

Did We "Hide" the Crisis?

Stalin, Duranty and the 'Economic Situation in the U. S. A.'

by Jay Lovestone

At the 16 Congress of the Communist Party of the Soviet Union the present world position of United States capitalism and the present economic situation in the United States received considerable attention. This is natural in view of the present international role of U. S. imperialism.

A discussion of the conditions of American capitalist economy today inevitably involves a discussion of the entire world economic situation. And there was so much talk about the American economic situation at the 16 Party Congress of the CPSU that it even inspired Mr. Walter Duranty, the *New York Times* correspondent, to a whole series of cables and letters. In these cables and letters the situation in the America Party naturally came in for comment. Mr. Duranty, it must be remembered, is one of the capitalist class. For nine out of ten official Communists, however, Duranty is an authority and spokesman on questions of economic policy in the Soviet Union and on economic conditions in the United States—as seen by the present Stalinist regime in the CPSU. Therefore, Duranty's dispatches assume for the average official Party leader or functionary a sort of a sacred, infallible character expressing the vision and will of such infallibles as Stalin, Molotov, Manuisky, etc. In fact, so much prestige has this rather capable and intelligent bourgeois correspondent (by far the most capable capitalist correspondent in the USSR today) won in the highest ranks of the official Party bureaucracy that there is even spreading in the Party the phantastic legend (perhaps not so phantastic after all) that in general what Duranty says Stalin really means or wants to have believed in the United States.

The entire powerful machinery of Stalin and his puppets in our Party has been mobilized full blast to spread the nonsensical fairy-tale that Stalin was the one Communist leader who foresaw the present economic crisis in the United States and that we did not. That is why we are supposed to be "renegades" "opportunists" "agents of Hoover" and "the real forces behind the scenes in Wall Street"! That is why, because of this prophetic vision as it were, we have been told that "Stalin succeeds where Lenin failed."

Says Mr. Duranty in the *New York Times* of July 26: "Stalin emphasized the American crisis for the simple human reason that he had prophesied its advent during the tensest moment of his strife with the 'right' adversaries in the Central Committee—at a moment, indeed, when it seemed remotest, if not improbable. To use an unworthy metaphor, he 'doped it out' beforehand from the books of Marx and Lenin and bet on it against long odds and won."

Then, in the *New York Times* of Aug. 3 there appeared a long letter mailed by Duranty from Moscow saying that our estimate of the world position of American capitalism was as follows:

"Post-war capitalist stabilization might hold good for Europe but the United States was an exception where European rules did not apply and the American Communist Party should follow a different and exceptional policy . . ."

But with Stalin, says Duranty, it was otherwise (1):

"But aside from Stalin's superb political genius, aside from a skillful handling of one of the most efficient 'machines' the world has ever seen, no small part

of his success was due to the fact that after all, Stalin was correct—a period of world depression was at hand.

"That after all when you get down to it, it was one of the two big arguments put forward by the Kremlin at the Communist Party Convention which has just ended . . ."

"No one, on the other hand, could question the reality of the present world-wide capitalist depression, or deny that Stalin and the Kremlin have gauged the case more accurately than Bukharin or Pepper."

And Comrade Voroshilov was even so generous in his denunciation and misrepresentation of us—along the same lines as Duranty—that in reporting for the Central Committee before the 16 Party Congress he declared that we had for a long hidden the American economic crisis from the Communist International and the CPSU!

After this treat of romantic journalism, some indisputable facts will prove very helpful. Did we, the previous leadership of the American Communist Party, foresee the present economic crisis in the United States? Did we understand its basis? Did we understand its causes and forms? Did we hide it from our Russian comrades or from the Communist International? And what was the attitude and estimate of our Russian comrades then towards our analysis and conclusions? These are pertinent questions. They must be answered frankly and strictly on the basis of unchallengeable facts. Lurid journalism will prove of no avail here.

On February 4, 1928, I presented, in behalf of the political committee, to the Plenum of the Central Committee of our Party "Theses on the Present Economic and Political Situation and the Tasks of our Party." These Theses were unanimously adopted by the Plenum and estimated the economic situation and outlook as follows:

"What is in sight? It cannot yet be said at this time that we are facing an immediate deepgoing economic crisis. But the continuous development of the contradictions within American capitalism is proceeding at such a pace that the coming of the deepgoing crisis is unavoidable in the near future. The productive capacities in the basic industries have far outgrown the domestic market. The growing capitalist offensive against wage and working standards is further limiting the domestic market. . . . In spite of its tremendous powers, American capitalism cannot solve its inner contradictions now manifesting themselves on a broader basis."

With all due apologies to the new Party historian, Mr. Duranty, we must emphasize that the above estimate was made by us at least a year and one-half before the outbreak of the present severe economic crisis and before Comrade Stalin and Molotov or any of their lesser luminaries said or wrote a word about it.

This analysis was approved by the Communist International in a letter to our Central Committee immediately after the 9 Plenum of the Executive Committee of the Comintern. This approval of the Comintern sent to our Party on April 13, 1928, said in part as follows:

"The Workers Communist Party of America which has already played the leading role in these struggles . . . has now as its major task to mobilize and to organize the workers under its banner against the capitalist offensive and against the reformist supporters of capitalism,—namely the American Federation of Labor and the Socialist Party."

"The instruction given by the CEC . . . arises logically from the correct analysis of the present economic and political situation in the USA contained in the February Theses."

Pursuing the same analysis and on the basis of the program and international resolutions which we helped to formulate, we said in the Theses presented by Comrades Gitlow and myself to the Cen-

tral Committee Plenum in December 1928 that:

"The spokesmen of American capitalism boast about the 'invincibility' of American prosperity. A whole series of theories are being put forward to 'explain' the 'miraculous secret' of American capitalism . . . The crisis which would put at least a temporary end to American prosperity has already been due for quite a long period. But it has been delayed, though by no means prevented as apologists of imperialism maintain. It is necessary to give an account of the reasons for this delay."

Once more, in the report of the Central Committee to the 6 Party Convention, a report which was fully endorsed by the delegation of the Comintern to our convention, Comrades Dengel and Pollit, and overwhelmingly adopted by the convention, (March 7, 1929) I emphasized:

"A crisis, a deep going crisis, which though it may not yet be the final basic crisis of American imperialism, is long overdue. Any crisis which occurs today in the United States cannot be viewed as a normal or so-called cyclical crisis of American capitalism, because of the international situation. The intensified development of the productive forces in the South have temporarily drawn in Europe and Latin America have served as so-called safety valves in delaying the crisis. We have elements of crisis not only continuing to develop parallel with the increasing productive forces, but because of this very increase of productive forces."

" . . . And all this speculation on the stock market, and all these brokers' loans—they are not a sign of prosperity. These grow out of the surplus of capital in the country. Quite the contrary, this terrible speculation is the very proof of deepening, serious contradictions developing in the productive processes of this

country which draws capital in such great volumes towards the stock-market. It shows the impossibility of industry 'profitably' absorbing the available capital. . . ."

" . . . Superficially, this may appear to be a windfall of prosperity. Actually it is the signal of a storm that will bring devastation in its wake once it begins to sweep the country."

"The present 'prosperity' itself creates the very factors which are bound to precipitate a deepgoing economic crisis. The wild stock exchange speculation with its huge extension of credit; the 'sick' industries like coal, textile and oil; the very extension of instalment buying which is such an important factor of the 'prosperity' of today; the very industrialization of the South is proving a powerful competing factor; the growing disproportion between production and consumption which is part of the general anarchy and the general disproportion between the various branches of capitalist production; the growing gap between industry and agriculture; the increasing consumption limitations of the masses; the increasing foreign competition—these are but some of the germinating elements of crisis in United States capitalist economy."

It is especially interesting to note in this regard that at the very time when our Central Committee was making the above analysis of the sharpening contradictions of United States imperialism, the Open Letter of the Executive Committee of the Comintern to our 6 National Convention, in estimating American imperialism, spoke of "the ever-growing economic power and ever-increasing importance of American imperialism on the world arena."

We have provided enough evidence here to show whether indeed Stalin was "the only Communist" to foresee the American crisis and whether indeed we "hid the crisis" from the Comintern. In the next article we will examine the estimate made by us and the estimate made by the new regime in the Party and the Comintern of the present economic crisis in the USA.

The New Workers School

Valuable Courses Given by Lovestone, Wolfe, Others

The New Workers School, announces its fall opening for the first week in October with an attractive list of courses which should be of interest to all working men and women. The instructors include Jay Lovestone, D. Benjamin, Will Herberg, Herbert Zam, Jim Cork, Joe Speare, M. Weber, and Bert Wolfe.

Jay Lovestone will give a series of popular lectures entitled, "The Class War Today" on Sunday evenings at 8 p. m. The lecture series will analyze history in the making as it occurs from week to week. Lovestone will take up each Sunday the most important event of the preceding week, events such as the "disarmament" conferences, the Fish Committee, developments in China and India, the Congressional elections, etc.

The keystone of the study courses is a course in "The Fundamentals of Communism" by D. Benjamin whose previous courses in the same subject have always been highly popular. Special phases of social science for more advanced students are the courses in "The Program of the Communist International" by Herbert Zam, in Marxism-Leninism by Will Herberg, and in "Marxian Philosophy" by Bert Wolfe. To acquaint workers with the real nature of American history and institutions the school offers a course in "Economic-Political History of the United States" with Jim Cork as instructor. The English Department under the direction of M. Weber will offer both elementary and advanced English courses. The former, intended especially for foreign-born workers, will be taught by Joe Speare. Additional courses on various subjects related to the general aim of the school ("training for the class struggle") will be given as registration warrants.

The New Workers' School was founded by the Majority Group of the Commu-

nist Party for the purpose of continuing the work so successfully undertaken by the old Workers School of New York, which thanks to the wrong line at present prevailing in the Party, is revising and falsifying Leninism and hence no longer serving the purposes for which it is founded. The New Workers' School is now in its second year, having been launched last year under the name of Marx-Lenin School. In spite of the word "New" in its name it is not new either in management, traditions, aims, teachers or courses. Every one of its teachers was formerly a leading teacher of the old Workers School and its administrative staff consists of Bertram D. Wolfe, Director; D. Benjamin, Assistant Director and S. W. Levich, Secretary—the same administrative staff which built up and directed the old Workers School and made it the outstanding force in the movement for Workers Education in the United States. The word "New", however, is put into the name of the New Workers School to avoid confusion with the Workers School which has now abandoned Marxism-Leninism as a basis for its teachings and substituted the present revision and falsification of those scientific principles. The New Workers School is at present located at 37 East 28th Street, 8th Floor, but is seeking larger headquarters.

D. R. H. LINN
DENTIST

1235 VYSE AVE.

BRONX, N. Y.

Phone: DAYton 2257

1 After giving this carte blanche endorsement to the political genius and analysis of Comrade Stalin and his associates in the Soviet Union, Mr. Duranty goes on to give some "timely advice" to his own master, the American ruling class when he says:

"Personally I consider that the 'Communist menace' in America, or in Great Britain for that matter, is preposterous nonsense and to allow it to interfere with business is well-nigh criminal imbecility. If, however, the United States government is less sure of itself than I believe, or if the Communist danger is really greater than I imagine, there is a remedy adopted long ago by Turkey, Persia and Afghanistan, in regard to the native Communists."

"These simple oriental nations carry on profitable trade with the Soviet Union, maintain friendly relations, have exchanged Ambassadors and when they get the chance do not fail to play that friendship against Britain or other Western powers. But they have the same naive way of dealing with the 'Communist menace' as Russia uses towards her own counter-revolutionaries. 'Dead men can only squeak in hell,' says the Persian proverb."

"Particularly timely advice" Matthew Wall might well say of Mr. Duranty's conclusion.