

Foster Reports to Red International; Chosen Member of Executive with Jack Johnstone, of Chicago, as Alternate

Editor's Note—William Z. Foster, secretary of the Trade Union Educational League, reported on the general situation in the United States to the Second World Congress of the Red International of Labor Unions. With Monatte, of France, and Walcher, of Germany, who joined in the report on "The World Crisis and the United Front." Foster was selected as the American representative on the International's executive, with Jack Johnstone, of Chicago, alternate. That part of Foster's report dealing with the revival in industry and the outlook before the American labor movement follows:

The Revival of Industry

BY WILLIAM Z. FOSTER

The terrible industrial depression, which has wrought so much havoc to the trade union movement, now seems to be passing. About March, 1922, the first signs of a business revival began in a falling off of the number of firms going into bankruptcy.

At that time there totalled 2,463 for the entire country, whereas in August the total had been reduced to 1,714. Practically all the industries are now on the upgrade. Building is particularly flourishing. In 27 North-

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western States the permits issued for the first eight months of 1922 totalled \$2,362,872,000, which is \$7,000,000 more than for the whole of 1921.

The automobile industry is undergoing a tremendous boom. During August, 1922, it produced 272,640 passenger cars and trucks—the largest production on record, and an increase of more than 200 percent over January, 1922.

The textile industry, despite a terrific strike, is approaching normal production. During July, 1922, the receipts of wool in Boston were 71,307,000 pounds, as against 27,157,000 pounds in June, 1921. The steel industry, which has been heavily hit by the coal and railroad strikes, is nevertheless operating at 55 percent of capacity. This is more than twice the production average of last year.

As for the railroads, the Labor Bureau (a private statistical organization) says: "The railroads of the United States face what will be the greatest traffic demand in history." In the week ending September 30, 1922, they loaded 988,381 cars, which is 43,000 more than the same week in

1921, and only 3,000 less than the record week in 1920.

Receipts of the United States Post Office are a reliable barometer of American business. In 50 of the largest cities they totalled \$19,543,143 in July. This is the largest July business in history, being 11½ percent greater than July, 1921.

August bank clearings for the entire United States are 14 percent higher than the same period in 1921. Postal Savings deposits are 3 percent more than a year ago. The estimated value of the corn, hay, cotton, wheat, potatoes, apples, oats, and other crops, on September 1, 1922, was \$6,200,000,000 as against \$5,000,000,000 in September, 1921.

This general business revival is carrying with it the inevitable rise in prices and wages. The wave of increase in the cost of living, which started at the outbreak of the world war, reached its summit in the latter part of 1920, when it totalled about 90 percent above pre-war figures.

A period of decrease then set in until, in June, 1922, prices had fallen to but 66½ percent above pre-war levels. Now prices are advancing

again rapidly in all basic commodities. This is particularly noticeable in the wholesale branches, retail prices advancing somewhat slower.

The demand for labor is also increasing and unemployment is on the wane.

In metal mining, automobiles, building trades, shipping, textiles, and other industries, workers are in demand. Wages have also taken an upward tendency. The turning point was about in May or June.

At that time United States statistics showed that in the majority of cases where wage scales were changed it was to decrease them.

But in September, of 42 industries reporting, 31 showed increases over August wage scales and 11 decreases. The most striking increase in wages was in the steel industry, where the United States Steel corporation, followed soon after by the independent companies, raised wages 20 percent, September 1, in all its plants.

Will the Labor Movement Recover?

With the stimulus given by the industrial revival, will the labor movement be able to recover the ground it has lost and to march forward

again increasing its numbers and strength? In past years when a period of depression set in, the first thing that happened was a slackening of industry, then prices fell, followed immediately afterward by wages, which in turn brought about a weakening of the unions.

Then, when prosperity began to develop, the industries would first become active, prices would rise, then wages, and finally the trade unions would expand and flourish.

Many labor men, with this typical experience in mind, are overjoyed at the present revival of industry, maintaining that it necessarily involves the recovery and re-establishment of the trade union movement.

This is the position of practically all American trade union leaders. From Samuel Gompers downward they proclaim categorically that the "open shop" drive is stopped, and the anti-union plans of the employers defeated.

But these optimists overlook one most vital factor, a new element in the situation. The capitalist class of today is not the capitalist class of pre-war times, slipshod and willing

to semi-tolerate trade unionism. Now it is incomparably richer and more powerfully organized.

And, above all, it has acquired a new militancy and an unshakable determination to destroy Organized Labor root and branch. It is a full-grown tiger that has tasted blood. One need not be a prophet to see that, industrial revival or not, the "open shop" campaign is going right on as bitterly as ever.

The aggressive, highly-organized capitalists will carry the war to Labor without respite. And so strong have they become, both in morale and organization, that the trade union movement, if it clings to its old methods and notwithstanding the help of better industrial conditions, will not be able to successfully resist them. Unless it modernizes its thinking, tactics, and organization forms, the American labor movement is in imminent danger of being wiped out.

In this critical situation no real leadership may be looked for from the old trade union bureaucrats. Being entirely under the sway of the autocrat Gompers, who has not had a progressive thought for forty years, they are hopelessly reactionary.

They cling desperately to the most antiquated forms of craft unionism, and refuse to recognize the necessity for even the most primitive type of working class political action. They even consider the yellow Amsterdam International as too "revolutionary" for the American labor movement to affiliate with.

They have absolutely nothing constructive to offer. The more the capitalists press them down, the more timid and reactionary they become. If the movement is to be preserved, not to speak of developed, it must be the work of the rebel elements in the trade unions.

They must join hands, all fractions, in a united front against the Gompers bureaucracy. Until its dead dictatorship is broken no movements in America, political, industrial, or co-operative, can amount to anything. Surging up from the bottom, the rank and file militants must make their leaders act aggressively and intelligently or sweep them out of office.

Such a united front of the revolutionary and progressive elements in the labor unions is now developing

through the Trade Union Educational League. With branches in all the leading localities and labor unions of America, this organization is carrying on an aggressive campaign in favor of the program of the Red International of Labor Unions, including a policy of aggressive class struggle instead of class collaboration, the workers' republic, independent working class political action, affiliation with the Moscow International, the general strike, support of the Russian Revolution, industrial unionism through amalgamation, etc.

Remarkable success is being had. The American working class, always militant in spite of reactionary leadership, is responding in the most encouraging fashion. Particularly is this the case with regard to amalgamation, which is sweeping the labor movement under the direct leadership of the revolutionaries organized in the League.

The Gompers bureaucracy, seeing the handwriting on the wall, are fighting desperately on the defensive. In America the future is bright for a united front on the industrial field, as advocated by the Red International of Labor Unions.