

# Resolution of the Sixth Session of E. C. of the Profintern

(*And the Next Plenum of Our Party*)

By M. ALPI

**F**ROM the day on which the C. I. set the line for our Party to follow, by the open letter, our Party made a very good advance from an ideological and organizational point of view, especially after the last plenum of the C. C. in which we fixed the tasks for the future.

Today, in place of some hundreds of renegades, the next plenum of the C. C. will find the Party strengthened by thousands of new members, by thousands of new workers who joined the Party in the last weeks through the recruiting drive. The Party marches forward in quick tempo and the frightening cries of the different renegades who live on speculation will not hold back the march of the real and only vanguard of the working class of the U. S.

One of the most important tasks of the next plenum will be to coordinate better all the forces of the Party, to strengthen itself organizationally, structurally, and to fix on the basis of the analysis of the situation the new practical tasks for tomorrow, the most important of which shall be the concentration of the Party forces in the building of the T. U. U. L.

The resolution of the last session of the Profintern points out clearly the route that we shall follow. In general the resolutions do not bring anything new or changed in comparison with the Party resolutions and with the resolutions of the T. U. U. L. *The great importance of the resolutions is that they confirmed the correctness of the resolutions of the last plenum of our Party in the analysis of the situation which was made by the C. C.; that it brought out very sharply the characteristics of the actual situation.* In the resolution we find the same line of all the resolutions since the Fourth Congress of the Profintern and the Sixth World Congress of the C. I.

In the resolution we find reflected the situation of today. We can say that the Fourth Congress of the Profintern was part of the preparations for the Sixth World Congress of the C. I. and that the development of all the resolutions after this time is the correct reflection of the development of the situation after the two

world congresses—the reflection of the sharpening of all the characteristics of the third period which we fixed in the last Congress.

We might get the impression that from that time till now the situation is totally changed, but in reality it is not so. We have no new characteristic on the basis of which we could correct our line. The most important fact is the *sharpening of the characteristics*,—the clearer expressions of the bourgeois dictatorship, the development of fascism and social-fascism, as a method of hindering the march of the workers' movement; to check its own crash; the development in the preparation of the war against the Soviet Union that today is not only expressed through the London Conference and the war preparation in the countries on the S. U. frontier, but also in the open "holy campaign of all churches," instruments of the capitalist system, for the purpose of preparing public opinion for the war, etc.

It is here, in the understanding of the real situation, especially as far as war preparations against the S. U. are concerned, as well as in the understanding of the increase of the inner contradictions and the increase of the contradiction between imperialist powers.

I heard the following expression: "The war will come, must come, but it really is not here yet, neither against the Soviet Union nor between the imperialist powers. Maybe we see the danger too near." This from a worker, from a Party member. This expression of a worker who cannot understand the real immediate war danger is itself a big danger and shows us clearly the influence of the bourgeois press and of the press of all renegades and opportunists on the workers who cannot understand that the preparation for the war against the Soviet Union is not a simple question, and who forget that the war has already begun, and that the truce in Manchuria represents only a pause for the preparation of a new attack. They can lose themselves for a while and do not see that we live in a stage during the process of which we will come to a greater extension of the war under the rapid development of the general crisis of capitalism.

Why such misunderstanding? Because many times we are too mechanical in the explanation of our thesis. Today we must make clearer and clearer that, for example, the London Conference represents not only a new step in the preparation of the war against the Soviet Union, but represents also the increasing of the contradictions between the imperialist powers.

*The fact that they look for the forming of a united front against the Soviet Union tells us that the contradictions between the imperialist powers are stronger in spite of all masks.*

On which basis are the contradictions stronger? On the basis of the inner contradictions which are increasing in every country. The

increase of the number of unemployed masses in all the imperialist countries is a clear sign. These contradictions cannot be overcome through conferences. During all the international discussions of the capitalists we see the increasing of the struggle for the world market and on this basis a greater pressure on the colonial people which leads to a sharpening of the conflict between the imperialist countries and the colonial and semi-colonial people, which shows itself in the development of the revolutionary movement, as, for example, in India, Korea, China, etc.

We face a movement in which appears always clearer the contrast between two great forces—*on the one hand*, the forward march of the working masses of the colonial and semi-colonial people and the increase of the rationalization process, unemployment, wage cuts, strong exploitation of the colonial and semi-colonial people, a movement which clearly takes the character of a political struggle, with the imperialist countries taking very clearly a dictatorial character that before was covered by the mask of bourgeois democracy. *On the other hand*, the capitalists who try every effort to overcome the situation in which they find themselves, but because capitalism is not a united force, and because of the contradictions on the basis of national capitalism, on the basis of the contrast among the monopolists who are not only divided, we find them making the biggest effort to strengthen themselves, their state apparatus, on the line of a clearer and clearer state capitalism. We find them making an effort to unite all the reactionary forces as a whole against the working class, including, together with the church, the social democracy, the Second International, and all the elements which go to unite with their own class, not only to overcome the inner situation but to strengthen themselves also for the struggle on the market.

What is it all about? This union, more than the sharpening of the class struggle, is a quicker differentiation of the classes on the basis of the increase of the general crisis of capitalism. The working class moves toward the subjective situations which from day to day urge it to become more and more class conscious. These actual struggles in all countries show that very clearly. The capitalist powers with all their forces try to stand firmly on their feet, and so started an offensive against the working class as an attempt for their own salvation, as an attempt to strengthen their own position on the world market and at the same time all together try to build a united front for the attack against the Soviet Union which represents not only a danger as a socialist country, but in addition a danger as a socialist industrial country, which is a greater factor in the increase of the general crisis of capitalism.

We have not something new, *but a very sharpening of the class*

*struggle on a world scale which will take the character of war against the Soviet Union and of war between the imperialist powers themselves, especially between those countries whose conflict of interests is greater; and in both cases, civil war in the capitalist countries.* It is dangerous to see in this period, on the basis of the sharpening of the characteristics which will bring to the greatest revolutionary class struggles new victories for the proletariat, something new—a new period.

We have a development of the situation and in this development we will have victories, and maybe also defeats. Our march can be slower or quicker (that depends also upon our capacity to lead the struggle), *but we cannot have the perspective that capitalism can overcome its own contradictions, can stabilize itself.*

In the line of this development we can have a slower march and also a momentary stop, but precisely on the basis of the possible momentary check of the workers' movement will go the contradiction of the struggle, which will strengthen itself for the overthrow of capitalism in the country or in those countries in which the crisis will manifest itself sharply, in which capitalism is weak, or in those countries in which the capitalist apparatus is very strong and thus is prepared the basis for the transformation of the capitalist system into the socialist system, in which just because the capitalist machine is so strong, the contradictions will be greater, and the class struggle will take such forms as history has not yet registered.

We shall see the whole movement and on the basis of the actual situation also the future perspectives, the development of events, and not only see one or two characteristics of the situation, a phase of this period and on the basis of this develop our theories. The latter would be undialectic.

If we speak of new periods we go directly into the field of the right-winger, who does not see the sharpening of the general crisis of capitalism. It is also wrong to divide the period into stages, because in that case there is the danger that in an eventual period of relative, apparent calm, in which there will develop greater contradictions, *we will find people who will see a new relative stabilization and develop theories of a new period.*

"The third period is not separated by any wall from a direct revolutionary situation." (Molotov, from his speech in the eleventh session of the C. I.) In the third period in which the contradictions are from day to day stronger, we find that capitalism tries with all its might to check the workers' movement, and these efforts take the character of a general offensive of capitalism against the working class. On the other hand, under the condition of the increase of the exploitation, of the increase of reaction, the work-

ing class of every country more or less started a counter-offensive, and before the action of all the reactionary forces, together with the state apparatus, the character of the struggle becomes more and more political.

Also in the United States the working class advances in a counter-offensive against the capitalist offensive. The examples of the struggles in the South, in Illinois, the increasing of the movement of the unemployed masses, are clear signs of the development of the class struggle, of the increase of the working class offensive, of the strengthening of the class consciousness of the working class of America.

What are our tasks in this situation? The resolution of the Sixth Session of the Council of the Profintern points out the general line to follow in the trade union work. On this basis we must work out the practical immediate tasks to translate into reality, to concretize the work.

If the T. U. U. L. cannot go forward as quickly as we wish, it is because we generalize too much the problems, because we do not define enough the practical tasks step by step. In general, it is a weakness in our Party to generalize the problems in the lower units of our Party. For example, we hear the same speeches as at the top. The links between the top and the basis of our organization are too weak. They have not the capacity to fix, on the basis of the general line, the practical tasks in their sphere of action.

Another reason for the slow march of the T. U. U. L. is that the organizers are only agitators. We do not concentrate all our forces in building up one or two of the most important unions, which would be the basis of the T. U. U. L., so that it might build itself up more independently.

In our trade union movement many comrades are not free of the idea that everything must be done from New York, from the center, which idea leads to a direct killing of the initiative of the lower units. Our trade union forces are very weak and there still exists the wrong conception that we must have an expert for the different branches of the industries, and for many comrades it is yet difficult to understand that what we need is to have real experts in the trade union field in general, free from the old conception of American trade unionism, that in the most important industrial centers we fail in capable comrades who can lead the whole trade union work, that we work too much on the basis of enthusiasm instead of a real situation.

The Cleveland Convention, of course, was the foundation of the Trade Union Unity League, and from this point of view it was an historical event of the revolutionary workers' movement

in the United States, but the weakness was that after the seven hundred delegates went back to the shops, mills and mines, they did not bring the slogans of the convention to the masses, they did no practical organization work which was assigned to them. They depended too much on the center.

In general we find too much discussion about general problems instead of the practical problems which come out of the general line of the resolutions. In the treatment of the problems we find remains of the old narrow method of discussion.

For example, now, in the raising of the question as to whether we should strike immediately or build the sub-committees first. Why such a discussion, especially between the comrades of the center and the comrades of the lower units? Because we do not give the practical tasks, but too general discussion. The raising of such a question is very poor. It is the same as to put such a question as: "Shall we build the Party first or have the revolution first?" This is a narrow method of thought that must be corrected.

The situation is a strike situation in general. In this situation it is our duty to build the sub-committees all over the country in all factories, mills, mines, etc. If a strike breaks out, we shall try to lead it with all our efforts. If the sub-committees have been built, so much the better. On this basis we will develop our movement. If the sub-committees are not here we must try to get contact with the masses to lead the strike and at the same time build not only the sub-committees but the unions through the struggle.

The general situation is a strike situation, but this does not mean that the strike is already ripe all over and will break simultaneously in every place, for if it were so we would have an immediate revolutionary situation. We must be prepared to take the direction of the strikes where they break out—for example, in Illinois. At the same time we must concentrate all our forces to build the sub-committees and the T. U. U. L. so that we shall be better prepared to lead the strikes, and especially the greater struggle of the near future.

The existing unions are too little involved in the problem of building the T. U. U. L. The Party? Yes, the Party shall give more forces for the purpose of building the T. U. U. L. The Party in the past underestimated the great importance of building up the revolutionary unions, and the trade union movement was considered as something far and separate from the Party, and with the exception of the heads of the T. U. U. L. not the best elements were appointed to the head of the unions.

We must not forget that the Party had to overcome a difficult situation and that *only now the Party has strengthened itself from*

*every point of view and that on this basis it will concentrate all its forces in the building of the T. U. U. L.; that thousands of workers are now joining the Party in quick tempo, and this shows how favorable the situation is also to build the revolutionary unions.*

*It is true that we have here a disproportion, but this disproportion shall not frighten us. We shall be satisfied that our Party is growing quickly and that on the basis of the strengthening of the Party this will better concentrate our own forces in the building of the T. U. U. L.*

It is my strong conviction that in the United States, in which the capitalist machine is so strong, in which the increase of the crisis will throw on the streets many more millions of unemployed, and the wages will be cut still more, that in such a situation we will now be in a position to take a strong lead in the working class struggle. Until now we have seen our weakness in forces, in the organization of the unemployed masses, in the leading of the strikes, etc. This means that now, *together with the increase of the strength of the Party, all our forces must be concentrated in the building of the T. U. U. L., in the organizational work, not only for the organization of the unemployed masses, but for the organization of the unorganized masses.*

It is true that the Party is the vanguard, the leader of the working class, but it is also true that we must be connected with the large masses through the auxiliary organizations, and firstly through the revolutionary trade unions, and only then will we really lead the large masses on a correct revolutionary line.

*The summary of all the results of the Party since the last plenum, the strengthening of the Party from an organizational and ideological point of view, the pointing out of the immediate tasks and primarily the task of concentrating our forces in the building up of the T. U. U. L., will be the task of the next plenum of our Party so that the next convention will find not only a strong Party but also a strong T. U. U. L.*

*We must build not only the Party of the revolutionary unions, but the revolutionary unions themselves.*

*The time when the Party will lead the largest mass to the biggest struggle that the history of the working class movement in America has yet registered is not far away.*

# The Struggle for the World Steel Markets

By HARRY GANNES

ON February 1, 1930, the European Steel Cartel, which comprises the leading steel industries of Germany, France, Czechoslovakia, Yugo Slavia, Luxemburg, and the Saar Valley, organized its international export organization for a concerted drive for the world steel markets.

In the present world crisis of capitalism, this presages tremendous rivalries and antagonisms in the struggle of the imperialists for the world steel markets. In a cable dispatch to the New York Times (Jan. 29, 1930), the correspondent Carlisle MacDonald wrote that the purpose of the new export organization of the powerful European Steel Cartel was as follows:

"Through this new system the Continental steel industry will pursue with added efficiency its campaign for broader world markets. While the new arrangement is temporary, extending only until August 1st, it is generally regarded as the first move in a concerted effort to capture more foreign trade. . . ."

"Thus, members of the cartel, instead of maintaining separate offices in various countries of the world, as has been their custom, will materially reduce their overhead and at the same time increase their efficiency by having one cooperative office in each foreign city."

There is no secret about the fact that the main struggle for markets between the steel trusts of the various imperialist countries centers about North and South America as well as in the Near and Far East.

In view of the sharpening antagonisms of the imperialist powers, the rapid war preparations, chiefly expressed at the London race-for-armament conference, and the growing world crisis of imperialism, the precipitous race for more of the world markets is of the utmost importance.

What are the relation of forces of the world steel capitalists? When the news that the European Steel Cartel was organizing for a concerted drive for more world markets was brought to the attention of the leading steel trust in the United States, the U. S. Steel Corporation, executives of the company announced that: "Any move to broaden the world markets of European manufacturers is construed as fresh competition, so far as American manufacturers



are concerned. . . . The export division of the Steel Corporation has a larger stake in the world markets, it was said, than has the entire cartel of Europe." (N. Y. Times, Jan. 30, 1930).

There were rumors, denied by the U. S. Steel Corporation, that the American steel trust has big interest in the European cartel. The fact is the U. S. Steel corporation has a large, but not controlling interest, in the leading steel plants of Germany, which produce more than 43 per cent of the steel marketed by the European Cartel.

This by no means eliminates the drastic world competition which arises out of the new drive for world markets. The struggle for the world steel markets is now a three-cornered fight. On the one hand there is the United States steel trusts; then there is the European Steel Cartel; and fighting both for a larger share of the world markets are the British steel manufacturers, who are more or less united.

The new policy of the European Steel Cartel arises from two facts mainly.

1) The present crisis of world capitalism is hitting the steel industries particularly hard in Germany, the United States, France and England. The home markets are narrowing fast. Especially is this true in the United States with a sharp decline in automobile production and a tremendous drop in the demand for structural steel for building operations.

2) During 1929, steel exports from the United States reached the highest point since 1920. The American steel trusts are consciously expanding their world markets. In 1929, U. S. steel exports totaled 3,032,352 gross tons, an increase of 5.8 per cent over 1928. Imports into the United States dropped 5.9 per cent from 1928 and were the lowest since 1924. This hit particularly the European Steel Cartel. The largest increase of steel exports from the United States were to Canada, Japan, Mexico, and Italy—precisely those markets that the European Steel Cartel is striving to intensify its efforts to gain.

With the fact admitted by the steel executives themselves, that steel production in the U. S. during 1930 will drop at least between 15 and 20 per cent, there is little doubt that the steel bosses in the United States will spur their attempts to grasp a greater share of the world markets.

The European Steel Cartel was organized in 1926 because the bitter competition between the new steel industry of French imperialism, and the reorganized steel industry of the German capitalists, in the face of American and British competition, threatened by the French and German Steel bosses with ruin.

By agreement, the annual output of the steel syndicate was to

reach a minimum of 26,000,000 tons and a maximum of 30,000,000 tons, to be apportioned among the various imperialists—Germany, 43.50 per cent; France, 31.19 per cent; Belgium, 11.56 per cent; Luxemburg, 8.55 per cent; and Saar Valley 5.20 per cent. Production for 1929 was fixed at 29,587,000 tons. The Czechoslovakian, Austrian and Hungarian steel makers joined the European steel combine later; and the Jugo Slavian steel interests joined in 1927.

Thus, the European Steel Cartel controls more than 20 per cent of the world's steel output, while the United States steel trusts account for 9.8 per cent of the world steel production.

The steel production in 1928 of the leading imperialist powers was as follows:

U. S. ....	51,544,000 tons	49.9 per cent of world total
Germany .....	14,517,000 "	14.3 " " " " " "
France .....	9,386,000 "	9.2 " " " " " "
Belgium .....	3,934,000 "	3.6 " " " " " "

While the main result of these relations of forces, particularly on the basis of the deep-going nature of the present world crisis, points to the sharpest competition for the world markets, we must take the statement of the U. S. Steel Corporation that "there is no direct or indirect relation" between it and the European Steel Cartel with a good-sized grain of salt.

The European Steel Cartel, with Germany's steel industry playing the leading role, was formed in the days of the Dawes Plan when "More than \$500,000,000 of American capital has been poured into Germany," in 30 months, "according to a survey of foreign securities offered in the United States issued by the U. S. dept. of commerce" (Leland Olds, F. P. Service, July 20, 1926).

At that time, also, the leading steel companies in Germany were being merged into the August Thyssenhutte Gewerkschaft (now called the United Steel Works of Germany) which produces more than 40 per cent of the total German steel output.

To facilitate this merger, Dillon, Read and Co., Wall Street bankers, intimately connected with Morgan and Co., Kuhn, Loeb and Co., and through these with the United Steel Corporation, made a short-term loan of \$5,000,000 to the Thyssen steel interests. The New York Times of June 15, 1926 reported that:

"Negotiations for the merger have been in progress for several months. On completion of the consolidation program it is expected that a bond issue of approximately \$50,000,000 will be offered by a syndicate headed by Dillon, Read and Co."

Here we see the gentle nursing and grooming of the German

steel industry by the firm and interested hand of the United States Steel Corporation. During 1925, Fried, Krupp, Ltd. Steel Works, floated a \$10,000,000 loan in the U. S., and the August Thyssen Iron and Steel Works floated a \$12,000,000 loan—all under the gentle guidance of Dillon, Read and Co.,—which, translated into more understandable terms, means J. P. Morgan, and the United States Steel Corporation. "Several other Stinnes properties (mainly in heavy steel industry) are reported to have fallen into American hands." ("American Foreign Investments," Robert Dunn p. 147).

The extent of the interests of the United States Steel Corporation and the American bankers in the European Steel Cartel are not known to date. That they are large is very clear from the above facts. However, these interests do not overshadow the ferocious competition between the various steel trusts and cartels that is at present developing for a greater share of the world's steel markets.

For the U. S. steel trusts more world markets are a life-and-death matter. In December steel production in this country dropped to 38 per cent of capacity—the lowest point in 46 years, with two exceptions, 1907 and 1893. While steel production is rising somewhat in the United States to 70 and 75 per cent (Dec.-Jan.) of capacity as against 85 to 90 per cent in 1929, the increase is built on shifting sands.

The two main bulwarks of the steel trade, automobiles and building, have been knocked into a cocked hat. The building industry has been going down for five years. In 1929 it dropped 13 per cent; in the first month of 1930 it declined 15.8 per cent below 1929—showing a 21.9 per cent reduction below 1928. The demand for structural steel is especially low. The *Annalist* (January 31, 1930) says:

"We face the fact, therefore, that a full two months after President Hoover's business conferences for the resuscitation of business, particularly in the construction field, no upturn is visible on the face of the returns."

The *Annalist* continues and points out that no upturn can be expected for at least a year. Here we have the startling fact that with the tremendous pressure exerted by Hoover and all of the governors of 48 states—the net result is a decline of 15.8 per cent more in building operations!

The automobile industry, which "normally" absorbs more than 20 per cent of the total U. S. steel output, is in even a worse crisis. The most optimistic of the automobile heads claim production in 1930 will be cut not more than 1,200,000 cars—20 per cent. Even this estimate is based on the successful outcome of a terrific drive for more of the world's markets, and the organization of the

European automobile bosses to meet and fight this competition every inch of the way.

With the drop in freight car loadings, and more than 450,000 unused freight cars in good conditions lying in the freight yards, the slight spurt of railroad steel buying will soon die away to invisible proportions. The much-vaunted promises of increased utility building promised Hoover by the utilities executives in November, 1929, is best exemplified by the New York Edison Co., which cut its burget for 1930 by more than \$3,000,000.

In order to stimulate buying, the steel companies have been rapidly cutting prices. The Iron Age, mouthpiece of the steel trusts, reports that the composite price for finished steel dropped 2.3 cents a pound, the lowest since November, 1927. In several rolling mills the price of steel dropped so low that there was an automatic cut in wages among the highly skilled steel workers who have an agreement with the bosses based on a sliding scale gauged by the price of steel. In the Youngstown mills there was a slash of 20 per cent in piece work rates, and a speeding-up of production.

All this points to a battle for the world markets the like of which has never been seen. The resulting antagonisms intensify the war danger.

