

Can Monopoly Capitalism Be Organized?

Herbert C. Hoover, the "engineer in politics" has again assured the "public" that economic conditions are "essentially sound". He sees a new upward trend. Undoubtedly this is not very assuring to the growing numbers of the millions already tramping the streets in vain search for a job.

There could perhaps be no better proof that the selection of the president of the United States is made entirely in accord with the interests and policies of the dominant imperialists. Prior to Nov. 1928, the coming lean period could be foreseen. A mediocre Coolidge would not do to carry the scepter. An engineer was required who could step forward and boldly carry out these policies, which, as the coming period will witness, have intimate relation with world shaking events.

Immediately the "Hoover prosperity" was made proverbial. At the beginning of this present crisis he set out on his first task—to restore "public faith". His economic conferences were heralded as the unflinching stabilizer. Did he set out to materialize the program of the Committee on Recent Economic Changes, headed by himself, which summarized the problems of American capitalism as follows?

"To maintain the dynamic equilibrium of recent years is indeed a problem of leadership which more and more demands deliberate public attention and control. Research and study, the orderly classification of knowledge, joined to increasing skill, well may make complete control of the economic system a possibility."

If so, the answer can already be given categorically: Not until the capitalist system of production with all its cancers and conflicts is abolished will complete control of the economic system be a possibility. And then no more in the interest of the capitalist exploiters, but in the interest of the proletarian producers.

Opposition Platform Forecasts Present Crisis
The phenomenal rapid expansion of American imperialism during the last decade; the extreme rationalization of its industry; the gigantic development of productive forces, outstripping the expansion of the market; the immensely increased exploitation by speedup of the workers bringing in its wake an immense standing unemployed army; the reduction of skill and sharpened economic contradictions;—these have brought the first inevitable result in this present cyclic crisis.

We described this in our Communist (Opposition) platform, of April 1929, as a "growing disproportion between the rate of expansion of productive capacity and the rate of growth of production and consumption". We cited the index figures of production in big industry as having risen from 146 in 1919 to 171 in 1927 (1914 equals 100). The index figures for workers employed in big industry fell from 129 in 1919 to 114 in 1927 (1914 equals 100) although population growth for the same years was from 106 to 120 respectively (this includes the period of so-called prosperity). In addition there has been an influx into the ranks of the unemployed of declassed farmers. It has also been estimated by most economic authorities that during the last decade the improvement of machinery has increased the productivity of labor by 45%.

Hoover's Program

Hoover in stepping forward with his program for maintaining "economic balance" did not call upon Congress; but openly proclaimed where the real power lies by calling upon financiers and executives of the big corporations and banks. Compare for one moment this present arrogant dominance of American imperialism with the United States of pre-war days. President Roosevelt, also the "choice" of the Republican party, became the best possible public front to express and simultaneously to allay the large middle class suspicion and antagonism toward trust combination. Only under the shield of his "trust busting" program could the basis be laid well for the further rapid capitalist monopoly developments. The Sherman anti-trust law proved no real obstacle whatever.

Gigantic mergers have been on the order of the day ever since, yet representing only a fraction of such developments to come. The Interstate Commerce Commission proposal for merger of the existing railroads into 19 systems is but a begin-

By Arne Swaback

ning. Monopoly capitalism has had its development par excellence in the United States. The great resources have been sufficient to keep the biggest enterprises solidly in the hands of private owners, without much need of the government taking over such functions, save such examples as the U. S. Shipping Board. The government could serve capitalism better by appearing to stand separate and to maintain the illusion of "democratic regulator of relations of production". Now the first actual tendencies are indicated toward the higher stage of development—toward state capitalism. Not, of course, in the same forms, ramifications and methods of developing state capitalism of the fascist state in Italy, nor even the forms of the actual tendencies toward state capitalism in Germany; but rather as one capitalist economic writer "hopefully" puts it in the *Forbes Magazine*: "An experiment of social control of business... as a substitute for the utter anarchy which in the past characterized the government of industry... with a new code of rationalized co-ordination and stabilization in the interest of the larger economic group".

Capitalism Can Only Intensify Anarchic Production

The first steps in the direction of this "experiment", the most important aspect of the Hoover economic conferences, gives to the building program the role mainly of the public front. The projected economic council, now being formed, is to become the experimental instrument. It can be expected to have far-reaching powers; but the mere shouting of "fascist council" without full understanding of the process becomes empty chatter, despite the fact that fascist methods will be employed against the workers in an increas-

An Opposition Group in Mexico Formed

The International Communist Opposition lives and grows! All the lies, slander, concealment and terror of the Stalinist bureaucracy cannot prevent its extension. A little while ago, we announced the formation of the first Opposition group in Latin America, organized by members of the Argentine Communist Party. Today we are able to announce the second: the Opposition group in Mexico, directed by comrade Rosalio Negrete of Mexico City, member of the Central Committee of the Young Communist League who has recently been expelled for his Opposition viewpoint. Comrade Negrete was in New York City some time ago on Party work, and came to speak with the comrades of the Communist League (Opposition) here. Plans were laid for the carrying on of work for the principles of the International Opposition in Mexico. At the first sign of this activity, the hopelessly Menshevik leadership of the Mexican party, the subservient ally of the Calles regime for years, expelled Negrete and other leading and active comrades. The Mexican party has been virtually wiped out, betrayed by its leaders (Galvan, etc.) and unable to mobilize support to fight the governmental repression. The Opposition is attempting to mobilize the dispersed Communist elements and help strengthen a proletarian revolutionary movement in Mexico, instead of the confused "workers and peasants" party that has been masquerading as Communist in Mexico for years.

The fury of the Stalinist bureaucrats in the U. S. and Mexico has exceeded all bounds at this new development. The *Daily Worker* has been surpassing itself in falsehood by trying to identify the Communist Opposition with the Right wing which has organized the "governmental (!) Communist Party" (Bach, Monzon and other Mexican friends of Lovestone and Company.) A recent statement in the *Worker* by Hernan Laborde, secretary of the Mexican party repeats the calumnious lie that comrade Negrete collected money to be sent to Lovestone here! Needless to say, our Mexican comrades have no connection with Lovestone or any other Right wing group.

It is interesting to note that comrade Diego Rivera, one of the most notable leaders of the Communist movement in Latin America for years, has issued a statement supporting the International Left Opposition led by comrade Trotsky, denoun-

ing degree.

What are the prospects of this experiment, this attempt to institute "social control for the utter anarchy in the government of industry"? The present crisis and its consequences are the answer to developments to date. Moreover, the whole history of development of productive forces under capitalism points to the inevitable conclusion that precisely this which is aimed for "social control of business", based as it is upon further expansion of productive capacity, instead of becoming a substitute for, becomes the lever to further increase anarchy in production as a whole. Instead of decreasing or doing away with present contradictions, "social control of business", which in the capitalist system could only mean strengthening of the control of one class—the capitalist class—will increase and sharpen the contradictions both within the country and in the international sphere. The question, however, just how this "experiment" will appear in the United States and the possible manifestations of its effects, both in general and upon further working class developments are of particular interest to Communists.

Lenin and Trotsky Combat Bucharin's and Stalin's Economic Theories

Between the Center and the Right (the Stalinists and the Bucharin, Brandler-Thalheimer, Lovestone, etc. group) of the Communist movement a battle of quotations is now taking place on this problem of effects of capitalist developments in the post war period—monopoly capitalism with its tendencies toward state capitalism. Both sides quote Marx and Lenin profusely for their own ends. The Center quite easily proves the similarity of the reformist position of the Right wing to that of the socialist imperialists of the Second International. The basic proof

Opposition Group in Mexico Formed

wing and maintaining his complete disassociation from the latter. The tiny group of atio from the latter. The tiny group of Stalinist leaders are of course still trying the farcical game—learned from Earl Browder—of insisting that Bach, Negrete, Monzon and Rivera are in one and the same camp. Naturally, there is neither an ounce of truth or sense in this declaration. The comrades of the Mexican Opposition are moving forward to Communism—not to social democracy and class collaboration. Bach, Monzon and Co. are in the camp of Calles-Gil-Rubio. Our comrades are in the ranks of the International Revolution.

GASTONIA STOOLPIGEON GOT HIS

CHARLOTTE, N. C.—Claim has been filed with the state industrial commission for compensation for the death of Marvin Johnson, detective, employed by Gaston county to act as stoolpigeon on Loray mill strikers held in jail following the Aderholt shooting.

Jailers who threw tear gas bombs into the strikers' cells to stop them from singing, forgot Johnson was among them. He contracted a pulmonary disease, it is claimed, from which he died.

AMERICAN PLAN MEANS 55 CENTS FOR MACHINISTS

DETROIT—American plan, so-called, blooms to perfection in the Smiley Machine Co. plant in Detroit. Skilled machinists are getting 55c an hour and working 51 1-2 hours a week. One mechanic, a belt repair man and millwright, has worked with the firm nine years, but still gets 55 cents. The foreman employed there for 15 years, gets 85 cents.

MINERS WOULD LIKE TO SEE PART OF STEEL TRUST GOLD THEY PRODUCED

HIBBING, Minn.—Net profits of almost \$200,000,000 taken last year by U. S. Steel are not reflected in the mining industry on the Messaba range where most of the steel trust's ore is mined. Wages in the mines are only \$4.20 a day.

NEW YORK—French navy men were thrown on the Ile de France, crack French liner, when seamen struck in the port of Le Havre. After a taste of the navy men's grant concessions to the strikers,

we have ever done in this field; and it advanced by Bucharin in his book, "Economic Theories of the Transition Period", published in 1920. This whole opportunist theory of Bucharin, which did not then in the least prevent his leadership of the Leftists supported by Pepper who also then posed as a Left, was criticized by Lenin at the time. Trotsky has never been sparing in his criticism of Bucharin's opportunism; but from the Stalin regime nothing was heard. Nay, more, this opportunist theory was the basically accepted theory of the Right-Center bloc, one of its expressions being "socialism in one country" with the kulaks gradually developing into socialism, already nine-tenths attained! The Leninist opposition to this theory was expelled and exiled. The international character of the revolution was forgotten. Its international development and organization became subjected to opportunist combinations on top with the betrayers in the British general strike, the Purcells and Hicks in the Anglo-Russian Unity Committee; with the hangmen of the Chinese proletariat, the Chiang Kai-Sheks in the "four class government".

The position of social democracy on the development of monopoly capitalism and tendencies toward state capitalism, given its classical expression by Hilferding, can be summarized into: A new era of transition from competitive capitalism into organized capitalism overcomes the anarchy inherent in the former; then the further transformation into an economy directed by the democratic state. From organized capitalism to socialism (!) The Socialist Party in the United States, although it can still afford to pose in some respects as a Left wing within the Second International, being yet far away from governmental responsibilities, takes essentially the same position in greeting the Hoover economic conferences as something the socialists have always advocated. Lovestone and Bucharin Approach Social-Democracy's Views

The sharp gravitation of the Bucharin-Lovestone Right wing toward the Hilferding position is, of course, clear. It is swinging from the view of recognizing external contradictions on a world scale by development of monopoly capitalism, but eliminating internal contradictions, to the view of overcoming anarchy in production by organized capitalism.

Says Lovestone in *Revolutionary Age* (No. 2).

"The plethora, the superabundance of capital in the country—the basic cause of the panic (stock crash)—brought on a condition of the most serious dislocation between the security stock and the fundamental conditions of the capitalist productive economy..." (!)

A mere dislocation from the "sound" economy—and further:

"The panic in Wall Street did not come as a result of the decline of American capitalist economy. It came as a result of the very strength of American capitalist economy (!) magnifying and sharpening the contradictions of world capitalism" (emphasis in original).

Bucharin says in his book "Economics of the Transition Period", published in 1920:

"Finance capital has destroyed the anarchy of production within the countries of large scale capitalism. Monopolistic associations of enterprises, the combined enterprises and the penetration of finance capital into industry created along the unorganized capitalist system a new type of production relations, turning of goods exchange into a financial-capitalistic organization."

The Centrist Phrases and the Results

Yet today the Centrists, all their declarations notwithstanding, continue to repeat parrot-like supposedly revolutionary phrases devoid of the content which will secure a mass basis. They proceed with their false concept of "revolutionary unions" rejecting possible labor party developments isolating the Communists from the basic section of the working class; they thus negate the correct analysis of growing gigantic contradictions with its opportunities for growing mass contact and for laying the foundation for a class movement of the American workers. The "Left" policy of the leadership still represents the strategic conjectures from which sprang the opportunist tactics of yesterday.

The growing capitalist contradictions of the imperialist stage will be taken up in another article in the next issue of the Militant.