Can American Capitalism Be "Organized"?

A Review of Lyon's "Hand to Mouth Buying"

By Jay Lovestone

F orty years high-priced economic experts have been advertising the notion that in the United States capitalist production is actually "too organized" to compete with the "unorganized" farms. As a result, these bourgeois economists say the United States has entered a "new era," an era in which there would be "jobless growth" and "dynamic equilibrium." For instance, one hears much talk about the "capacity of capitalism in America or elsewhere to organize a completely planned economy." It is in this light that Lyon's book is especially timely today. It is a valuable contribution to the study of the problems of capitalist rationalization, and to the study of one of the recent significant structural changes in American capitalism. This book deals concretely with an important phase of the problems of capitalist rationalization, namely, the "hand to mouth" buying of large sections of the working class. The main findings of Mr. Lyon are based on a thorough investigation of the actual conditions and trends in such industries as steel, textiles, canning, oil-refining, etc., over a representative number of years.

Not a New "Panacea"

Most people believe that hand-to-mouth buying began as a result of the post-war "boom" collapse in 1929. This is only one in a series of important phases of the capitalist rationalization of production. It is not, therefore, the result of some particular phenomena, but of the necessity of stockpiling commodities, etc. This was then especially true for the steel and shipbuilding industries; nor is hand-to-mouth buying limited only to a post-war development in the iron and steel industry.

Here we have a case where a quantitative change became a qualitative change. After the War, the practice of hand-to-mouth buying became so much more extensive that it really constituted structural changes in post-war capitalist economy.

The Effects of Hand-To-Mouth Buying

The author raises the question: "Is hand-to-mouth buying stabilizing production?" He does not give a decisive answer, affirmatively or negatively, in regard to its effect on capitalist reproduction. But he does speak of some effects of hand-to-mouth buying, "for some other purposes." Capital invested in supplies and inventories, to make American capitalism more dynamic and more nearly a matter of planning and control. This conclusion of Mr. Lyon is untenable. It is false. The very lack of substantial advance in productive processes tends to make planned production more difficult and can only add hesitation and uncertainty to any such efforts.

"HAND-TO-MOUTH BUYING" BY LEVETRE S. LYNN. Institute of Economics of the Brooklyn Institute. 1929.

A Great Democracy!

ELIZABETH GURLEY FLYNN GETS GREAT OAVATION AT WEEKLY REVOLUTIONARY AGE BANQUET.

FIVE hundred workers, including many Party members and friends and sympathizers, crowded the hall at the New Harlem Casino on Saturday evening, February 1, at the great banquet for the Weekly Revolutionary Age, sponsored by the new 105-member, newly formed, "Central Committee" of a striking appearance with the red banners, revolutionary deco- rate, and a band. The occasion was crowded with people who are present are likely to forget! Eulogies were given by the organizers of the banquet, the striking shoe workers, from the needle trades workers, from the Public Service Workers, from the National Trade Workers Indus- trial Union, William Battles, President and A. Elizabeth Hendrikse, Executive Secretary of the Harlem Tenants League, M. Perlow, leader of the striking furniture workers, S. Jones, vice-president of the Independent Shoe Workers Union, Bertram D. Wells, Ben Gitlow, J. O. Bentall, Eddie Marshall (of the VCL-Majority Group), and finally Jay Lovestone was among the speakers. Harry W. Jumis was a chairman worthy of the occasion on the platform, and gave a few moments by a rising tribute to the memory of Steve Vanacore.

The entertainment at the banquet included revolutionary ballads by Louis Glucksby, Negro work songs by Florence and contradicts by L. E. Shin and Kean, and a violin solo by Sarah Nemser. The banquet was celebrated with appropriate speeches.

For a week previously the Party bureau had schemed and planned for this banquet. They organized a "strong arm" squad and mobilized all those who would go to the banquet to be "on the last minute, realizing the strong mass support behind our banquet." They planned it in every detail. It is a splendid way of having seen the strong defense our comrades had prepared again in part. It is certainly important, but it is in their mind a little." A few "scouts" under the leadership of this way. It has been a year since the Weekly Revolutionary Age was shown in the collection which it is a yearly work in cash, including the vols. of comrades still in the Party. The Harlem section group, in addition to a substantial one, is a result of the collection of the ban-

The whole banquet—the largest gathering arranged by the New York C.P. Majority Group—is a splendid political demon-

Genuine Planned Economics In the Soviet Union

The more the capitalists in the United States and in every other capitalist country strive for order in their country, the more they are wading the chasm of chaos towards which their system is heading. It is only in a country where capitalism has been able to set up their own government that effective steps can be taken towards genuine planned economy, free from panics and crises. We say it in the interest of the great mass of the population—the working and farming masses. The Soviet Union is an inspiring, living proof of this great truth taught us by Marx and Lenin.

The Problem of Planned Economy

To an extent Mr. Lyon vaguely sees this. He fails to arrive at this conclusion. Lyon does not take the "hand to mouth" economic ideas as a whole, but does speak of some effects of hand-to-mouth buying that "the concept of a new era, in which there would be "jobless growth" and "dynamic equilibrium." For instance, one hears much talk about the "capacity of capitalism in America or elsewhere to organize a completely planned economy." It is in this light that Lyon's book is especially timely today. It is a valuable contribution to the study of the problems of capitalist rationalization, and to the study of one of the recent significant structural changes in American capitalism. This book deals concretely with an important phase of the problems of capitalist rationalization, namely, the "hand to mouth" buying of large sections of the working class. The main findings of Mr. Lyon are based on a thorough investigation of the actual conditions and trends in such industries as steel, textiles, canning, oil-refining, etc., over a representative number of years.

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