

CHAPTER II

BIG TROUBLE AHEAD

WHY is Communism such a big issue in the United States today? The answer can be found in the words of those who will be the last to be suspected of being Communists. Let us turn to General Hugh S. Johnson, who has the inimitable faculty of "spilling the beans" at the moment when, and on the issues about which, Communist resolutions are written:

"But this is certain. If the powers of government and industry cannot, by some immediate and determined action, be exercised to lift this curse—*no power on earth can avert big trouble soon.*"

The "curse", it is clear, is the crisis and depression which closed down about 30 percent of our productive apparatus and excluded about 40 percent of the population from useful work, most of them condemned to enforced idleness.

Now, the unsophisticated reader may well ask: "What is so valuable about this statement? The ordinary man in the street knows that. Surely the Communists should know it."

True, the Communists knew it even before our General. But it is important to establish, from such an authoritative source, that the great social struggles, the class battles, the strikes, the disorders, that rise like a great wave around us everywhere, are caused by the breakdown of capitalist production, and the inability of government and industrial management, representing the capitalist owners, to find any solution after six years of effort.

Let us again delve into the mind of our authority, to find the evidence upon which he bases his expectation of "big trouble soon". He describes the kind of letters written to him as a result of the famous radio address, in which he rebuked the "eighty million cry-babies", as he described the majority of the American people who complain of hunger in a land of plenty:

"My mail changed its color both as to the kind of people who were writing and as to what they said. Some of it is angry and vicious. This plainly comes from people who have suffered most from this depression. They are bitter, resentful and desperate. . . . People don't get over such wounds in a lifetime. . . . This resentment of suffering is a dangerous thing, because a majority are sufferers."

The majority of the population of the United States is rapidly becoming "bitter, resentful and desperate". Some of them are "angry and vicious". They will not forget the lessons they are learning "in a lifetime". Their attitude is a "dangerous thing" for the men, the class, the system, which they will hold responsible for their sufferings. This is the evidence which General Johnson contributes to the Communist analysis of the situation in the United States.

To make the picture complete, let us add to the evidence of the father of the Blue Eagle, that of the capitalists who more consistently oppose the Roosevelt policies. We quote from a circular letter broadcast by the New York Chamber of Commerce:

"We will not desert our country in this hour of her *wreckage and degradation.*"

For the moment we are not interested in the promise of our New York capitalists that they "will not desert our country".

We can take that for granted, so long as they can continue to draw huge incomes which, though smaller than in 1929 in total sum, are still increasing in proportion to the total national income. What is of importance here is to establish the essential agreement between General Johnson and the Liberty League opposition to the New Deal, that the condition of the country is such as can be summed up in the words "*wreckage and degradation*".

On behalf of the Communist Party, which leads the labor opposition to the existing regime, I can declare that on this question we are in agreement. The "united front" on this judgment of fact is surely a broad one. Our agreement, however, stops short at this point. On the question of locating the precise responsibility for the crisis, and what is the way out, the Communists stand on one side with clear and definite opinions and program; on the other side is a Babel of confusion and confused opinion and counsel.

It is hardly worth our while to examine the "arguments" of the Old Deal against the New Deal, though their real policies are more worthy of attention. These arguments have lost mass appeal. Let no illusions arise from the current fact that middle-class movie audiences are, at the moment this is written, receiving in cold silence the warm smiles of F. D. R. in the news-reels, while granting a moment of applause, at least lukewarm, to the cold countenance of Herbert Hoover. That applause is only an indirect registration of disillusionment with the New Deal; it is a recognition of error in having accepted F. D. R. as "something better, something hopeful". Before election day, however, the memories of 1929-1932, and the first days of March, 1933, when Hoover graciously handed over to his successor a nation of closed banks and universal panic, should effectively prevent a re-emergence of Hoover Republicanism.

It is important to establish what are the essential differences in policy between the Old Deal and the New Deal. To do that, we must note their points of agreement; these are, in the first place, agreement that "recovery" means, and must mean, an increase in profits (in the rate of profit as well as in the proportion of profit in the total national income), from which alone all other phases of recovery can flow as from a fountain-head; agreement that this can be achieved only by strengthening the role of the central government against all forces that threaten this profit, both from within (demands of workers, farmers, veterans, etc.) and from without (encroachments of other imperialist powers—Britain, Japan—upon United States foreign trade), by means of increased repressions and limitations upon civil rights, intensified national chauvinism, and preparations for war. Upon these essentials of the policy of American finance capital there is implicit and explicit agreement between the New and Old Deals.

The differences arise upon the basis of the existence of two possible paths to reach the common goal. We emphasize equally the importance of the *different paths* and the *common goal*. The general character of these two paths is a modern example of the dilemma of Hamlet:

"Whether 'tis better to bear those ills we have
Than fly to others that we know not of."

The Old Deal would cold-bloodedly "bear those ills we have", preferring to face the issues, which it knows must be fought through, in their clearest form. It is for deflation, sound money (gold standard), reduction of wages, lengthening of hours, ruthless elimination of marginal enterprises, reduction of social services (up to complete elimination), governmental retrenchment all around (balancing the budget), governmental subsidies only to the biggest financial institutions, placing

the government squarely *behind* big business which directly carries through its attacks upon the masses, boldly fighting against all "demagogues" who promise any other way out of the crisis. This is the traditional policy of the Old Deal. It must be given credit for a certain elementary frankness and forthrightness, a brazen, shameless, reactionary facing of the real issue.

But the Old Deal suffers from one fatal defect: It exposes to the masses the true class alignments, and thereby drives the masses into revolt against these policies which openly condemn them to destitution and degradation. It is to escape "those ills we have" of rising revolt among the masses, that the New Deal came forward, leading the flight "to others that we know not of".

The New Deal, however, merely gave a new form to the fundamental Old Deal policies. The New Deal launched upon a course of inflation (for the time being a "controlled" inflation). The dollar was immediately devalued to an extent finally fixed at 40 percent. This is the foundation upon which the whole structure of the New Deal policies was erected. From this base, hourly wage-rates could be raised for some workers, while actually reducing the workers' share in national income; hours could be shortened for some with the effect of distributing the burden of unemployment among a larger number of workers, and taking them off the relief rolls; some marginal enterprises could be kept in operation while actually the trustification of industry as a whole was being speeded up; social services could be formally extended while actually being gutted of any real significance; the state budget could be expanded while its burdens were lightened upon the rich and heavily increased upon the poor; governmental subsidies could be extended to the lower ranks of capitalists while actually the weight of subsidies to finance capital was increased;

the government could be placed *at the head* of big business, with the proclamation that thereby big business had been "subordinated to the general good"; and finally the government itself could take over the role of the "demagogue" who promised another way out of the crisis.

This was the New Deal before it was thrown into bankruptcy by the Supreme Court. It choked and disintegrated for a time the mass revolt against the Old Deal. It achieved the same aims at the price of deliberately abandoning a clear posing of issues, of cultivating hypocrisy as a system, of shrouding economic and political policies in a fog of mysticism—and sharply intensifying, even while postponing some issues, the fundamental struggle of contradictions inherent in capitalism which gave birth to the crisis.

It is a characteristic of the New Deal that it must deal extensively in demagogy. The chief item of this is the slogan of "economic planning", which the Old Dealers denounce as "regimentation". But every honest theoretician of capitalism, who is able or willing to follow through his logic to the bitter end, will state as emphatically as any Communist that "economic planning" and "capitalism" are two utterly opposed and mutually exclusive categories which can mix no more than oil and water.

With the New Deal all semblance of a unified system of economic policies disappeared. Confusion reigned supreme. Anybody's latest crack-pot theory was as good as anybody else's, because not one of them, from the Brain Trust down to the late Huey Long, any longer paid even lip-service to science. Again we call upon our authority, General Johnson, to give evidence on this point. Speaking about the Brookings Institution, the last refuge of American capitalist economic science, the General said:

"His [Brookings'] principle... was that there is as great a need for a purely scientific clinic of our economic ills as there is for a running survey of our physical ills.... The Brookings Institution, masquerading under the ideas of its grand old founder, has become a pressure bureau to publicize the preconceived ideas of Harold Moulton. If economics is an art, where was his warning of the 1929 collapse?"

Pertinent question, indeed, General! It could be addressed, with the same pertinence, to every capitalist institution of science and learning. It must be added that their inability to foresee the crisis is equaled by their inability to understand or explain it afterward.

But there were people who foresaw the crisis, and loudly proclaimed it! Early in 1929, the Communist International addressed a letter to the Sixth National Convention of the Communist Party of the United States which warned of "the approaching crisis in America". A few months later, in May, another letter sharply called attention to the fact that:

"With a distinctness unprecedented in history American capitalism is exhibiting now the effects of the inexorable laws of capitalist development, the laws of decline and downfall of capitalist society. The general crisis of capitalism is growing more rapidly than it may seem at first glance. The crisis will shake also the foundation of the power of American imperialism."

On May 6, Joseph Stalin made a speech on some problems of the Communist Party of the United States, in the course of which he made the following prophetic declaration:

"Many now think that the general crisis of world capitalism will not affect America. That, of course, is not true. It is entirely untrue, comrades. The crisis of world capitalism is developing with increasing rapidity and cannot but affect American capitalism. The three million now unemployed in America are the first swal-

lows indicating the ripening of the economic crisis in America. . . . I think the moment is not far off when a revolutionary crisis will develop in America."

The Central Committee of the C.P.U.S.A., since its Tenth Plenum in the first days of October, 1929, has been proving the correctness of the judgments quoted above—ably assisted by the crisis and such involuntary helpers as General Johnson. Our Central Committee even then noted the downturn of production in July, 1929, and evaluated this as the beginning of the crisis. Within a few weeks the Wall Street crash dramatically confirmed our judgment.

These historical notes serve to show that it is by no means an accident that the Communist Party has been developing a tremendous mass influence in the course of the crisis. It was the only organization which foretold the crisis. It was the only one which correctly and fully analyzed the policies of Hoover. It was the only one which from the first moments of the New Deal indicated the nature of its policies and their inevitable bankruptcy—an outcome now clear to the world. It was the first to recognize in the American Liberty League, and its combination with Hearst, the rise of a more clearly fascist concentration of forces, against Roosevelt and against the masses, preparing the forces of reaction for the 1936 elections. It is the only party preparing the masses to meet the big trouble ahead. The Communist Party can do this because it is the only political party that is armed with economic and political science, with the teachings of the greatest social scientists—Marx, Engels, Lenin, Stalin.