

LOVESTONE POINTS OUT GROWTH OF STATE POWER IN U. S.; CALLS CAL COOLIDGE "STRIKEBREAKER-IN-CHIEF"

Pointing out that there has been a tremendous growth of state power, that, "the government bureaucracy is continuing to grow apace," Jay Lovestone, reporting for the political committee, reviewed the political situation in the United States at the Fifth National Convention of the Workers (Communist) Party now being held at Irving Plaza Hall, Irving Place and 15th St.

"The presidential power is greater than ever before in the history of this country," said Lovestone. "The president occupies the office of strike-breaker-in-chief. No head of any capitalist country in the world has as much power as the president of the American ruling class."

Lovestone's report will be published in full from day to day in *THE DAILY WORKER*. The discussion of the report that continued Friday night and Saturday will be published in part. The first installment of the report taking up the questions of the economic situation, the political situation and the labor movement is as follows:

REPORT OF THE POLITICAL COMMITTEE

By JAY LOVESTONE.

THE importance of the present moment for the American working class can only be estimated properly when we think of the dominant role that American imperialism plays today in world affairs. For us Communists who are striving to become the leaders of the American proletariat, it is therefore especially important to examine the objective conditions, to recount the concrete steps which we have taken for the development in the United States of a mass Communist Party which will lead the American workers towards the establishment of proletarian rule.

We must estimate the factors determining the Party activities, the shortcomings of the Party, the errors of the Party. What lessons are we to draw? What are our tasks. What are our perspectives? Let me estimate first the factors determining the Party activities today. Here we will deal with the economic factors, the political situation and the conditions of the labor movement!

The Economic Situation.

IN reference to the economic factors, permit me to sketch very briefly the outstanding features of the present situation. I will merely name them and the comrades need no time for analysis here.

First, there is a tremendous accumulation of capitalism.

Second, a great concentration of ownership and centralization of operation in industry as well as in finance. When we speak of mergers, we only have to think of the recent announcement of the proposed merger of the Du Pont Corporation, the General Motors and the U. S. Steel Corporation.

The third characteristic of the present economic situation is an increasing export of capital. Without going into any figures, permit me to say that the first six months of 1927 indicate a considerable increase in the export of capital from the United

States over the similar period in the previous year.

Fourthly, there is a growth of the rentier class.

Fifth, there is a general industrialization process in the United States, particularly in the South.

BUT it would not be dialectic—we would not be scientific, we would not be Marxian, if we merely saw one phase of the process of capitalist development and function in America. Unless we examined the contradictions of American capitalism, we are unable to understand the objective conditions under which our Party is working. Briefly, the outstanding contradictions in American capitalism today are the following:

First, over-development of certain industries, second, a severe and acute crisis in agriculture. The migration of the rural masses to the urban centres is continuing. The income of the farming masses in this country has decreased 42 per cent in the last six years.

Third, there are credit difficulties.

The whole system of installment buying, tho momentarily it is a force for protracting the present period of so-called prosperity, nevertheless it has in it another force—a contradictory force at work. This means that when economic conditions become worse, that this installment buying becomes a source of the greatest danger, the utmost explosive force for a crisis.

Fourthly, a derangement in certain industries like oil, coal and textiles. Fifthly, trustification, the development of cartels in European industry is an increasing challenge to American imperialism. Sixth, the tariff barrier. America maintains a high tariff. As we become a capital exporting country, and as America increases its strategic position in this field, these tends to develop a situation where the tariff becomes an acute problem in the sense that the

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capitalist (finance) must lower the tariff in order to be able to receive payment for their capital loans. The contradictions in this are clear.

Seventh, America is dependent on certain capitalist countries for its of rubber, nitrates and, in the not far distant future, oil.

Last, but not least, American imperialism must be more and more aggressive in its policies, more and more brutal, more and more sharply imperialist in its international relations because of the increasing competition, because of the sharpening challenge of other imperialist powers to its domination.

THE present economic situation: the immediate economic situation—there is no depression, but the signs of recession in industry are not only increasing, but are already tangibly obvious to us. The peak of the prosperity in this cycle has been passed. All official figures and reports indicate that there is a sharper recession in industry already developed than the bankers and economic experts of the bourgeoisie had dared to indicate or even mention months ago.

Unemployment today shows a significant picture. It is only once since August, 1921, that employment has been so low as it is today in such industrial centres as New York and Illinois. General employment in the country today is 18 per cent less than in 1920. Regarding wages today; the monthly average is 30 per cent less than the monthly average in 1920. Railroads, coal as well as the corn crop—these are some sources of profit income showing sharp trends towards worsening. The seasonal factors which some of the bourgeois experts might mention here as responsible are already discounted. Taking all of those into consideration, there is already considerable recession here.

Does that mean that we are on the eve of a big depression? It does not mean we are on the eve of a big depression. That does not mean that we will not have a big depression, but we are not in the immediate period of depression. In estimating the immediate economic outlook we must keep in mind that the cause of the present long period that we have just gone through, the period of prosperity, the immediate effects of a recession will not be so marked, will not be so sharp as they would have been otherwise.

The Political Situation.

NOW the political situation—the political situation in the country is characterized by the following six factors:

First, a tremendous growth of state power. The government bureaucracy is continuing to grow apace. The presidential power is greater than ever before in the history of this country. The president occupies the office of strike-breaker in chief. No head of any capitalist country in the world has as much power as the president of the American ruling class.

Second, the suppressive side of American imperialism is becoming more and more marked and visible to the masses.

Third, the complete oneness of big business and government: in no country in the world is that so clear as here. When Coolidge "chooses" not to run for a term, no one can say his choice is final until Dwight Morrow, Morgan's private adviser visits him. When one speaks of such elements in American government as Mellon, Hoover, Dawes, he has the personification of the oneness of the bourgeoisie, of the ruling class.

Fourth, there are divisions among the American bourgeoisie. Divisions over such policies regarding relations to agriculture, relations to other imperialist powers, our foreign policy, participation in world court or joining the League of Nations, and the question over tariff. There is a growing conflict in the ranks of our bourgeoisie as I have pointed out, over the question of tariff. The question of government centralization is a very important source of division in the ranks of the bourgeoisie; the petty bourgeoisie being opposed to government centralization and the biggest bourgeoisie being in favor of it in the sense not of paying for it but in the sense of having a powerful government at their beck and call serving as a crusher and oppressor of the working farmers and masses.

The sweep of reaction has never before been as marked and as sharp as it is today. We might speak of the days of Palmer in 1920 and 1921, and the days of the big strikes. But never was the system of reaction so steady, as well planned, so well worked out as it is today. This is proven by the fact that in the last two years there have been really no big political issues fought out in a sharp way, as in 1924 for instance in the ranks of the bourgeoisie. The general ideological reaction is witnessed in certain local ways as in the enactment of laws in some states regarding theatre performances, as a struggle between the fundamentalists and the others in the church and in recent United States Supreme Court decisions particularly regarding the trade unions.

The whole reaction is given in a very vivid, a very lurid picture in the recent execution of Sacco and Vanzetti. The significance of this execution need not be dealt with here at

length. Here was a case where the prestige of the capitalist class as a class, not only in relation to the exploited workers of this country, but its relation to ruling classes of other nations was involved in various ways. He who expected justice or mercy in any abstract sense and had illusions as to what the ruling class of America would do, was not basing his perspectives on an analysis of class relations, was not basing his judgement on a sound analysis of the objective conditions. When we view the Sacco-Vanzetti case, we must view it dialectically. We must not only see the terror, the brutality of the bourgeoisie; we must see the other side of it,—the radicalizing forces of the Sacco-Vanzetti case. The Sacco-Vanzetti case is one of the most powerful radicalizing forces that has yet been developed in the working class in our country. Our Party faces a major task in being able to develop such tactics as will make us respond to these conditions and utilize this protest by developing it from a vague protest into a conscious revolutionary sentiment for the destruction of the oppressors of the workers.

III.—The Labor Movement.

NOW the labor movement—in the last three or four years there has been a change in the composition of the trend of the working class. During the war the trend was for the development of a homogenous working class in America. Immigration was shut off. The gap between the unskilled and semi-skilled workers on the one hand and the skilled workers on the other hand was being decreased. In the last five years the trend has more and more gone the other way, particularly in the last two and a half years. The gap between the skilled and unskilled workers in America has not been decreasing but on the contrary increasing. Never before in the history of this country has the gap in wages between certain sections of the highly skilled workers and unskilled workers been so great as today. Figures can be presented showing this particularly clearly in such basic industries as the steel industry. Insofar as immigration is concerned, though there are restrictions, there is considerable "bootleg" immigration, so-called, despite the immigration barriers, to such an extent that the Commissioner of Immigration Hull says there are in the U. S. at present two and one-half million workers who have entered this country in violation of the law.

This condition, together with the objective economic conditions which I have given you is responsible for the change for the worse in the trend of development of a labor party. In a certain period of the recent years, the trend has been upward for a labor party—in the last two years the national trend has been downward. The reason for this is found first in the objective conditions, second in the change in the trend of the development of the composition of our working class.

Thirdly the labor movement is going to the right. When we speak of the labor movement going to the right we speak first of all of the organized labor movement. The leadership of the A. F. of L. is not only bankrupt, but diseased; not only diseased but paralyzing in its effect on the labor movement. Nobody can overestimate the dangerous, the harmful effect of this leadership on our working class. Take the miners' strike. The miners' union, once it was the backbone of the A. F. of L.—once the most militant, biggest union in the organized labor movement. We have a mine strike today which is paralysis, not a strike. And the supposed-to-be leaders of this strike are the ones forcing this paralysis and inactivity on the workers.

TAKE the Socialist Party of America. It is not a local matter that Mr. Judge Pankin is offered the nomination on the Republican ticket. It is not a local matter that the Republican Party felt so sure that Pankin would accept that they withdrew their own candidate. The time has come when the bourgeoisie are showing full faith, in the open, in the S. P. as it is today.

The development of company unionism—the increase in that direction tends in some ways to hasten the welding of the bureaucracy with the imperialists. Mr. Green and the A. F. of L. executive council are occupying in my opinion a cabinet without portfolio in the United States cabinet. Their job is to say yes to what the cabinet does. The foreign policy of the A. F. of L. is determined by the state department in Washington.

The weakening of the militant sections of the working class has had a most detrimental effect on the unorganized as well as the organized workers.

The collapse of the amalgamation wave—the tremendous amalgamation wave of several years ago has collapsed. We must keep in mind the liquidation of such organizations as forces for militancy in the labor movement as the I. W. W. and S. P. The militants in these organizations coming in the main to our Party, and those who have gone to the right, even going to the enemies of the working class.

There are also opposite trends. There are trends towards radical-

Tourists to Soviet Union Will Witness Scenes of Revolt

On the heels of the announcement that the proposed six weeks' tour to Soviet Russia has been lengthened to eight weeks comes the news that a stop of one day will be made in London and Helsingfors to enable the tourists to make an extensive sight-seeing trip in each city, supervised by World Tourists, Inc., and included in the cost of the tour.

By special arrangement, the tourists will have all visa requirements attended to by World Tourists, Inc. This is important, for individual applicants for a visa to Soviet Russia have been known to wait months only to have it refused.

Sails Oct. 14.

Definite arrangements have been concluded with the Cunard Line for the charter of the commodious, twin-screw liner "Carmania" for the trip to London. The scheduled date of sailing is October 14th. From London the party will proceed to Helsingfors, then to Leningrad, Moscow and adjacent towns.

On entering Russia the group will be met by special representatives of the U.S.S.R. Society for Cultural Relations who will act as guides and interpreters throughout its stay in Russia. This society is arranging in advance all visits to children's colonies and nursery schools, to factories and workers' clubs, to art galleries and museums. Where necessary, special means of transportation are also being provided. The current offerings of the Moscow Art Theatre and the Russian stage in general, as well as the foremost cinemas, will be open to the tourists.

Prepare For Celebration.

While this tour is being arranged, elaborate preparations are taking place throughout the Soviet Union for a great holiday—the nation-wide celebrations of the tenth anniversary of the Russian Revolution. All the cultural, educational and artistic forces are combining for a gala jubilee. The history of Soviet Russia from its dynamic birth, through the hectic days of the revolution, will be vividly portrayed in huge floats; decisive events will be relived on the stage; victories celebrated in festival.

The cost of the entire tour—from sailing to return—is six hundred dollars. This covers all expenses for sight-seeing as well as rail and steamship fares, hotel accommodations, and meals.

Accommodations for tourists will be taxed to capacity for visiting delegations are expected from every country. Each country has been permitted to send a quota which is not to be exceeded. The number of Americans are limited to 100, and those interested should write at once for further information to World Tourists, Inc., at 69 Fifth Avenue, New York.

ization, trends toward the development of left mass movements. Passaic may have been a small scale example of this, but Passaic was nationally significant in the sense that in the very period of reaction, at the very moment when the A. F. of L. bureaucracy was carrying scab advertisements of employers who were struck, at that very moment, 12,000 textile workers in the face of the oppression of the employers, the government and the labor leaders, struck and fought in a most heroic manner. The struggle in the needle trades is not a mere struggle for control of office between left and right wing, but comes as a result of the economic crisis in the needle trades. The problem is how this crisis shall be met. Here the left wing stands for a fight in face of betrayal by the right wing, no matter what camouflage phrases the latter uses for its surrender to the employers.

TAKE the last convention of the Brotherhood of Locomotive Engineers. There was no conscious radicalism at that convention. Nobody dared propose a resolution for Sacco and Vanzetti in that convention. That convention, if judged superficially, was a convention dominated by labor bankers. But it is very significant that the man who was elected president, ran under the slogan of "I am a labor leader, not a labor banker." He who is president today is not a progressive in the sense that we understand what a progressive is, but compared relatively to those who preceded him, he is a sign of the fact that because of objective conditions developing in the conditions of employment and investments in the very Brotherhood of Locomotive Engineers' ranks, in the very industry in which they are working, the perfection of the machinery which tends to cut down their skill there is a growing basis for developing a conscious radical movement.

And let no one say of these aristocrats of labor that they are unimportant. They are native elements. The locomotive engineers have years of experience in organization and if we could develop them and win them over towards a militant class struggle point of view it would be a big achievement for us because they could give considerable help to the unorganized masses who have had little or much less experience in the class struggle.

Take the Sacco-Vanzetti case and the development of our Party. Despite serious obstacles by the bureaucrats, we have been able to become the driving force in this mighty radicalizing force of our working class. (To Be Continued.)