

Bankers Shift Plans To Work with F.D.R.

By JAY LOVESTONE

FIRST and foremost, the results of the elections emphasize the fact that the United States, in its social and economic development, has entered a new epoch. The country is past the elbow of the road and is definitely in a period in which there are to be new though not fundamentally changed relations between government and business. We are now in a stage in which some of the leading European countries have been some decades ago—in so far as social legislation is concerned. In many ways we are now in that stage that British capitalism was at the close of the first decade of the twentieth century.

Wall Street Shifts

Wall Street's attitude towards the re-elected Administration and towards the prospects for social legislation is increasingly clear in that there will be pursued a new strategy by big business. Instead of a policy of frontal assault against the Administration as such and against Roosevelt in particular, the big business crowd will turn to so called good-will arrangements in order to take the edge off the hostility which developed during the election campaign. In this sense, it is significant to note the swift tempo with which biggest business is changing its approach. The morning after the election we find the *Journal of Commerce* giving the following as the dominant reaction of the leading bankers:

"The unexpected heavy landslide for the New Deal found a mixed response among bankers yesterday, varying from expressed bitterness to a disposition to attempt to 'work with the Administration' and to 'help direct its course.' Among the few bankers who have remained Roosevelt Democrats, it was regretted that the victory had been so sweeping." (Nov. 5, 1936)

Obviously, the good will arrangement was at no time expected to be one-sided. The same financial mouth-piece goes on to disclose to us: "Although the huge vote for the Administration might be regarded as a mandate to push further and more rapidly the policies of the past Administration, it was generally considered more likely that the present course would be carried along at the existing pace. To some extent it was held the program would depend upon the course and direction of the economic recovery, the continuation of the recovery movement making for greater conservatism."

From this it was a short step to the last sessions of the National Association of Manufacturers, which, in striking contrast to the convention of last year, gave "whole-hearted" endorsement to the New Deal and left no room for doubt as to what the biggest industrialists wanted. The latter seek cooperation with the Administration so as to reduce to a minimum

if evidence warrants it, action is brought against the responsible person, be he superintendent or shift foreman, and a "suit" is tried before a "workers" court. Penalty may mean loss of job and disgrace, or working a year at reduced pay. In the endeavor to get smoother work—better productivity of labor, and above all, to meet the plan—they organize and reorganize, and tear it all up and start over again with considerable frequency. And through it all, the old game of hiring and firing goes forward just as in America. The superintendent here has about the same power in that respect. (Concluded next week)

any concessions that they might have to make in the light of the sweeping election results. In the speech of Winthrop W. Aldrich, Chairman of the Board of the Chase National Bank and President of the Chamber of Commerce of the State of New York, we even find some pretended friendly gesture towards the movement for some sort of social security legislation. It must not be forgotten that only last Summer Mr. Aldrich, even before the election campaign got under way, gave an indication of what the trump card of the Republican Party campaigners would be in the struggle then ahead. It was none other than Mr. Aldrich who actually, months before Hamilton, let loose the identical tirade against the Social Security Act, that Mr. Landon subsequently resorted to.

The same Mr. Aldrich, before the last National Association of Manufacturers Convention, sort of changed his tone and declared: "We should, on the contrary, stand ready to do everything in our power to further those measures which are wisely calculated to achieve their objectives." Dr. James Angell, President of Yale, struck a similar note on a so-called broader basis, when he said: "We must resign ourselves to a far completer socialization of our resources and methods than heretofore, a larger surrender of that individual privilege which we have been accustomed to regard as our intrinsic right as citizens."

Repetition of 1894

This is not the first time in the history of the United States that big business has had to make a shift from vigorous opposition to feeble endorsement and appropriation of certain measures. We need but recall how big business reacted to the first income tax law in the United States in 1894. This was an income tax schedule which people even in the most extreme conservative ranks would today laugh at as too inadequate. Yet, at that time, Congressman J. H. Walker of Massachusetts opposed the income tax bill because "the income tax takes from the wealthy and enterprising and gives to the shifty and the sluggard." And Senator Sherman of Ohio could say nothing else but that this "attempt to array the rich against the poor . . . is socialization." Of course, at that time the Supreme Court threw out the first income tax law, to the great satisfaction of the conservatives. In this vein, the *New York Sun* said, "There is life left in the institutions which the founders of the Republic devised and constructed. The wave of socialistic revolution has gone far, but it breaks at the foot of the ultimate bulwark set up for protection of our liberty." The *New York Tribune* emphasized this attitude by declaring: "Thanks to the Court, our government is not to be dragged into communistic warfare against the rights of property."

We have referred to the experience of 1894 primarily to establish the following: merely because big business is at first opposed to even the slightest concession to the great mass of workers and farmers does not mean that these concessions are at any time revolutionary, or calculated to undermine the foundations of the existing capitalist system. There are countless instances in American history revealing the fact that big business in this country has learned to fight bitterly against the smallest concessions, and when forced to retreat

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Councils and the trade union movement in general. This is only one of many indications that the organized labor movement is favorable to independent working class political action. Support of a Federated Labor Party for Canada and the U.S.A. which the C.P.O. has always fought for in its united front program could be canalized even now in spite of the fact that the C.P. of C. as representative of the Comintern policies had dropped this approach during the days of the "Third Period" ideology. Instead we have had the revolutionary leadership of the official Party put forward "unity of action" between the C. P. of C. and the Cooperative Commonwealth Federation as their interpretation of united front activity even though the C.C.F. is no longer a federated body in Ontario and

Councils throughout of the Communist People"—the "beloved Leader" of the C. P. of C. concretizes the new "swirl" thus, "What is of vital importance, however, is that they must be real united front movements. They must include the trade union movement and the C.C.F. as well as the C.P. and the Social Credit Organizations, where they exist, as well as all other labor as well as farm, youth, cultural, and even non-working class progressive organizations." We are reminded of a quotation from Lenin in Left Wing Communism, "The surest way of discrediting a new political (and not only political) idea and to cause it harm, is, under pretext of defending it, to reduce it to an absurdity." How long before the Spanish lesson of the application of the "People's Front" in real life will goad the Comintern to action?

amendment. This trend towards government centralization will not in the least democratize the American government. We are for it despite the fact that it will tend to modernize the government as an instrument for stabilizing class relations and perpetuating them. However, let no one lose sight of the limitations here, and let no one even for a fraction of a second forget the dangers inherent in these very limited progressive measures, for the proletariat as a class, unless it is increasingly and constantly strengthening its own class organizations.

Whose Democracy?

We must also stress the fact that the results of the elections will tend to serve, for a while anyhow, as a stimulus to the vitality of capitalist parliamentary democracy in the United States. Just now the ranks of the working class forces struggling to unmask the fraud of bourgeois democracy are rather thinned. The official Communist Party, despite the debacle that overcame it in the elections, despite the bankruptcy which it manifested during the election campaign, continues to strive to put itself in the vanguard of those fighting to preserve bourgeois democracy and to maintain intact all the illusions about it. No worker should have any illusions as to the real nature of capitalist democracy. The very history of the totally inadequate Social Security Act, passed over a year ago, is most enlightening in this respect. Here was as important a piece of social legislation or general legislation as has been handled in this country in decades. It was on the statute books of the country for more than a year without anyone giving any thought to it, without the millions involved in its application showing even the slightest concern for it, without even the most conscious forces being alive to its implications and fallacies. It took a Landon and an Aldrich to bring the very existence of this bill to light, to acquaint the great mass of workers with some of its features. Certainly this does not speak very

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by mass pressure, to turn about in behalf of its most fundamental class interests, make these concessions and then dominate their application and prevent their extension. This obviously is the strategy of big business today.

Let no one come to the conclusion that the New Deal was at any time or could be at any time revolutionary, or that Roosevelt was at any time or will be in the future a revolutionist, a proponent, a champion of the struggle against the bourgeois system and its government-enforced capitalist laws. What we have had in this country and what was underscored in the last election is a mild liberal trend as a result of years of deep-going crisis.

Modernization of Government

There is not any room for questioning the conclusion that the election results will tend to speed up the modernization of the government apparatus in this country. This will simply enable the ruling class of the country, in the light of the constitutional overtones in the campaign, to make the government machinery and, if needs be, the Constitution itself, more up to

date, more effective as an instrument of employing class rule. The fact that most of the biggest business interests have resisted this trend in recent months does not mean that they will continue to do so in coming months. They have been feeling the ground and have felt a ground swell. Now they will adjust themselves to it and make the best of it in behalf of their basic class interests.

Let no worker fall for the claptrap of the liberals or the people's front communists who will herald every slight change in structure of the American government apparatus as a world-shaking progressive measure, as the dawn of a new era. An amendment to the Constitution can easily be put through, though I question the immediacy of even that, stripping the Supreme Court of a good deal of its power. Yet such an amendment would not in the least change the substance of the present American government as a capitalist dictatorship, as a dictatorship of the bourgeois class. It is entirely possible that an amendment to the Constitution can be put through empowering the federal government to enact certain types of social legislation. This is a desirable

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well for the genuineness of American democracy as an instrument of mass expression, as machinery for defense of even the most elementary interests of the great majority of the population. Imagine such procedure occurring in the Soviet Union, the land of the proletarian dictatorship. No one could conceive the Five Year Plan or any similar legislation being enacted and subject to application without mass discussion, without millions of workers and farmers considering it and having the right to change it, actually bringing about amendments.

But regardless of what we revolutionists may think of American democracy as a fraudulent but still effective agency of capitalist dictatorship, we must recognize that its vitality and efficacy have been enhanced by the election results.

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This is the sixth article in a series by Jay Lovestone on the Presidential election.