

THE FIGHTING WORKER

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Workers Pay for Wall St. Budget

Mr. Roosevelt has asked, and of course will get, a war budget of 53 billion dollars this year and over 100 billions next year, to make guns, planes and other instruments of death.

We recall how a few years ago every proposal to add a paltry half billion or so to the WPA appropriation—meant—“anarchy”, “bankruptcy”, “inflation” and the “ruination of the country” to the bigwigs of Capitol Hill.

No one in Congress has pointed out that these war appropriations will “ruin the nation”. But 153 billion are equivalent to the value of all the homes, factories, land, mines, and other real property in the United States. It is three times as much as the cost of the railroads and other equipment, the street car railways, pipe lines, telegraph and telephone systems, canals, water-works, power works, manufacturing machines,

tools and equipment in the whole country.

WHERE WILL THE MONEY COME FROM?

The capitalist apologists say that “we merely owe the money to ourselves”. What a deception this is! A polite way of saying that we will be working simply **for nothing**, that in one way or another the American working class must contribute two years labor absolutely gratis!

Part will be paid in extra taxes, part in much higher prices, part in “loans” (defense bonds, etc). In other words, it will come out of the hide of the worker through speed-up, longer hours, and worsened living conditions.

The Wall Street masters are taking the next two years of our labor production for their war effort, and they will “permit” us to pay “our debt” over a period of years. The bankers will patriotically loan billions to the government, and we will pay it back, with interest.

The effects of all this are already being felt.

INFLATION

According to Mr. Henderson, price administrator, **the cost of “foodstuffs have risen an average of 57% since World War II began... The nation already has lost 13 billion dollars as a result of price increases since the defense program first got under way”.** The general wage increases of about 10% of last spring have been “entirely eaten up” by the higher cost of living since then.

Despite all the talk about stopping this inflation, which is moving exactly as in the first World War, there is no doubt it will continue to spiral. According to Ralph Robey, financial commentator in last week's Newsweek magazine, “it still will be neces-

World Role of the United States

The following extracts are taken from a document in the *International News of November 1935*, published by the R.W.L. Although written six years ago, the article is of value not only as a check-up of our analysis with what has actually occurred, but also as a political line for future events. The document is titled “*World Capitalism and American Capitalism*”, and will be sent to the reader who wishes to read it in full.—Editor).

The fundamental factor determining the role of American Imperialism in the world is the ever-growing discrepancy between the gigantic economic strength of American capitalism which, in the economic sphere, has made it the leading world power — and its failure, up until now, to consolidate this economic world hegemony by a corresponding political control of the world...

America's weakness consists in the lack of territorial possessions. Recent developments have demonstrated that American Imperialism would be still more handicapped in its fight for world con-

trol if it did not have at least these few possessions which it conquered or “bought”: from weaker or defeated imperialist powers (Alaska and the Aleutian Islands from Russia; Porto Rico, the Philippines and Guam from Spain, plus the right to maintain a naval station in “independent Cuba, etc.); from weak and helpless capitalist countries (the Canal Zone from Panama, or rather from Colombia); or from still more helpless pre-capitalist peoples (Samoa, Hawaii)...

Only in the Caribbean, America's position appears to be well-nigh impregnable: **what American capitalism needs is to make the Pacific an “American Sea” in the same sense the Caribbean is already today the American Mediterranean**. First, Canada must become American politically, as it is already today more than half American economically...

British (and Japanese and German) influence in South America must be eliminated; the American continent must become the exclusive property of U.S. imperialism...

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War Budget Spells Inflation

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sary to get some 2 billion dollars a month from the banks. We have never had an inflationary credit expansion comparable to that in this country. It is inconceivable that it can take place without causing a significant rise in prices and in the cost of living, regardless of any price control measure passed by Congress."

In simple English this means that the banks will credit the government on their books with that amount. Identically the same result would be achieved if government just printed 2 billion dollars in paper money each month. But this way the banks get their money back, with interest. The working class will pay back through taxes.

Obviously, no one who really has the interests of the bankers at heart would demand that since this is their war they should sacrifice a little and pay for it. Demand that the bankers contribute their wealth for the war — that is "anarchy", an "attack on the

basic rights of private property"!

Either way — whether the banks lend the money at a profit, or the government prints it — the effect is the same: inflation.

"In addition to the withholding taxes, higher income taxes, a general sales tax, and possibly even "forced savings", the working man in the coming period faces fantastically higher prices plus the restriction and disappearance of innumerable consumers articles.

PRICE CONTROL

The liberals and reformists, "labor leaders" and Stalinists, talk of stemming inflation by "price control." What a mockery! By artificial restrictions the industrialists raise costs and force the price ceilings up. And in the first place prices are set so as to guarantee a profit. In the last war the price ceilings were set so high that the manufacturers couldn't help but profiteer. They were set to cover the cost of the "marginal" producer — the one with the worst and most inefficient equipment. The

big modern plant with far lower cost had the same price!

Where the capitalist cannot make enough profit, he will simply stop producing. None of this eliminates inflation. The worker will still be unable to buy the goods he needs, whether because the price is too high, or because it is not available.

PROFITEERING

The profiteering going on in the face of inflationary threats is monstrous. According to Secretary of Treasury Morgenthau, the price of flour has gone up 15% since last year, even though the supply of wheat is the largest on record; cotton has risen from 9 cents on August 1, 1939 to 17 cents, even though the government alone holds or controls seven million bales in reserve. And it is not the farmer who is reaping in the golden harvest.

Assistant Attorney General Thurman Arnold, in his annual report to Congress states: "The distribution of food in the large

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World Role of U.S. Imperialism

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ORGANIZE THE WORLD

Only then will it be strong enough to reach out for the conquest of some part of Asia, be it in China, the Dutch East Indies, or British India. Such a territorial foothold in Asia is the central task before American Imperialism. Only this way can it bring England's world position to an end and stop Japan's further advance. Any further delay works to the advantage of Japan and indirectly to that of England. American imperialism needs a new war, and this soon. Its fundamental needs can be fulfilled only by war...

In this struggle the United States has the most important and dangerous task. Japan attempts to "organize" the Orient. England, Germany and France struggle to "organize" Europe, as the first step toward a greater share of the world. The United States' econ-

omic and political needs demand that she attempt to "organize the world."

Her economic superiority enables, with losses, the United States to weather the six year economic crisis with less negative results than such countries as Japan and Italy. But the changes taking place, due to the crisis, will soon reach the explosion point, because the power (and the weakness of American imperialism no longer rests upon the foundation of the forty-eight states of the republic. Its economic existence depends upon successful defense of its world position and the further extension of its interests within world capitalism...

INTERNAL REORGANIZATION

It (world conditions and the crisis) called for a reorganization within the economic base of its world system, within the United States, as a preliminary condition

for the struggle for a key position and a point of advantage for the re-division of the world. Under the Roosevelt administration the paper planning, started under the Hoover administration, is being carried out...

This necessary re-organization (involves) the Europeanization of the living conditions of the American workers.....

The present and decisive stage of the American imperialist policy is only a **passing phenomenon** because it is based entirely upon the attempt to re-organize the internal basis for the present world needs, and on the other hand because the present world-wide protracted crisis-depression has confronted American export of commodities and capital as a world-wide ocean of quicksand...

In this stage of world-wide crises... they are able to the high-

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U.S. Role

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est degree to cloak their imperialist aims within the framework of "armament reduction", "peace proposals", "neutrality laws", "isolation policies", etc. This policy finds its base in the superior economic position held by the United States...

NEXT STAGE WAR

There is a danger that the transition from the present peaceful stage of the imperialist policy will be short-lived, and in whirlwind fashion the next stage will be a head-on drive toward war. No matter what the imperialists of the United States and their henchmen say, the fact remains that war is the only "solution" for the mounting contradictions confronting the American capitalists. As soon as the process of internal reorganization has proceeded far enough, and as soon as the point of advantage is obtained on an international field, the United States will drive toward war.

The most favorable position the American imperialists are looking for is a war that involves the European powers (as in 1914). Under the policy of "isolation" and "neutrality", the artificial internal boom and this international waiting policy will enable the United States to enter at the proper time to "mop up". If this favorable condition does not develop soon the United States will be forced to drive openly toward war. Preparations are proceeding full speed, under the pretext of "national defense"...

NEGRO TEACHERS IN SOUTH DEMAND EQUAL PAY

Richmond, Va. — Almost two years ago the Supreme Court of the United States was forced to declare that wage discrimination against Negro schoolteachers was in violation of the Fourteenth Amendment.

As previously pointed out by the **Fighting Worker**, the Bourbons strive to make even this a dead letter by ignoring it. Here in Richmond the Negro teachers have for more than a year limited themselves to trying to get the School Board to agree to a plan of equalization of wages within five years. Encouraged by this conservative stand a majority of the School Board refused even this (despite the Supreme Court).

Norman L. Flippen, watchdog of the Virginia Electric and Power Company on the School Board even snarled out the threat that maybe those who complained wouldn't get any renewal of contract at all!

"LIBERALS" OPPOSE REAL STRUGGLE

True to type and anxious to line up the Negroes in the present carnage, the Southern liberals headed by Virginius Dabney, appeared before the School Board and endorsed the "five year plan". But the board ignored them, too, knowing them for what they were. Then, a few weeks ago, suit was brought in the United States District Court. At once Dabney and his gang attacked the schoolteachers, asked them to withdraw the suit (a suit to compel the enforcement of a decision of the US Supreme Court!), and trotted forth that good old standby "the need of national unity."

NEED ORGANIZATION AND ACTION

All the above shows several things. A favorable decision doesn't mean a thing unless there is a militant organization to back it up by mass action. Richmond has shown that clearly. The fight is not that of the Negro schoolteachers alone. It is equally the fight of the white schoolteachers, whose pay is also highly inadequate.

Not petty bourgeois teachers associations, but teachers unions must carry on this struggle. The teachers should remember, that they are part of the working class and that, as the example of the last war showed in France, they can be a very militant section of the working class.

Nor must this struggle be limited to the teachers only. It is an important part of the fight of the whole Southern working class, Negro and white. Every union, every working class organization, must back up and extend this fight for equal pay and equal working conditions for Negro and white in all spheres of work.

Protest meeting must be held. Demonstrations should be held before the School Board. And, if necessary, a strike should be prepared of both teachers and pupils. That's the way to get results. Don't depend on court fights resulting in decisions that are just simply ignored by the Flippens and the Dabneys. And while we are at it, let's get some of the back pay out of which we have been cheated for these many years.

WALLER MEETING

Thomas H. Stone, senior defense counsel for Odell Waller, young Negro sharecropper who is sentenced to die March 20, will be in Chicago to speak on the case this week. The Chicago Waller Defense Committee has arranged a public meeting for Sunday, Feb. 1, at 4 P.M. at the Good Shepherd Community Center, 5120 S. Parkway.

For Social, Economic and Political
Equality of the Negro Masses.

For Democratic Rights — For the
Right to Organize, Strike
and Picket

—o—
have you read

Negro Slavery—Then and Now
Trade Unionism Today

Budget Shows Wall St. Drive for World Rule

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cities is hampered by monopoly charges on transportation, distribution, protective local trade barriers, private pools to raise prices through marketing agreements, and suppression of more efficient ways of distribution."

Industrial inflation and profiteering is even worse. Gigantic profits are being realized by Big Business. As Arnold reports: "Concentration of defense orders have aggravated the situation. During the past year three-fourths of all our vast war contracts have been let to 86 concerns..."

Appointed to head off the growing mass resentment, even Senator Harry S. Truman's committee to investigate waste and extravagance in production is forced to report: "The fees plus possible bonuses (of shipyards with navy contracts) bore no relation to the average net profits of the companies during the period from 1936 to 1940. In one case they exceeded by nearly 800 times the average annual net profits; in other cases by 20, 30, and 40 times the annual net profits."

CAPITALIST ANARCHY OF PRODUCTION

The profiteering is only one factor in the present chaos. Another is the general dislocation of capitalist anarchy of production. Big concerns are overloaded with backlogs of orders for a number of years; small plants are laying off their help and going out of business. Airplane factories are still producing planes that were obsolete three years ago. Copper production that remained stationary while brass mill capacity has been tremendously enlarged (by 79%, even though 40% of the existing plants can not obtain copper necessary for production.

All of this is reported by the Truman committee, and re-emphasized in the Arnold report. "Looking back over 10 months of the defense effort", says Arnold, "we can now see how much it has been hampered by the attitude of

powerful private groups dominating basic industries who have feared to expand their production because expansion would endanger their future control of industry."

The war is intensifying the breakdown of capitalist economy. Materials have to be obtained elsewhere, giant losses in shipping, greater costs of transportation, building new plants for substitute materials, destruction of man-power — all add to the chaos. Not only that, the war has exposed to the hilt the inability of the ruling class to organize and conduct production efficiently. Its system is bankrupt.

The plain and simple fact is that no nation can waste so much wealth in so short a period without paying the price for it. This is not a "healthy boom"; it is not "organized" production — no matter how efficient Mr. Nelson becomes. It is an insane effort to gain control of world market for capital and goods. It is a prelude

to the greatest economic breakdown in world history — precisely here in the United States, the most powerful nation in the world.

FOR WORKERS CONTROL OF PRODUCTION

Roosevelt's budget shows the role American Imperialism hopes to play. By superior economic might it plans to impose itself on the entire world — to "organize the world" in its own interests. But out of the war budget can come only greater mass discontent, greater strikes (despite all the agreements in Washington), greater privation, inflation, and bankruptcy.

Even a victory by the United States would not be a solution; it would not end wars, it would not bring a new social order. It would simply lay the basis for new wars tomorrow, for new destruction of wealth and manpower, new oppression of the masses of the people.

That is why the class conscious worker cannot support the war budget or the war plans of the Wall Street exploiters. Let them confiscate the wealth of the millionaires and billionaires if they want money. The working class needs wage increases to meet rising prices, needs a thirty hour working week to absorb the unemployed, needs a fight against the inhuman speed-up, needs recognition of its right to inspect the company books, needs a militant shop steward movement, democratically organized and run by the rank and file in the plants. The working class needs to take over industry from the capitalists who have made such a mess of things, and to establish workers control of industry under its own Workers Council Government.

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For the Unification of all Trade Unions on a Class Struggle Policy with Industrial Structure

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DEFEND THE SOVIET UNION AGAINST WORLD CAPITALISM AND ITS STALINIST AND OTHER AGENTS