
A Splendid Opportunity.

by Robert Minor

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Sidney Hillman, President of the Russian-American Industrial Corporation — he is better known as President of the Amalgamated Clothing Workers — has just returned from Russia with news of great developments in the plan for reconstruction of Russian Industry with capital, machinery, and expert services to be supplied by the American labor movement and its friends.

The Soviet Government has agreed not only to guarantee with the enormous wealth of Russia the money invested by American labor and its sympathizers, but also to guarantee an 8 percent return on every dollar invested in this corporation. The Russian Government regards the project as “a great piece of constructive statesmanship.” Karl Radek has pointed out that this movement on the part of American labor may be the means at last of breaking down the boycott with which the great capitalists of the world have been trying to starve out the new social order of Russia. Premier Lenin insisted on showing his approval of the new corporation by buying two shares of stock from Hillman.

The Russian-American Industrial Corporation has already raised about \$300,000 of the first million dollars of capital which was guaranteed by the Amalgamated Clothing Workers, and has sent out a blanket invitation to all labor organizations, individual members, and sympathizers with labor to join in the purchase of stock. A drive for selling the first million in stock at \$10 a share will now be started. The only restriction is that a dominant interest in the corporation must remain in

the hands of workers' organizations.

Because of the terrible shortage of clothing in Russia, where the Winter cold is expected to take a heavy toll in death and suffering, the corporation has been assigned the first task of manufacturing clothing on a huge scale according to the latest American methods; and this made it especially appropriate that the Clothing Workers should take the lead in the scheme. However, under the contract with the Soviet Government, the corporation is expected to go into various other industries, taking up textile manufacturing very shortly. Therefore not only clothing workers but every trade and their labor organizations are equally welcome in the huge undertaking.

The fact that the Russian Government was willing to permit this corporation of its friends to have certain import and export rights led to an interesting problem. It developed that enormous profits could be made by exporting goods from Russia, the estimate being a 400 percent profit. This was a great temptation for Hillman's financial adviser, who wanted immediately to switch from the difficult task of supplying Russia with clothes to the more easy business of stripping Russia of her remaining goods to be sold in the foreign market. This financial adviser was Mr. William O. Thompson, former President of the N.K. Fairbanks Co. and the American Cotton Oil Co.

Hillman steadfastly refused to change from the plan of manufacturing clothing for the Russian people, being of the opinion that the primary purpose of the workers in investing in this com-

pany is not to make enormous profits, but to help the Russian people by building up their industries to a self-sustaining basis. It was an irreconcilable disagreement, Thompson insisting on looking at it purely from the viewpoint of a “businessman” and Hillman insisting on looking at it as a member of the labor movement, pointing out that the guaranteed 8 percent profit was sufficient to assure a prosperous business that would benefit the Russian people as well as the stockholders. Thereupon Thompson quit the project and gave an interview to the *New York Tribune* in which he withdrew his name from the enterprise. Although Mr. Thompson has later cabled repudiating the spirit of the *Tribune* interview, which he says was distorted by “the reporter’s frantic imagination,” nevertheless it is an incident deserving careful analysis.

When Mr. Thompson reached Russia he was disturbed to see the way the Russian workers run their industries, and disturbed again over Hillman’s unwillingness to take the highest profits in sight without regard to the Russian workers’ interests. He decided that purchase of stock in the Russian-American Industrial Corporation would not be a good investment unless the Soviet Government gives up the attempt to socialize the industries — that is, unless it gives up the purpose of the revolution.

Mr. Thompson as quoted in the *Tribune* (although he says his words were distorted) is very much confused. At first he is afraid that investors “stand a good chance to lose their money,” but later he admits that if the project should fail the investors could get their money back but says that he fears they “would have to wait for it for years.”

Confronted with the fact that the enormous wealth of Russia became security in guaranteeing the labor corporation’s investment and 8 percent return, he said, “Concerning the 8 percent profit guarantee given Mr. Hillman by the Soviet Government, there is no doubt that the government can pay it, but whether it *will* is the big question.”

Mr. Thompson has lost his nerve. He has fallen for the old emigrés’ theory. It’s an adjustable theory, that the Bolshevik Government is bound to fail, but since it does not fail it can’t be trusted anyway. Mr. Thompson’s fears are not one particle different from the hopes of the grand-dukes, countesses, and ex-capitalists from Russia who are now begging drinks around the cafes of Berlin and Paris while they wait for the Bolshevik government to fall “next week.” I have personally had the amusing experience of listening to this theory from the lips of a cousin of the Tsar in a Berlin hotel in 1919. It is merely a total inability to believe in the possibility from a new order of society to succeed.

Can the Soviet Government effectively guarantee an investment? This question can only mean a repetition of the old wheeze, “Is the Soviet Government going to fall?” Our own opinion is that if there were any danger of the failure or downfall of the first effort in the world’s history to socialize industry, such a danger should be the signal for every worker to redouble the effort to supply Russia with the needed machinery. But *is* there any danger?

Of course there is a chance that Russia may go down, just as there is a chance that all Europe may go down, or even that America may go down. But anyone who applies his intelligence to reading the news knows that among the governments of Continental Europe, Soviet Russia alone is fast extending and solidifying its power, while every other government is rapidly going down a decline.

What is the purpose that brings Mr. Clemenceau to America? To get American help to save the French industrial, social, and political system from collapse. The one big question that fills the minds of all of Europe’s rulers and financiers today is the question of how to save the rapidly dying system of private ownership of industry — the very system that Mr. Thompson advises the Russians to go back to. Central European and French industry are now fast going, without a sign of change ahead, in a direction which will soon

lead them to a condition where no form of social organization can keep industry and life going except the Soviet form, with the expropriation of private industry by the people.

Soviet Russia on the Ascendancy.

Political power and solidarity in a nation are only a reflection of economic solutions. Russian has far from completed the solution of her economic problems, but she has proven that a Soviet form of organization can hold a nation together and keep its industrial life going after it had been reduced to a condition of ruin so complete that no other social form can hold it together.

Russia had been defeated, broken into fragments, and economically destroyed by the war. Its frontiers had shrunk into a little circle around Petrograd and Moscow besieged by the armies of a dozen nations. Yet the social power that was generated by the Soviet social form was vital enough to push back these frontiers to the Arctic Ocean in the North, to the Black Sea and the Transcaucasia in the South, strong enough to wear down the Japanese military power and to stretch its rule across five thousand miles to the Pacific. Yes, while the French bankers squabble four years unsuccessfully to reach the left bank of the Rhein a hundred miles away, the Soviet Power advances five thousand miles to the left bank of the Pacific. Meanwhile the decaying political system of the West — representing a decayed economic system — lets the prizes of the World War in the Dardanelles slip into the hands of an ally of Soviet Russia, a pupil of Moscow.

The vitality of the Soviet Power rests upon an *economic* basis. No abstract notion without economic basis could have swept this mighty tide across two continents. This power of social organization which the Bolsheviks have found is a power without which nations cannot hold together. And we repeat that it is based upon a special form of *economic* organization.

Bolsheviks as Organizers.

Not only is this basically an economic force, but it is an *organizing* force. It has organized armies better than any professional army-organizers, and out of material that no other force could handle. It wrested by force out of the hands of Kolchak and Wrangel human herds which it reorganized into iron battalions. It has disorganized every army that has been sent against it, and when these have not been quickly withdrawn from contact with it, it has captured and reorganized them with a stronger discipline.

In short the Bolsheviks of Russia have organized in a superior form everything that has come into their hands.

But the Bolsheviks *have never come into possession of a complete industrial system.* Old Russia had only a partial industrial system which was absolutely dependent upon imported machine equipment and supplies. It was a system which never could run under a blockade. And this fragment of an industrial system was practically destroyed by the war. France is now complaining that she cannot live without help; Clemenceau begs compassion of the world for "France's twenty thousand destroyed industries." All the industrial system that Russia had was destroyed. Soviet Russia quite naturally asks that her friends lend help in importing and establishing a self-sustaining industrial system.

American capitalists generally, with the encouragement of the US Government, refuse to supply this equipment and organization. Why? The only reason given is that Russia hasn't got this equipment and organization! We hold this is an excellent reason for capitalists that want to strangle Russia, but that it is a better reason for the workers to redouble their efforts through the Russian-American Industrial Corporation to supply Russia with machines, materials, and industrial skill. We can't expect Mr. Thompson to understand this. It is a philosophy which, generally speaking, is

impossible to the class of which Mr. Thompson and Mr. Clemenceau are spokesmen. A cat will be a cat and a fish will be a fish, and nobody can persuade a cat to love a cool river, not a fish to love a warm corner by the stove. One must as a general rule live in the labor movement to understand this philosophy. We think Hillman understands it better than Thompson.

The Russian Soviet Government is better able to keep any promises it now makes than any other government in Europe. Very nearly admitting this, Mr. Thompson says that "*whether it will is the big question.*"

And here the matter reaches the point of ridiculousness. A mighty government representing a new order is born into the world and has undisputed possession of one-sixth of the earth's land surface. The one remaining obstacle to its existence is the boycott of capitalists who will not supply it with industrial machinery. The Soviet Government appeals over the heads of the capitalists, asking the workers of the world to break the boycott by supplying industrial machinery as friend

to friend in partnership. The Soviet Government gives its promise to the outside workers that every dollar will be guaranteed and likewise it guarantees to pay a minimum return of 8 percent on the investment. Leave aside all questions of honor; leave aside the fact that the sold support of the Soviet Government rests in the respect and confidence and friendship of the working class. "Businessmen" could not generally understand anything of that. But what kind of folly would it be if the Russians failed to keep such a promise?

But Mr. Thompson is afraid that if we supply industrial machinery to Russia, the Soviet Government "can easily cripple the industry, should it so desire, by prohibiting the importation of sewing machine needles."

For our part, we say to the American labor movement and to all sympathizers and liberals — *buy stock in the Russian-American Industrial Corporation!* The first Workers' Republic asks for your help. As the mightiest power in Europe it guarantees the funds that you can put into a partnership with it.

Edited by Tim Davenport.

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