

Do the American Elections Promise Prosperity?

By I. A m t e r.

In the early part of 1924, there was a positive drop in employment, the country seemed to be upon the verge of an immediate crisis. The condition of the farmers was acute, hundreds of thousands went bankrupt, hundreds of thousands were abandoned (and still are), millions of the farming population went to the city.

In the months of September and October, a change took place in the farming situation. There has been a partial failure of crops in other countries: Argentina, Canada, Australia, Roumania, Germany and Soviet Russia cannot supply the world market as before. There was a shortage of grain on the market and the American farmers who reaped big crops this year are benefiting by it. Their buying capacity has increased, according to report, by one billion dollars. This has been heralded as the beginning of a new era of prosperity, if not of a boom.

Steel production has risen and has now reached the figure of 66 per cent of capacity. Textile mills, especially in New England, which have been idle for months, have opened again. The railways have reached record loadings, due chiefly to the movement of grain. Exports in October attained the high total of \$ 527,000,000, the highest since 1921, leaving a balance of \$ 217,000,000 over imports. This is the highest trade balance since 1919, the year of "prosperity" in which the workers and farmers of the country launched the Farmer-Labour Party.

These are the economic factors that act despite elections and led to the defeat of Davis and La Follette — aside from the threats of discharge made to the workers in case they supported the "socialistic schemes" of the progressive movement. The workers and farmers acting under the good influence of the momentary situation, voted to preserve the status quo.

The big capitalists of the country were not bothered about the outcome of the elections. They knew the economics of the country, and the threat of La Folletteism did not worry them. In spite of a temporary relief in the farming situation and a slow, slight expansion in industry they did not predict the dawn of renewed prosperity. On November 3, just before the elections, the New York "Annalist" published reports from different parts of the country. **Detroit:** "Local automobile companies as a whole are buying less steel than they were a year ago." **Kansas City:** There is some hesitancy about booking ahead very far on dry goods lines, and country merchants continue their policy of buying as they need." **Detroit:** "The industrial barometer of local conditions says election week will open with 2,000 less men employed than was the case the first week in October, and the majority of industries are not hiring men." Against these statements were others indicating increased buying power of the Farmers, the opening of the New England textile mills and an increase in the operations of the steel mills. Coal operators, on the other hand, reported lower diggings.

Did the elections alter matters? The "Annalist" of Nov. 3 points out that although elections have some effect on capitalist investment, in so far as the administration inspires "confidence" or not, nonetheless, the vital element is the economic situation. The Department of Labour published a report on wages and employment in September, 1924, compared with September 1923. In 6,400 establishments, 2,219,000 persons were employed in 1923, compared with 1,931,000 persons in 1924, a reduction of 13 per cents. Similarly there was a reduction in the amount of payroll of somewhat over 14 per cent. The "Commercial and Financial Chronicle" of Nov. 1 states that "There is no denying the fact that trade, after the sharp partial recovery of the late summer, has latterly been slowing up again . . . No business boom is in prospect."

On Nov. 10, after the elections, the "Annalist" writes: "The two outstanding features of the post-election situation are: First, that the confidence following the election is not based on positive economic changes in the business prospect, but on the failure of an apprehended political change for the worse actually to take place; Second, that what are loosely called the 'fundamental conditions' of business have undergone no change whatever in consequence of the elections and have not changed materially from what they were even two or three weeks before." The farmers are not buying much. They are paying the interest on their mortgages and putting the rest by. Those who are buying motor cars, are purchasing used cars. "The fact remains that the increased farm purchasing power from which so much has been expected has so far failed to show itself decisively in increased demand for goods, and there is no other definite area of buying power to which business can turn with clear prospects of greater markets" says the "Annalist".

Exports, which are adding considerably to the country's "prosperity", depend upon the outcome of the Dawes Plan. Should Germany succeed in obtaining a slice of the world's market, the leading exporting nations, including the United States, will suffer. Should walls be erected to Germany's penetrating the international market, the European markets, which

are counting upon their rehabilitation through the restoration of Germany, will collapse. The export trade of the United States, which goes chiefly to Europe, will suffer a fearful blow. (These are only the economic effects of the Dawes Plan.) These are the external factors militating against economic prosperity in the United States.

Disregarding the conservative attitude of the "Annalist", wild speculation on the Exchange ensued on November 5. Railway and industrial stocks rose with a boom. Millions of shares changed hands every day. On Nov. 13, 2,000,000 shares received new owners. This was a "boom" such as had not been witnessed since 1901. One occurred in 1920, after the election of Harding. There are serious dangers of this inflationary Exchange "boom" being followed by a collapse, such as took place in 1920.

The "boom" seemed to be justified by the fact that the railways were placing orders for rails, locomotives and cars, which were held in abeyance pending the outcome of the election. Building plans were held up on the same grounds. Even though the railways might have feared adverse legislation in case radicals were elected to Congress, nevertheless such holding up of orders is also an election manoeuvre. The "Annalist" comes to the conclusion that "in the main, the problems and the prospects of business are precisely what they were before November 4."

In prospect, however, of the Dawes Plan and the general offensive of the capitalists against the workers, manufacturers all over the country reiterate the demand for the cutting of wages. With the assurance of the assistance of the reactionary government of Coolidge and Dawes, not only the workers but also the office personnel will have to face the issue of foreign competition. Longer hours and lower wages, and for the office forces in addition a cutting down of personnel.

This will lead force the workers into the struggle against greater exploitation. It will lead them to conflicts with the capitalist government, which will use every form of force to crush them. This will lead the unpolitically and less political minded workers to an understanding of class political action. This is the prospect not of a remote day, but of the immediate future.

HANDS OFF CHINA

A Turning Point in Chinese Events.

By Musin (Moscow).

Events in China are developing at a speed unprecedented in her history, becoming profounder every day the struggle continues, and in their development changing the very character and direction of the struggle. If at the beginning of the armed conflict we were chiefly witnessing the struggle of two imperialist groupings operating through the different military cliques in China, whom they instigated to armed conflict in order to extend the spheres of their influence, to-day events are more and more assuming a character favourable to the struggle of China for her emancipation from the yoke of imperialism.

That the attack of Feng-Yu-Tsiang against Wu-Pei-Fu was not the result of any agreement between him and Anglo-American capitalism, is demonstrated by the fact that his relations to the latter since the revolution effected by him in Peking is becoming steadily more acute. The arrival of Wu-Pei-Fu in Hankow, one of the largest towns in Central China, and his preparation for a fresh campaign directed from this wealthy industrial base, confirms the fact that Wu-Pei-Fu continued to enjoy the support of Anglo-American capital against Feng-Yu-Tsiang. Without such support he would have been unable to escape from the northern front at Shanghai-Kwang and Tientsin, and from thence to Hamkow (by sea and along the river Yang-Tze) nor to prepare for a fresh campaign against Fang-Yu-Tsiang.

But does the action of Feng-Yu-Tsiang really denote a triumph for Japan? Was the revolution in Peking merely a substitution of Anglo-American influence by Japanese influence and the recovery by the latter of the position she held in China four or five years ago? There is no doubt that the defeat of Anglo-American capitalism in Peking is a matter of great importance to Japan. The increasing acuteness of the relations between America and the new victors in Peking is bringing the former Japanophile groups and individuals to the political forefront. But at the same time the collapse of the Chihli clique, which during recent years held the country in the grip of reaction,