The Farmer-Laborites at Crossroads

By JAY LOVESTONE

NOT since the country was torn by the class conflicts over the question of chattel slavery and its attendant problem of state rights versus national centralized governmental supremacy have we been confronted with a political situation so fraught with the likelihood of so many fundamental changes.

The two-party system, supposedly based on the granite facts underlying Americanism, is in a far more serious danger of being thrown overboard than ever before. The divisions among the various layers of the employing class have not been as rife and as acute in the last three score years.

Class Farmer-Labor Party.

The chances for the organization of a national farmer-labor party along class lines; the probability of the launching of a third progressive party supported by the small business elements, the large numbers of the poor farmers, the aristocratic, skilled, upper crust of the working class and even a great mass of the lower strata of the working and farming masses whose discontent is still vague, unclear, tho steadily increasing; the serious deep-rooted dissatisfaction with and lack of confidence in the government and all its subdivisions and ramifications arising from the experiences of the working class in its recent national railway, mine and textile strikes and the shocking revelations of the Teapot Dome explosion—these are only some of the outstanding manifestations of the storm that is now hovering over the political horizon in this country.

Add to this veritable magazine the unstable economic and political conditions prevailing in Europe and the multiplying signs of a revival of dangerous colonial unrest and revolt against the world capitalist imperialists in Korea, in Japan, in Mexico, in the Philippines, in India and you will find that the American working masses are on the threshhold of a period of critical and decisive struggles.

Some may ask: Why draw Europe, the Far East, and Latin-America into a consideration of our national political problems? The matter of fact reply to this question is that: tho the class conflicts in the various countries may be fought very often along the limits of the respective national fronts and are colored by the immediate local conditions at hand, yet the class struggle everywhere is fundamentally and in essence international. Our national economic and political situations are inextricably interlaced with the prevailing economic and political situations in the other countries of the world.

The Economic Situation.

In order to comprehend the serious disintegration that has set in the Republican and Democratic parties, the rise of the insurgent bloc in congress, the spread of the Farmer-Labor movement, the problems confronting these groups and the tactics employed by them, it is necessary to consider first the economic conditions out of which the impending political battles arise and under which they are to be fought out.

For some time there has been waged a ceaseless campaign to convince the country that we are now enjoying the blessings of prosperity. But beneath the surface of these hollow boasts one can detect a strong undercurrent of lack of confidence on the part of our financiers and industrialists in the economic situation today. Financial observers call it, in the language of their technique, "the uneven tone of business," "the strong spirit of caution." Buying today is on a hand to mouth basis, a "small order basis." Short time orders are in vogue. Bradstreet's in one of its latest weekly trade reviews said anent the keel of business navigation that "something like a slackwater appearance is presented. . . . Neither trade nor industry appears equal to a year ago at this time."

Just now the car loading figures are impressively high. But so competent an authority as the New York Times Annalist finds the situation here "uncomfortably impressive." There is mighty good reason for this feeling. The figures for car-loadings are so much higher than the index of production that it is clear to the careful observer that the freight-loadings reflect a shelf-clearing process rather than the approach of a revival of industry. We have today a much bigger freight traffic on a smaller base of production than last year. Such a condition cannot properly be counted as a sign of impending prosperity.

Steel Production Wavering.

Even the production of steel which is put forward as the bright spot of the present situation, is beginning to worry many students of business. The last few months have seen a relapse from the steady fall in steel production thruout the summer and early winter months, largely because of the railway, construction and Japanese orders. Now steel is wavering again. It is showing a positive trend of decline. The Iron Age finds that the orders for May and June delivery are far below the normal volume at this time of the year. Some manufacturers of steel are thinking of lowering the price of steel in order to stimulate buying, because the advance orders are petering out.

The January figures of the Federal Reserve Board, it is true, do show an increase over the December production. But this must not be taken as the herald of prosperity. The trend of economic development can be judged with scientific accuracy only by basing conclusions on conditions prevailing over a long representative period and not over a brief period of a month. This is essential in order to allow for fluctuations in the economic development. Thus, the Annalist sums up the situation by saying that "taken as a whole, production is not extremely active, and the general tone of business is far from resembling that of a progressive boom."

Fear Repetition of 1920.

Some financial experts, like Arthur D. Welton in the Philadelphia Public Ledger, even display fear of a repetition of the 1920 disaster despite the highly advertised boasts that the mistakes of the last great depression have been learned by the capitalist class of this country and will never be permitted to recur. How childish these claims are when they are made in good faith and how helpless the employing class is before superior economic forces inherent in the capitalist system of production and exchange can be seen from the following confession of Mr. Welton writing from Chicago two weeks ago: "The shadows of coming events as they fall across the path of Melvin A. Traylor, president of the First Trust and Savings Bank, are warnings and bad omens. Overexpansion of business is one of his fears. The building industry and railroad development are evidences of it. . . . The railroads have been buying equipment and the tonnage of a million cars a week have been incentive to the purchases, but borrowing money on the assumption that the tonnage will be further increased may lead to trouble and perhaps disaster."

An analysis of the records kept by the free employment offices in New York, Pennsylvania, Massachusetts, Ohio, Illinois, and Wisconsin shows that the number of jobs available for each hundred applicants "has fallen nearly three-fifths of the way back to the lowest point of the depression of 1921."

Unemployment Increase in Wisconsin

In Wisconsin for instance, the analysis of the payroll records made by the Industrial Commission shows a steady decline in average weekly earnings and the total payroll since October, 1923. The total of employes has been falling continuously since August, 1923.

For the first half of February the Pennsylvania Department of Labor and Industry has found "that the common labor market in the majority of the cities remains glutted. In the Philadelphia building trades, according to this report, the "field continues to be heavily flooded with mechanics in nearly every trade."

And the latest findings of the Bureau of Labor Statistics of the Department of Labor on the employment in selected industries in the United States show a decrease "in employment of 1.5 per cent in December over the previous month and a decrease of 1.7 per cent in the total payrolls and of 0.2 per cent in average weekly earnings."

One phase of our present economic conditions cannot be overestimated. The writer refers to the economic crisis amongst the agricultural masses. Just as in 1860 the country could not avoid a crash while its economic structure was divided against itself—half chattel-slave production against half capitalist commodity production—so today the country cannot avoid being overwhelmed by a depression far more serious than the 1921 economic collapse, because the agricultural industry—our largest single industry, an industry having about 49 per cent of the country's total population dependent on it—is hopelessly immersed in the slough of a fundamental economic crisis.

Basil Manly's Views.

This situation was well expressed to the writer the other day by Basil Manly, the noted economist, when he said: "The country cannot avoid an economic depression of the most serious proportions, as long as agriculture continues in its present state of bankruptcy. A wave of acute economic depression is sweeping East to the manufacturing centers. It will hit the industrial areas sooner than most people think it will."

A strikingly similar view is taken by the conservative observer of the Annalist in his last weekly review of the business outlook. Said the Annalist: "Unless all economic theory is wrong, however, there is in sight a new readjustment of American business to world conditions, and one which may be accompanied with some internal business friction. The day is apparently not tomorrow, but it may well enough be the day after tomorrow."

It is under these extremely unsettled and basically disturbed economic conditions beclouded by the menace of an oncoming dangerous crash that the next political struggles are to be fought out in this country. It is out of these very conditions which are part of the general fundamentally unsound economic millieu inherited by all the countries of the world, in some form or other, from the imperialist war that our present class divisions and class conflicts have arisen. As we analyze the rift in the various sections of our employing class and as we examine the growing political consciousness of the working and farming masses, each particular case will appear in its true light as having taken root in these world economic conditions.

The Farmer's Real Problem

(Agricultural Depression: Quarterly Journal of Economics, Feb. 1924, by C. F. Warren of Cornell University.)

IT IS not generally known, declares C. F. Warren—that is the capitalist press does not let it be known—that we are in the midst of the "most serious agricultural crisis ever experienced in the U. S." One million farmers have lost their entire life-time savings and a still greater number have debts larger than their resources. There are 6 million farm owners; 2½ million are tenants and 1½ million are mortgaged owners. The latter groups are those chiefly affected by the present agricultural depression.

Those farmers who are in comparatively comfortable circumstances are looking towards price fixation as a means of getting a greater income from their farms. But the farmers that are now in financial difficulty are not so much interested in the price they can get for their products as in the amount of taxes, interest and debts they must pay. For it is these items which are the chief cause of their present troubles. Taxes have increased an average of 122% from 1914 to 1922. The total average value of crops per farm in the U. S. is $1075 of which an average of $400 is expended in taxes, interest and the repayment of debts. The poorer farmers desire relief in the form of a reduction in these main items of their yearly expenses.

Danger of Inflated Prices.

Mr. Warren explodes several panaceas peddled out by farm politicians to help the farmers. The farmers have been blamed for not having saved money during the war period, with which they might now stave off disaster. The author explains this matter throroly and concludes that many men would now be better off financially if they had not saved money and thus would not have bought or added to their farm holdings at inflated prices. In a disgression he warns young families against a similar loss in their savings if they insist on buying homes at the inflated prices now prevailing. As to the advice that the farmer reduce production, he states that upon a drop in prices the farmer must "work up more units of his product to meet expenses": "It is true", he continues, "that the status of all farmers might be better if production were reduced, but the farmer is primarily concerned with his own individual status". Besides, high prices with a small individual crop might avail the farmer nothing. Mr. Capitalist Anarchy of Production is obviously breaking the back of the farmer. Mr. Warren agrees that the movement of the farmers towards the cities will create a greater demand for farm products, leading towards an improvement in the range of agricultural prices. But he emphasizes that this adjustment will take a decade. The author does not even mention diversified farming as a possible relief, nor does he urge further deflation of labor by capital as an aid to the deflated farmer.

Depression to Continue.

The writer is not optimistic about a quick return to agricultural prosperity—"the depression is likely to continue for many years", the inference is 10 or 15 years. If this analysis is true it means that formation of a strong third or farmer-labor party is practically inevitable. He enumerates the economic conditions that must prevail before a renewal of good times can be hoped for, but he offers no way out for the millions of farmers now in distress. His entire analysis, however, is solid proof that the farm planks of the Workers Party and the Federated Farmer-Labor Party, namely the land to the users and a 5-year moratorium on mortgages, are exactly suited to the needs and desires of the 4 million tenant and mortgaged farmers in the country. It would seem, however, that the added demand for a decrease or suspension of tax payments for this group of farmers would strengthen our program.

The article includes a valuable array of statistics. W. K.

Unemployment In Montreal.

MONTREAL, March 14.—Unemployment has become so serious in this city that a special organization has been formed to deal with it, in addition to the provincial employment bureau and a number of commercial employment agents. It is estimated that 50 per cent of the skilled workers of the city are out of work.

The Rebel Miner

None can be found who envy him
Of his work underground.
He is even little thought of,
Except when winter comes around.

Few of life's joys are his to share
But of burden's he has plenty.
Each year seems like a double decade
E'en tho that means twenty.

There's scarcely a thing he can call his own
Except his labor power.
But with each day he sells to the sons of greed
His life's blood ebbs lower.

Yet when he asks for the things
That are his by right,
He finds he is always forced to face
The power of might.

'Tis then he resolves to better his lot
And escape the bitter oppression,
Only to find that the one's he must fight
Are those who gave him the lesson.

Each battle he enters with increased vigor
Emerging always with gains,
Until convinced that there's nothing to lose
But misery plus the chains.

(Submitted by one of the Progressive Group.)