists which has been brought about in a number of countries, are rendering it easier for May the First to be celebrated on the basis of the proletarian united front.

In the countries where the fascist dictatorship holds sway, the struggle is being carried through under conditions still more burdensome than in the days of Tsarist Russia. And in the countries where bourgeois democracy exists, the ruling classes are resorting to still more ferocious repression against the working class.

But the class consciousness of the workers has grown over the last year, and reformist illusions which have kept wide masses under their influence for tens of years, are becoming weaker, and there is a growth of solidarity among these masses, and of their efforts to participate in joint struggle with the Communists.

The bourgeoisie are resorting to fascist terror as their last means of saving their rule. The working class is replying to these ferocious attacks of the bourgeoisie by extending the proletarian united front, by heroic sturdiness in fascist underground conditions, and by self-sacrificing determination in open armed struggle.

The final and irrevocable victory of socialism in the U.S.S.R. is enthusing proletarian fighters in all parts of the globe. The whole depth of the difference between the two worlds in conflict, the world of decaying capitalism and the world of flourishing socialism, will stand out exceptionally clearly before all the toilers and oppressed on this proletarian holiday.

Like a living wall, ever wider masses of the toilers and oppressed are surrounding the banner of proletarian struggle, the banner of Marx,

Engels, Lenin and Stalin, which already waves over one-sixth of the globe.

I. THE GROWING DANGER OF AN IMPERIALIST WAR AND OF AN OFFENSIVE AGAINST THE SOVIET UNION

Is the war danger growing? Yes, it is! There is no doubt about that.

Where are the main sources of the war danger? They can be easily indicated—Germany, first and foremost, and then Japan and Poland.

So as more easily to be able to understand the present international situation, we must call to mind the main contradictions which exist between the imperialist states. I refer, first and foremost, to the contradictions between Great Britain and the U.S.A. But at the present time the contradictions between Germany and France along with her allies have become still sharper.

BRITAIN, THE U.S.A., AND JAPAN

Anglo-American contradictions became particularly clear at the end of the world imperialist war of 1914-18.

America was the very last to enter the war of 1914-18, doing so only in 1917. The gains achieved by America as a result of this war were colossal. America gathered together two-thirds of the world's supply of gold in the vaults of its banks, while its trade doubled during the period of and immediately after the war. During the war, America captured a number of England's markets, and continued to compete with England after the war as well, squeezing it out of the markets which the latter had had a firm grip on prior to the war.

The interests of Great Britain and the U.S.A. come into collision in a whole number of countries, especially in South and Caribbean (Central) America. A constant struggle is going on between England and America for markets and sources of raw material in all the countries of South and Caribbean America. England and America have invested huge sums of money in railroads and municipal services (tramways) there, they are engaged in a struggle for concessions, for influence over the bourgeois and feudal cliques in these countries, which are engaged in helping the Englishmen and the Americans to rob the population. To a very great extent the British and American imperialists are behind the constant coups d'etat that take place in these countries. The war between Paraguay and Bolivia which has been going on up to now, for the oil region of Chaco, is being carried on in the interests of England and America. America also competes against England even in England's dominion, Canada. As a result of the Washington agreement in 1922, the U.S.A. navy was made equal to the English navy which had been the most powerful hitherto, and thus England lost its supremacy as mistress of the seas. At the same time, after the war, Great Britain owed America a tremendous sum of war debts.

Tremendous contradictions also exist between America, Japan and Great Britain in the Pacific Ocean.

According to the Washington agreement, which was a continuation of the Versailles agreement, the principle of the "open" door in China was established and the "indivisibility" of China was recognized in the so-called Nine Power Pact. Bearing in mind the relationship of forces

and the economic and technical superiority of the U.S.A. over England and Japan, which existed at that time in the Far East, these principles were the most favorable for the plunder of China by America. By seizing Manchuria, Japan, of course, squeezed the other imperialist powers out of Manchuria. As is well known, Japan did not limit itself to the seizure of Manchuria, but is bringing about a military onslaught on Mongolia and northern China. It is beginning to carry through its plan of the monopoly enslavement of China. America sees the violation of its own imperialist interests in China, in this policy being pursued in China by Japan.

The contradictions between Japan and America are not limited only to China and the countries which lie along the coast of the Pacific Ocean. With its cheap commodities, Japan is successfully competing against America in the South and Caribbean American countries and even in the American colony, the Philippines. It is true that the figures for 1933-34 regarding Japanese and American trade in China indicate important advantages of America over Japan. Thus, for instance, in 1928, Japan introduced into China 26 per cent of the total imports, while America covered only 16 per cent. In 1930, America introduced commodities into China valued at 232 million Chinese dollars, while Japan imported goods valued at 237 million Chinese dollars, *i.e.*, more than America did. But in 1933 already, America imported into China goods valued at 297 million dollars (22 per cent), while Japan imported goods valued at only 132 million dollars, and while in 1934 America imported into China goods valued at 272 million dollars (26 per cent), Japan imported into China goods valued at 127 million Chinese dollars (12.4 per cent). This very great decrease of Japanese imports into China is to be explained partially by the widely developed boycott of Japanese goods in 1933 in China. (All these figures about foreign trade of Japan and America in China do not include imports into Manchuria.) Japan is exerting colossal efforts to alter this relationship in its own favor, not only by war measures but by compelling the Nanking government to openly set about crushing the anti-Japanese boycott. Following the seizure of Manchuria by Japan, the foreign trade of Manchuria has fallen completely into the hands of Japan.

Prior to 1922, England supported Japan and was connected with it by the military alliance which was directed without a doubt against America. But according to the Washington agreement, this military alliance was torn up, on the insistence of America. Although sharp contradictions also exist between England and Japan, England coming up against fierce competition by Japan not only in China itself (in Central China, especially in Huan-dun, Huan-see and other provinces where England is attempting to entrench itself in view of the proximity of Hong Kong), but even in Britain's colony, India (Japan is more and more attempting to extend its imports with its cheap textiles at the expense of England, and on the Indian market); this, however, does not exclude Anglo-Japanese collaboration in the struggle against the U.S.A.

England has tremendous interests in China. Here are a few figures to show how great these are. In 1930, England imported into China commodities valued at 108 million Chinese dollars, and in 1933 the figure was 134 million Chinese dollars.

England is following with alarm how Japan is consolidating its position in China, but it has been compelled to a certain degree to support Japan in return for support against America.

The tearing up of the Washington agreement about the limitation of naval armaments, on the initiative of Japan which has been striving to bring about the equality of its fleet with that of America, has sharpened the struggle on the Pacific Ocean still more.

GERMAN FASCISM AND THE POLICY OF REVENGE

What has been the course of the sharpening of imperialist contradictions in Europe?

As soon as the fascists came to power in Germany (on January 30, 1933), the French bourgeoisie were faced with the danger of German revenge.

France is afraid of Germany. In 1914, Germany and its weak ally, Austro-Hungary, fought against four big imperialist states, and at the beginning of the war, Germany was victorious. Had America, which at the end of the war joined with the enemies of Germany and gave them a preponderating position, not done so, had England not taken the side of France, then France would have been crushed in this war. German troops came close to Paris, and France remembers this quite well.

Therefore, when the fascists came to power in Germany, and immediately made an open declaration of Germany's intention to get back its former provinces, taken away as a result of the war, France, which in the given circumstances was interested in not allowing a war to take place; began to seek the support of the U.S.S.R. which has consistently and insistently carried through and is still carrying through a policy of peace.

THE U.S.S.R. AND THE CAPITALIST WORLD

The fundamental alterations which have taken place in recent years in the relation of forces between the U.S.S.R. and the capitalist world, between the country where socialism is flourishing, and decaying capitalism, is of decisive importance for the entire international situation. The more the productive forces grow in the Soviet Union, the more its technical and economic independence of its imperialist surroundings becomes consolidated, the higher the material and cultural level of the workers and collective farmers, who already constitute a gigantic family of builders of socialism, and the more clearly the superiority of the socialist over the capitalist mode of production stands out before the whole of the world, to that degree does the attractive power of the Soviet Union in the eyes of the exploited and oppressed masses become more powerful and more insurmountable. The bourgeoisie of the big capitalist countries are hoping and are making efforts to find a solution to this growing contradiction between capitalism and socialism in an anti-Soviet war. But at the same time as the intrigues and plots arranged by the imperialists are going on, the defensive power of the Soviet Union is growing, the Red Army is becoming steeled, and the toilers throughout the whole of the world are developing the consciousness of the need to defend the Land of Socialism with their lives against military attack. The liquidation of the capitalist classes in the U.S.S.R. cuts at the roots of all the calculations of the imperialists as to the possibility of basing themselves on the forces of the internal counter-revolution in case of an attack on the Soviet borders, while the peace policy of the U.S.S.R. which defends the vital interests of the toilers throughout the world, exposes the military adventures and hinders the operation of their robber plans.

Thanks to this, the government of the Soviet Union, led by the Party, has succeeded hitherto in staving off war in the Far East. Recently, after almost two years of negotiations, the U.S.S.R. secured the conclusion of an agreement regarding the sale of the Chinese Eastern Railway, which although it is no guarantee against war, still must for a time cool down the charged atmosphere in the Far East.

The Soviet Union is also carrying on a determined struggle to keep the war-mongers in Europe in check.

Many capitalist governments, for reasons already referred to, have been compelled in one way or another to support the peace policy of the Soviet Government. In these circumstances, the capitalist states have every reason to fear that war against the U.S.S.R. will call forth revolution in their rear and will result in their own destruction.

GERMANY—FRANCE—POLAND

The line taken by France towards a rapprochement with the U.S.S.R. cuts across the aggressive plans of Germany. In its efforts to deceive France, Germany is doing everything possible to calm the latter by declaring that after the return of the Saar region to Germany, "it is prepared to promise that it has no claims on France and that it has no aggressive intentions in relation to its western neighbors". Germany is openly proposing to France, England and Italy to undertake joint action against the U.S.S.R.

But Germany's robber plans are not only directed against the Soviet Union. The declarations made by the fascist leaders that they are striving to seize land only in the East (the U.S.S.R.), and thus allegedly to defend "human civilization from Bolshevism", are meant to cover up their preparations for an offensive against France, Belgium, Austria, Denmark, Czechoslovakia and Lithuania.

As is well known, according to the Versailles Treaty, Poland was given the so-called "Polish Corridor" which cuts off part of Eastern Prussia from the remainder of Germany. When a German travels from Berlin to Koenigsburg, he must travel through the "Polish Corridor", a territory which now belongs to Poland. To travel through this "Corridor", he must either have a Polish visa or else remain in a closed wagon. According to the same agreement, Poland was allowed to build its own military harbor, (the port of Gdynia) near the German town of Danzig, which was transformed into a "free" city. Poland also received from Germany a part of Upper Silesia, which is rich in coal and iron.

Germany of course, does not give up hope of receiving back all that Poland received under the Versailles Treaty. But Germany is also carrying on a policy of lulling Poland with promises that not only does Germany not lay claim to its former territory, but that it will "make a gift" to Poland of part of Soviet Ukraine, in case of joint victory over the U.S.S.R. Of course, once war begins and German troops enter the territory of their ally, Poland, they will not so easily leave it. But Polish imperialism, blinded by its robber desires, is inclined to underestimate this danger.

Poland, which after the advent of Hitler to power, began under the influence of France, to alter its anti-Soviet policy to one of a rapprochement with the U.S.S.R., has in the recent period taken the side of fascist Germany and is supporting the military adventurist policy of German fascism, although not without wavering and secret fear,

THE POLICY OF GREAT BRITAIN

A few words about the policy of Great Britain. The policy pursued by England in Europe is just as dual as its policy in the Far East.

England is linked up with France. They fought together against Germany. They were allies, but at the same time England is afraid of France becoming strong and of it becoming the leading force on the European continent. Great Britain sees, or at least saw not so long ago, a counter-blast to France in the shape of Germany. This explains why it is, that until very recently England, to a greater or lesser degree and even not always in hidden form, supported the foreign policy of German fascism. And the note of "protest", issued by the British government against the declaration of universal military service in Germany, was rather calculated to favor the ferocious military aggression of Germany than to hold it back. None the less, this animal appetite of a hungry imperialism, displayed by Hitler in his negotiation with Simon and Eden, compelled an important section of the British bourgeoisie to be very seriously on their guard. Hitler's declaration to the effect that German aviation is not behind that of Great Britain, the claims he made to the construction of a powerful navy, are, judging from the British press, sufficiently transparent indications of Germany's colonial claims, etc., and all this could not fail to show England that Germany is aiming at setting the flames of war alight throughout the world, in the near future, a war for which British imperialism is far from being prepared as yet.

This is why, after Hitler had displayed his cards in a clearer way than previously, two main groupings are to be discerned in the camp of the British bourgeoisie.

One group, to which a section of the diehards and also such liberals as Lloyd George belong, are declaring in favor of stopping German expansion westward (against the borders of France which are not far from the coast of Great Britain), and to give Germany freedom of action in the east of Europe. In other words, to direct the armed forces of Germany against the U.S.S.R., calculating that a German-Soviet war would weaken both sides for a long time. Linked up with this are their calculations that in case of an attack by Germany in alliance with Poland against the U.S.S.R. from the West, Japan will attack the U.S.S.R. in the Far East. Japan will then cease penetrating the southern and central regions of China where England has huge interests.

The other groupings, however, among the British bourgeoisie, cannot fail to see that the ferocious military adventurism of Germany threatens to bring about a war which will draw everybody in. On the other hand, this influential grouping of the English bourgeoisie cannot but see that the Soviet policy of peace does not contradict the interests of those countries which for one reason or another are not interested, in the present circumstances, in unleashing a new world war. This section of the British bourgeoisie correctly understands the assertion made by Comrade Litvinov that "peace is indivisible", that war between the U.S. S.R. and Germany will inevitably become a world war, and that a world war may lead to the collapse of the capitalist system in a number of countries.

THE ARMAMENTS RACE

The preparations for a world war are going on at full speed. Armaments are growing at a fierce speed. Colossal sums of money, squeezed

out of the toilers, are being spent on armaments which are already far superior to the armed forces of the main imperialist countries on the eve of the World War of 1914-18.

The total number of men in the armies of the five states, Japan, Germany, France, America and England, amounted to 1,541,500 in 1914, and 8,000,000 reserves. In 1934, the total number of soldiers in the armies of these five states was 2,123,500 regulars and 20,000,000 reserves. As regards Germany, after the introduction of universal military service, its army will total 720,000 men, not counting the storm detachments, the labor camps, etc., which cover about 2,000,000 men.

The growth of military technique is interesting. In 1914 one American division could fire 163,000 shots per minute out of all its rifles and machine guns. In 1934, the corresponding figure was 422,000 shots. In 1914, a French division could fire 103,000 shots, and in 1934, 212,000 shots per minute. While in 1914, one American division could by artillery fire discharge 8.1 ton weight of ammunition in one minute, in 1934 an American division could fire 17.6 tons per minute.

Another couple of comparative figures. In the imperialist war, the German army fired 286 million shots from machine guns, and used up 6,000 million bullets. In 1934, the Reichswehr was able to treble its firing power.

Seventy per cent of all factories in Germany are now working on preparations for war. The enterprises producing machine guns are working without a stop, day and night. Aviation factories in Germany are in a position to produce 15 airplanes per day.

II. HOW THE SPECIAL KIND OF DEPRESSION IS DEVELOPING

At the Seventeenth Congress of the C.P.S.U., Comrade Stalin pointed out that in the majority of capitalist countries the lowest point of the crisis had been passed in 1932, and that following that period, there was to be noted the passage of the crisis to a special kind of depression.

The consequence of the economic crisis of 1929-32 was that production was very severely cut down, and that enterprises were not working at full pressure. After 1932, while the economic crisis continued, a stop was put in the majority of countries to the cutting down of production and to the fall of the quantity of the productive apparatus in use. In a whole number of countries, an unequal and unstable growth of industrial production began, mainly in individual branches of industry.

I quote figures which are the official statistics issued in capitalist countries. According to these statistics, the total production of all the capitalist countries increased in the following way by comparison with 1932. If we take 100 as representing the year 1929, then the corresponding figure in December, 1932, was 66.1; in December, 1933, 76.2, and in March, 1934, 82.2. Thus, in a year and three months, production increased by 16.1 per cent (these figures are from the International Monthly Bulletin of the League of Nations, No. 3, 1935). According to the figures of the German Economic Research Institute, the index in March, 1934, was not 82.2, but 89.7, while in September of the same year it fell again to 80.0).

THE GROWTH OF INDUSTRIAL PRODUCTION IN VARIOUS COUNTRIES

The U.S.A. If we take 100 to represent the average amount of industrial production for the years 1923-25, the level of industrial pro-

duction for March, 1933, was 56 (the lowest point reached in America during the crisis). In June, 1933, the figure rose to 101 (*i.e.*, higher than in the years 1923-25). In November, 1933, there was a new fall to 71, by March, 1934, the figure had again reached 91, while by September, 1934, there was a further sharp fall to 69. (Index of the central financial administration of the U.S.A.)

One of the ways in which the special kind of depression shows itself is in the fact that the process of the rise and fall of industrial production is a jerky one, in the fact that the increase of production is not of a firm character, and that this special kind of depression does not lead to a "new upsurge and development of industry, but neither does it lead back to the lowest point to which it previously fell" (Stalin).

Take Germany, and let 100 represent the level of industrial production in 1928. In 1929, the index of production was 101.8, in 1932 it fell to 60.4, in 1933 it rose to 70.6 and in 1934 to 88.8 (Quarterly Bulletin of the German Economic Research Institute—Special Bulletin No. 31). Thus, industrial production in Germany rose without any big lapses.

In Germany (and in Japan) more than in any other country, the growth of industry has been called forth by the gigantic growth of armaments and by colossal orders from military institutions.

If we take the level of industrial production in Japan for the year 1928 to be 100, the corresponding figure in 1932 was 107.9, and in 1933, 124. (Monthly Bulletin of the League of Nations for 1934.) In general, a growth of Japan's industry is to be observed in the recent years, especially since Japan seized Manchuria. This growth follows two lines.

Firstly, the increase of industrial production for war purposes. Last year, about 50 big factories were built in Japan, connected with the war being carried on in China, and with the preparations for a big war against the U.S.S.R., and possibly against America.

To insure that they were supplied with the materials that need to be imported, the Japanese were compelled intensively to export their commodities to all countries which would purchase them. To ensure that as great a quantity as possible of these commodities are purchased, the Japanese have begun to sell their products at unbelievably cheap prices. Thus, for instance, England has for tens of years supplied textile goods to all countries, including its own colonies. In recent years, however, Japan has outdistanced England, both in the production and in the export of textiles. During the crisis, cloth is also being consumed, but the Japanese manufacturers by selling such cloth at exceptionally cheap prices are competing successfully against Great Britain and other states, and are driving them out of the markets which the latter had previously won.

Hence the second line of the development of Japanese industry.

This is why industrial production in Japan in 1934 once again was above the high level reached in 1933. Japan can sell cheap commodities thanks to the great length of the working day, the exceptionally low wages paid and to the fact that a tremendous number of children are employed.

TRADE WAR

Here is another characteristic fact of great importance. Whereas industrial production is increasing to a certain degree, world trade is not extending, but on the contrary, is declining.

I will quote one figure. The world trade turnover has been reduced from 280,000 million gold marks in 1928 to 90,000 million marks in 1934, (according to League of Nations statistics).

So as to make it possible to dispose of their products, all capitalist countries have either closed their borders to the import of commodities from other countries, or have very much increased customs duties on imported commodities. The bourgeoisie make use of the cutting down of imports from other countries to raise prices within their own countries of industrial and agricultural commodities produced in their own countries. At the same time the very same commodities are exported abroad at very low prices. Two prices operate, one for the home market and the other for the foreign market. This is called dumping. Dumping is widely spread in the capitalist countries as a weapon in the trade war and is a usual method employed to conquer "somebody's else's" market.

If there is no direct war as yet between the biggest states, if they are not engaged as yet in a war by force of arms, then this war is going on in the sphere of economics. All told, world trade has declined, and this testifies to the fact that the depression of a special kind is not leading to a general economic advance.

III. HOW THE SPECIAL KIND OF DEPRESSION REFLECTS ITSELF ON THE STANDARD OF LIVING OF THE WORKING CLASS IN THE CAPITALIST COUNTRIES

UNEMPLOYMENT

According to official statistics there were 28,000,000 unemployed in the capitalist world in 1932. In 1933 there were 23,500,000 to 24,000,000, while in March 1934, the figure was 22,000,000. (See *Economy and Statistics* for May, 1934). But in the first place, these figures are very much reduced. Second, the relationship between these figures for 1932 and 1934 testifies to a very insignificant reduction of the number of unemployed in connection with the passage of the crisis to a special kind of depression. Third, in a number of places, unemployment has increased in the second half of 1934 by comparison with the first half of the year.

What is the situation now in the capitalist factories and in what conditions do the workers carry on their work, in spite of the growth of industrial production?

The index of the total average sum of weekly wages paid in 1932 was 60.2; the index of the productivity of labor per worker per hour in 1932 was 119.6 (in both cases taking 100 to represent 1929). That is to say, by 1932, the productivity of labor per worker had increased by about 20 per cent, while the total wages per week were reduced by almost 40 per cent. In 1933, the productivity of labor per worker per hour increased by 10 per cent more, reaching 130 per cent of the 1929 level, while the total wages bill increased by less than 1 per cent (61 against 60.2). (Bulletin of the Chamber of Trade.)

These are the general figures covering all capitalist countries. The picture will be clearer if we take the figures according to separate countries.

In the mining industry in Great Britain, the productivity of labor per shift, for the year 1934, increased by 9.6 per cent as compared with 1928, while by comparison with 1924, the figure was even 16 per cent higher. The annual wage received by the British miner, however, dropped

during the years of the crisis, by 9.3 per cent. The same is true of the railwaymen (official figures taken from the *Economist*, London, April 14, 1934). Hitherto there have been no less than 2.2 millions of unemployed, in spite of the fact that production has increased.

Take Germany. According to fascist statistics, 18,000,000 workers, office employees, etc., were employed in Germany in 1929, in which year they received 15,000,000,000 marks in wages. In 1934, 15,000,000 workers, office employees, etc., were employed and their total wage was about 7,000,000,000 marks. (Weekly Bulletin of the German Economic Research Institute.)

At the Seimens Schukert factories, 79,000 workers, office employees, etc., were employed in 1932, their total wages amounting to 1,753,000,000 marks. In 1933, 79,000 workers, etc., were employed, but the wage bill paid was less than in 1932, amounting to 1,428,000,000 marks. In 1934, 110,000 workers, etc., were employed in these enterprises, but their total wage bill was 1,436,000,000 marks, *i.e.*, almost as much as the amount paid in 1933. In the period between 1932 and 1934, the number of workers employed had increased by 45 per cent, whereas wages had been reduced by 18 per cent. (Annual Report of Messrs. Seimen Schukert for 1933-34.)

During this period, wages throughout Germany as a whole were reduced by 39 per cent. (Weekly Bulletin of the German Economic Research Institute.)

In Japan, in the period between 1930 and 1934, production increased by 18.4 per cent, while the number of workers employed during this period declined by 3 per cent. (Index of the Mitsubisi Bank, 1934.) In the woolen industry, the average total product per shift increased in the period between 1928-30 by 30 per cent. In the spinning mills the number of workers looking after 1,000 spindles declined during this period by 43 per cent. In the weaving mills, the number of workers required to serve 1,000 looms, declined in 1932 by 32 per cent as compared with 1928 (figures issued by the Japanese Textile Manufacturers' Association for 1933). The productivity of labor has increased to an unbelievable extent, but exclusively at the expense of the sweat and blood of the workers.

As regards the wages earned by Japanese workers, here are figures comparing the wages earned by the worker in Japan and in Great Britain. A textile worker receives 80 shillings per week in England and 17 shillings in Japan, *i.e.*, the Japanese worker receives only 14 per cent of what the English worker receives. The chemical worker receives 134 shillings per week in England, and 19 shillings in Japan; in the electrical industry, 82 shillings per week in England and 7 in Japan.

The figures quoted on the wages of the British worker (taken from a report of the Federation of British Industries) are those of the highest paid workers, and only a very insignificant number of British workers receive such wages. The average wage of British workers of all categories is about 50 shillings per week. But even in this case there is a colossal difference between the degree of exploitation of the workers in England and Japan.

While the length of the working week in England is 48 hours, it is 78 hours in Japan. This is why Japanese manufacturers are able to sell the products of their factories so cheaply. But the cost to the Japanese working class is not such a light one.

What conclusions can we draw from the figures and facts quoted?

Beginning with the year 1932, the bourgeoisie have undoubtedly succeeded in increasing their profits at the expense of the working class. For instance, in the U.S.A., 200 of the biggest manufacturing companies received incomes in the year 1934 which were 150 per cent higher than their income in 1926. Their profits totalled \$430,000,000 as against \$100,000,000 in 1932 (report published by the Research Bureau of the N.I.R.A., 1935).

In England 1,975 firms made the following clear profits, 1932—£140,760,000; 1933—£144,839,000! 1934—£168,877,000. The trusts and concerns in Germany, Japan and France received no less profits.

The most powerful capitalist groupings are attempting to make their way out of the crisis at the expense of the toilers, and primarily at the expense of the workers, and they have achieved some results in this connection. The workers have gained nothing from the slight improvement of capitalist industry in connection with the passage of the crisis to a special kind of depression.

Conclusions: (a) Unemployment has not been wiped out, in spite of the increase of industrial production. The unemployed army has been transformed from a reserve army into a permanent army. (b) Wages, which were very severely reduced during the period of the sharpening of the economic crisis, have not been increased, but continue to be still further reduced in some countries. The purchasing power of the main masses of the population continues to fall. The narrowing down of the home market prevents the capitalist world from making its way out of the crisis. (c) The urge towards struggle and towards unity is growing in the ranks of the working class.