

# Why Fascists Use Anti-Semitic Lies

By Susan Green

Every single item of Nazi-fascist propaganda is anti-labor. For a worker to fall for it is to jump from the frying pan into the fire.

Let us start with anti-Semitism. Hitler's false and filthy racial issue has been taken over, lock, stock and barrel, by his American brothers of Social Justice. Every worker must be wise to the trickiness of anti-Jewish propaganda and know exactly how the Nazis hope to dupe him thereby. Here is a brief explanation:

When conditions become very bad and suffering is widespread, the masses are ready to do something about it. The natural thing to do is to take power into their own hands and organize society for their own benefit. This is exactly what their exploiters do NOT want. So the Nazis carefully cultivate a scapegoat. They try to make the people believe that not the guilty capitalist system, but the Jews are responsible for the misery of the masses.

The pogroms against the Jews allow some people an outlet for pent-up steam. Then the real business of the Nazis—carefully planned and attended to by the top brains of Nazism—is undertaken: LABOR'S ORGANIZATION AND LEADERSHIP ARE DESTROYED.

This is what happened in Germany. Obviously the true function of anti-Semitism is to cover up the conspiracy against labor. Coughlin and the other fountain-heads of Jew hatred are looking ahead to the period of post-war collapse. They repeat and keep repeating the lie that the Jewish bankers are responsible for the war. They also spread the falsehood that Roosevelt, his Administration and everyone connected with it is tainted by Jewishness.

These statements are pure fiction. Not Jewish bankers but (Continued on page 3)

## THE WORLD AT WAR

### Nothing But Unconditional Independence Can Solve The Problem of India

By SENTINEL

There is something phoney about the shift away from discussion of Sir Stafford Cripps' proposal for dominion status for India after the war to the Indian defense set-up. Discussion of the main issue—immediate independence for India—did not even begin following the submission of Cripps' proposals to the Indian nationalist leaders.

The silence of Nehru, Gandhi and the Indian Congress on this vital point is all the more amazing be-

cause of the bankrupt character of the British proposals. Only one conclusion can be drawn from this: The Indian nationalist leaders are afraid to discuss this issue.

Nehru himself supplies us with the key to this cowardice and betrayal. Shortly before Cripps outlined his proposals to the Indian leaders Nehru said: "Suppose we did come to an agreement with Britain short of independence. Various political groups would immediately say that the Congress was selling out. We can only resist the Japanese through the creation of a nation-wide feeling that India is already free."

As the British proposal is not only short of independence, but far removed from it, Nehru finds it necessary to divert the Indian masses from this outrageous plan and to fix their attention mainly on what part India is to play in the war set-up against Japan. By this the Indian nationalist leaders hope to save themselves from the charge of selling out the Indian people to continued British overlordship of India.

In this scheme the United States and China are playing their part to help cover up the betrayals of the Nehrus and the Gandhis. Im-

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### What They Said Then

"The whole background of India is one of hostility and distrust of the British government. Not even the most far-reaching promises can alter this background, nor can a subject India offer voluntary or willing help to arrogant imperialism, which is indistinguishable from fascism."

(Bardoli Resolution, passed in 1941 by the Indian Nationalist Congress Executive Committee.)

## From Inside Nazi Germany

### Opposition to the Hitler Regime Now More Open

By EUROPACUS

Contrary to its former policy, the press has in recent months been almost completely silent about any indications of a lowered morale inside Germany. Strange as this might at first appear, it is in reality a deliberate Allied policy. The Allied leaders consider it detrimental to their military effort to point to the growing dissatisfaction of the German people with the Nazi regime, since they fear that discussion of the situation inside Germany might lead to demands for a clear policy on the part of the Allies toward the German people—as distinct from the Hitler dictatorship—and distract people from the most prominent propaganda slogan of Washington and London: "The war can only be won in the military field."

The big press has therefore worked to make people believe that while there is growing opposition to the Nazis in the occupied countries, nothing of the sort is observable inside Germany.

This picture is utterly false—as we shall now show by extracts from reports which have arrived here recently. There is growing dissatisfaction and resentment inside Germany; Germany's morale has been much lower in recent months than ever before since Hitler took power. On the other hand, we must also beware of excessive optimism; dissatisfaction does not yet mean readiness for action against the regime.

There are three main reasons for this inability to transform dissatisfaction into revolution action:

1) As a commentary to several reports says: "If the strength of Germany were determined by the morale of the people, the most fantastic hopes of collapse would be justified. But in a totalitarian society it doesn't work that way. What is lacking in Germany is the possibility to translate feeling into action. A prerequisite for action is that people of the same opinion join together. That is what is impossible as long as the terror apparatus functions. For example, in a German munitions factory there is absolutely no opportunity for workers in one division to have contacts with those in another. In Germany, if housewives begin to make a fuss at market, they are arrested before any broader spontaneous demonstration can develop. It has happened that workers from one division in a factory held a sit-down strike in the factory canteen and refused to go back to work. It did not take long for the police to arrive and arrest a few who had dared to get up and say that it was impossible to work with so little nourishment..."

2) As another report puts it: "The speeches and utterances of some of the Allied statesmen create a most detrimental effect; some have wrought havoc, notably that of Vansittart (leader of the "annihilate the Germans" clique in (Continued on page 2 in the column, "Europe in Revolt")

# LABOR ACTION

APRIL 12, 1942

A PAPER IN THE INTERESTS OF LABOR

ONE CENT

## UAW SACRIFICES WHILE THE AUTO BARONS PROFITEER!

### Congressmen Reject Mild Profit Limit

By BILL HAINES

Congress did it again this week! While working itself into a frenzied anti-labor diatribe, the Senate rejected a mild proposal to limit war profits of the big war manufacturers. This rejection came after specific pleas from representatives of the Roosevelt Administration—including Donald Nelson, production chief—that the war profits limit be defeated.

There were three proposals before Congress. The first, already passed by the House of Representatives, would limit profits on war contracts to 6 per cent of their face value.

The second, approved by the Senate Appropriations Committee, would place a graduated ceiling ranging from 2 to 10 per cent on profits from war contracts, depending upon the size of the contract.

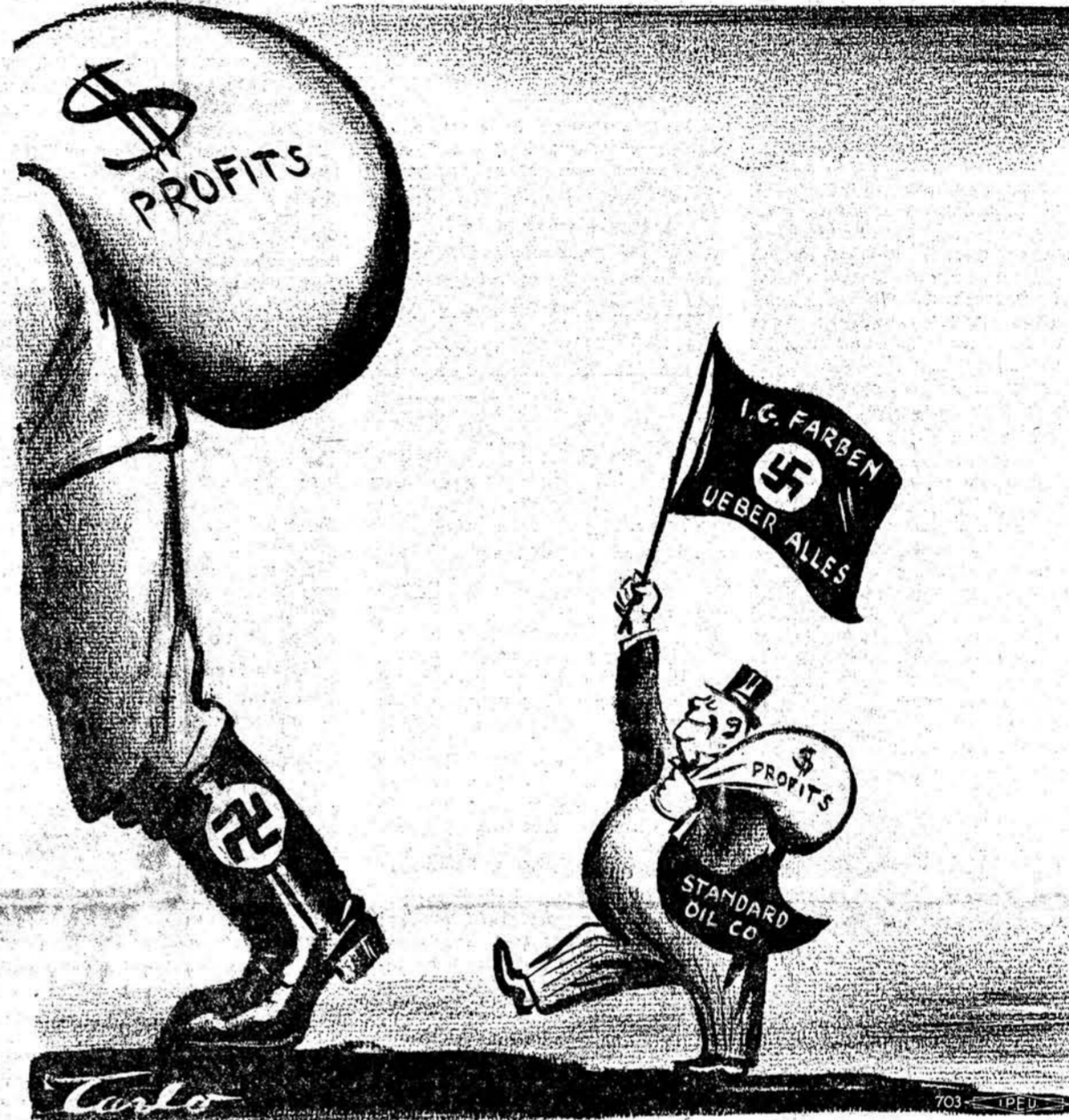
The third, recommended by Donald Nelson, representing the Roosevelt Administration, would give the procurement chiefs of the Army and Navy power to reopen contract negotiations where companies were making "unreasonable" contracts.

The second proposal—that of the Senate Appropriations Committee—has already been rejected by the Senate. Of the three unsatisfactory proposals, it was comparatively the most stringent.

It is important to realize that all three proposals are essentially fake in character, ineffective and filled with loopholes. They are being proposed only to quiet the justified indignation the workers feel against war profiteering.

(Continued on page 4)

"OUR PROFITS, MAY THEY ALWAYS BE RIGHT; BUT OUR PROFITS, RIGHT OR WRONG!"



### UAW Bloc Hits Double Time Surrender

By JACK WILSON

Even though it was sugar-coated and marked with a fancy label, "Victory Through Equality of Sacrifice," many delegates at the CIO Auto Workers emergency conference found the recommendations of the executive board a bitter pill to swallow!

In proposing that the union give up its present overtime standards for Saturday, Sunday and holiday work, in reaffirming its relinquishing of strikes, in placing all disputes to mediation or arbitration, the executive board statement declared: "To the above contributions we commit ourselves without conditions."

That is, no matter what the auto barons do or don't do, the union leadership insisted that labor sacrifice some more of its gains. And this is what stuck in the throats of many delegates and is burning up the men in the shops.

"The story is that thousands of war workers here, as represented by the men who came out of the shops to attend this convention, are in no mood for one-sided sacrifices. They don't like being called nasty names by the bank-president congressmen, profit-hoarding industrialists and well-paid editorial writers," is the way PM's correspondent described it.

"They feel it is high time for Congress and industry to start practicing 'equality of sacrifice.' If this new concession is just greeted by demands for more, they will get fighting mad," he added.

The stormy six-hour debate, which the Daily Workers correspondent described as "the tensest as any witnessed at labor conventions in years," ended when the combined efforts of the entire top leadership of the union and President Roosevelt's direct intervention swung a big majority behind the proposals of the executive board.

But even these pro-UAW leadership correspondents pointed out, "the sentiment... was far more evenly divided than the final balloting showed."

This is extremely significant since the conference could not reflect the views of the men in the shop as well as a convention, for the executive boards and bargaining committees of local unions attended the sessions in a body, and no elections were held in many locals!

"The minor functionaries, who deal daily with the gripes and uncertainties and resentments of the rank and file, were less disposed to accept unconditional abandonment of (Continued on page 2)

## ALCOA Lines up with Standard Oil as a Merchant of Death!

Another merchant of death monopoly, controlled by the Mellon family, took its place this week beside Standard Oil, whose profit-making with any labor union, engaged in the following practices, according to Arnold's testimony before the Senate Investigating Committee:

"In 1931 there was a growing world surplus of aluminum which threatened to invade American markets and disturb the monopoly control and the price structure of the Aluminum Co. of America. So that company formed a Canadian affiliate, called Aluminum, Ltd., thinking that in this way it could escape the anti-trust laws and could join with the aluminum monopolies of other

housewives who were sacrificing their pots and pans!

The viciously anti-labor ALCOA, which has always resisted negotiating with any labor union, engaged in the following practices, according to Arnold's testimony before the Senate Investigating Committee:

"In 1931 there was a growing world surplus of aluminum which threatened to invade American markets and disturb the monopoly control and the price structure of the Aluminum Co. of America. So that company formed a Canadian affiliate, called Aluminum, Ltd., thinking that in this way it could escape the anti-trust laws and could join with the aluminum monopolies of other

countries to prevent threatened world competition by eliminating the surplus.

### World Parceled Off

"The world market was parceled off. The Aluminum Co. of America got the United States. Its Canadian affiliate got 29 per cent of the rest of the world. The French got 21 per cent; the Germans 20 per cent; the Swiss and British 15 per cent each. Then the cartel members pooled their resources in a Swiss cartel in order to buy up the world surplus and hold it off the market. World production was drastically limited to prevent new surpluses. Minimum world prices were fixed.

"The plan to keep up prices by restricting world production rolled merrily along, until Hitler came into power. He had no patience with any limitation on German production but was delighted with the idea of limiting production abroad.

"And so Hitler, in return for permission to produce unlimited quantities at home, promised that he would not increase his exports and thus disturb the world prices which the cartels were trying to maintain. So the democracies were free to pursue their policy of eliminating what they foolishly thought was a dangerous domestic surprise without fear of invasion of their markets by German competition.

"Under this arrangement Hitler doubled and tripled aluminum production for aircraft and war materials. The democracies stood still. When the war came, Germany was producing one-third to one-half more aluminum than America."

### All for Profits

Officially, ALCOA was not a member of this international cartel, but its Canadian affiliate, headed by E. K. Davis (brother of A. V. Davis, head of ALCOA), was a member. ALCOA, then, was agreeing to a proposition whereby it would re-

(Continued on page 2)

## Stalinist Goons Attack LABOR ACTION Distributors

LOS ANGELES—A group of Stalinist hoodlums viciously assaulted and beat up three LABOR ACTION distributors on the evening of March 31 in front of the local CIO hall. On that evening two men and one girl were peacefully distributing the March 30 issue of LABOR ACTION (the front page of which was completely devoted to attacks against the labor-hating newspapers and congressmen who are trying to knife the American workers in the back, when a gang of Stalinist goons pounced on the men without warning. The Stalinist hoodlums beat and kicked the outnumbered distributors to the ground, and some of them even used violence against the girl distributor. The distributors of The Militant were also driven away.

This unprovoked gangsterism on the part of the Stalinists came after they had pushed through a resolution at the local CIO council condemning several working class papers which have been defending labor's rights. LABOR ACTION, The

Militant and the Socialist Call. This motion, pushed through over the opposition of numerous delegates at a poorly attended meeting by the Stalinist machine, also urged that the distribution of these papers be "discouraged." Presumably, the gangster tactics used by the Stalinist hoodlums is an interpretation of how to "discourage" these distributions.

It is significant that the motion leveled off at those who would defend labor's rights during the war, while omitting any mention of the People's World, local Stalinist daily, which not so long ago was championing a pact with Hitler and which continually advocates that labor surrender its most elementary rights, was not mentioned in the resolution. (LABOR ACTION, of course, believes in the right of the People's World to be freely distributed.)

As a result of the brutal beating, the American Civil Liberties Union has interested itself in the case and has promised to investigate it fully.

## BUDD WORKERS—

For another article in our series about Budd, turn to page 2. This one describes how Budd has had—just like Standard Oil and Alcoa—financial connections with Nazi and fascist firms in order to rake in profits. Don't miss it!

## Stalinists Fired Stewards—Admit ALCOA at Fault

A shocking admission that the Aluminum Corp. of America was responsible for the slowdown for which four union stewards were fired in Cleveland was in the statement of the Stalinist leaders of the National Association of Die Casting Workers (CIO) backing the discharge of the men.

"We regret that the company precipitated this production slowdown through their instituting of new work procedures without first consulting the union," the union statement, signed by Edward Cheyfitz, national secretary of the union, and Stalinist hatchetman, said.

"However, it is our position that there can be no work stoppage today for any reason, and that any man guilty of such a stoppage must go," the statement added.

How's that for a go-ahead signal to this corporation, long known for its anti-union practices and its deals with Hitler! Provoke a slow-down and then get the union men fired by the union officials!

A company union could hardly do better for ALCOA. In fact, no company stooge would have the nerve the Stalinists display.

## Akron Rubber Workers Go on Sit-down Strike

AKRON—The sit-down strike, which once wrote a glorious chapter in the history of the rubber workers union movement, was revived this week.

More than 220 workers in the fabricating department at Goodyear pulled a sit-down strike this week in an effort to obtain satisfaction from management on a wage dispute.

First efforts of S. H. Dalrymple, president of the URWA, to end the strike were fruitless, he admitted, as the workers were burned up plenty over their treatment by the company.



# Europe in Revolt

News from the Socialist Third Camp

(Continued from page 1)

England—Europacus), whole chapters of whose book were published in large print."

3) The absence of any clearcut political ideas on "what is to come afterward."

The situation in Germany may be characterized as follows: Dissatisfaction, grumbling doubts about the Nazi leadership are general, but the still powerful totalitarian machine aided by Allied propaganda have so far provided effective stumbling blocks to a transformation of feelings of discontent into open action. The following extracts of reports may serve as an illustration of this analysis:

## CLASS SOLIDARITY AND SLOW-DOWN

From Norway, November, 1941: "Many Norwegian workers who just returned from Germany have reported that they have been astonished by the slow tempo of work in Germany... When they were transferred to new factories they frequently had the experience that one of the workers, who was considered by his fellow workers as a kind of 'unofficial leader,' would approach them and say: 'You don't want to overstrain yourself. We work slowly here.' These statements amazed the Norwegian workers as well as the openness with which they were made; they had expected something quite different."

The majority of the younger workers have been sent to the front and their jobs have been taken by women and foreigners (tens of thousands of Russian workers have recently been put to work in Germany, and these together with millions of workers from other European nations make the job of the Gestapo so complicated that a 100 per cent strict control as heretofore is almost impossible). The base of the skilled workers in the factories today are 40 to 60 years old, former trade union members. These men have decades of experience in setting piece work and in distributing work. Besides they all remember the last war; Germany's war industry need everyone of these experienced workers desperately, but their working experience is indivisible from their trade union experience. The most efficient overseeing system cannot put an observer behind every worker. The Nazis, by smashing every workers' organization, have transformed free workers into slaves, but thus they themselves have created the basis for a decided decline in efficiency. The slow-down, partly by voluntary action of the workers, partly because of undernourishment and need of rest, is one of the most important causes hampering the Nazi war machine, and it is also a potent weapon in the hands of the workers against the Nazis. It provides an ideal field for common action of German and foreign workers.

## UNREST IN BERLIN MORE OPEN

From Berlin, November, 1941: "Chalk-written notices and signs openly urging and demanding the overthrow of the Hitler regime and the end of this war are appearing on the walls and houses of Berlin, in spite of the increasing vigilance of the nightly police patrols... Despite the death penalty for listening to foreign broadcasts, more and more people risk their lives to hear the British transmitter, which is more popular than the Moscow one. Their only complaint is the lack of imagination in the English propaganda... One may witness daily scenes in the green groceries and on the markets owing to the increasing shortage of vegetables... You cannot meet anyone in Berlin who believes the list of casualties given out by the government. It never occurs to the masses of the people that they should believe such lies. The government ban on wearing of mourning clothes or announcements of those killed in action has created very bad feeling. One may hear the soldiers talk quite freely of the frightful losses the Army has suffered in Russia, at the same time criticizing the lack of physicians and medical help... The party functionaries are generally held in disdain and their corruptibility adds to this scorn... One may hear people openly abusing measures of the government in cafes, restaurants and shops... In spite of the most rigorous regulations, bootlegging flourishes; in fact, one can get anything for money in Berlin. From Vienna: "The much stricter prohibition against listening to foreign broadcasts is a 100 per cent failure. Everyone listens to foreign broadcasts. Those who have no radios of their own have their regular reporters... It is no exaggeration to say that there are no Nazis among the workers today, except a few party functionaries. In any case, there is no worker willing to sell his skin for the Nazis. Feeling in the factories is bitter..."

## THEY FEAR FOR THE FUTURE

From Stockholm about Northern Germany: "Police supervision of the public has been somewhat lightened since the beginning of the Russian war. Little groups of former members of the democratic (Weimar) parties come together more frequently and in larger numbers. There is often political discussion, but discussion is as far as any one of them go. They see no possibility of real activity. That is why the most ardent among them are dissatisfied and pessimistic. All that these groups know about the war aims of the Allies are stories of British plans to cut Germany up in small pieces and render it impotent. The more they become convinced that Germany will be defeated, although fundamentally they hope that will not be the case, the more they fear for the future."

A Norwegian worker gives this report about a two-hour discussion he had with a German soldier:

"As the soldier began to feel more at ease, he told me that as a metal worker he had previously been active in the labor movement. According to his estimate, at least 80 per cent of Germany's soldiers are against Hitler today. Feeling has become much stronger since the Russian war. Nevertheless he said that no one dares to do anything active against the Nazis. Everyone thinks that most of his colleagues agree with him, but he can never be certain whether or not one of them is a Nazi spy. They are all under the terrible pressure of the SS and the Gestapo; all realize that the slightest trouble will lead to arrest."

"This man and friends of his who shared his opinions always came back to the same question—what about democracy? He asked: 'After all the mistakes leading to Hitler's victory had been made in Germany, why did the Western Powers repeat them? Why did they help Hitler to become so strong instead of destroying him at the beginning?' My soldier believed that it was such considerations plus Hitler's military success that had completely undermined the confidence of many oppositional soldiers in the democracies. They are more and more convinced that the Germans will not be able to win the war but they have no idea what the end will be. Some believe that a 'negotiated peace' is still possible, others are convinced that Germany will be completely destroyed. Whenever one has a chance to talk with oppositional Germans, one finds the same thing—doubt about the democracies."

While opposing the artificially created idea that "nothing is happening over there, they stand behind Hitler," we are not over-optimistic about the near future. It will depend at least as much on the workers in the Allied countries as to what course the German workers take as on the German workers themselves. When independent workers' action here convinces them that they may hope for substantial help in their fight against a new Versailles and for a socialist Germany, the causes which impede them from revolutionary action will be greatly diminished.

When we recently talked with a friend who was an influential member of the Spartacus revolutionary movement in Germany during the First World War, he said: "You know, even two weeks before the actual outbreak of the revolution, we did not have the faintest hope that something was going to happen for a long time to come..."

## April Issue of New International Appears

The April issue of The New International will be off the press by the time our readers receive this issue of LABOR ACTION. It is an extremely interesting issue, including many articles which discuss present world political problems. The table of contents follows:

The editorial Notes of the Month are entitled War and the Colonies  
Social Classes in India—Section II of the thesis of the Indian Trotskyists, a brilliant analysis of the social scene in India.

An Impudent Slander—a reply by M.S. to certain allegations in the last issue of Fourth International magazine.

Aspects of Marxian Economics, by

J. R. Johnson and Joseph Carter—a discussion of Marxian economic theory in relation to the Soviet Union.  
The Situation in Europe, by Europacus—a discussion article on the national question.

The Social Roots of Opportunism, by Gregory Zinoviev—Part II of the "Archives" selection.

The Partisan Review controversy—a letter from Dwight Macdonald in reply to a recent article in The New International which criticized Partisan Review, together with a reply to Macdonald by the NI editor.

Book reviews of Robert St. John's "From the Land of the Silent People" by Jack Wilson and Gustav Stolper's "Age of Fable" by Irving Howe.

# Analysis of UAW Confab --

(Continued from page 1)

double Sunday pay," the PM correspondent wrote.

Since the decisions of this conference are subject to ratification by the locals, it is by no means certain that the retreat of the union leaders will be backed by the ranks of labor who are getting tired of an appeasement policy.

The ten-point program submitted to the "President and the Congress of the United States for adoption," is contained below.

Before analyzing it, which will be done more thoroughly in subsequent issues of LABOR ACTION, we would like to make a general point: It is a "watered down" version of the Murray plan, whose three basic objectives were along the lines of this ten-point program!

And what happened to the Murray plan? Has the CIO dropped it?

Another question: How do the auto workers' leaders propose to carry out this plan? By retreating some more on every issue?

Do the Auto Workers Union leaders expect to kid anyone into thinking that any plan proposed by labor, whether it is good or bad, will stand a chance in a Congress packed with poll-tax politicians?

A union leadership which failed so miserably to give labor constructive and far-sighted direction, which retreats ignominiously before every attack of the labor-baiters, is hardly one which will struggle effectively for any program adopted by the Auto Workers Union.

Fresh leadership in the unions and a new kind of congressman, workers' representatives chosen to speak for the men in the plants as labor congressmen, are an indispensable prerequisite to carry out a militant program that safeguards labor's interests in the war and afterward! Or to carry out the good features of the ten-point program submitted to the Auto Workers Union.

The UAW ten-point program follows:

- 1) End all war profiteering.
- 2) No luxuries in wartime; no war millionaires.
- 3) Stop rising costs; prevent inflation.
- 4) Rationing of all food, clothing, housing and other necessities.
- 5) Adjustment of wages to meet increased living costs.
- 6) Security for dependent of men and women in the armed services.
- 7) Moratorium on debts.
- 8) Labor's contribution to production.
- 9) Post-war planning.
- 10) Upon the acceptance and adoption of the foregoing measures, we agree that all wages for time over 40 hours shall be paid in the form of non-negotiable Special Defense Bonds.

## Pros and Cons on UAW Confab

### PRO—

"The United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), its membership and officers, subscribe to the proposition that the most important task facing America today is the winning of the war. Everything else is secondary!"—R. T. Thomas, president.

"Are you going to tell the President of the United States to go to hell?" Richard T. Frankenstein, executive board member.

"What we need is more and greater national unity," Nat Ganley, business agent, Local 157, and Stalinist hatchetman.

"Labor will not rise to its responsibility unless it can life itself up from its own immediate problems," Victor Reuther, of the Reuther family.

### CON—

"We're not convinced that giving up the double time is vital to winning the war. Labor is making sacrifices everywhere—we gave up the right to strike, our brothers and sons are dying in the trenches. Can anyone show any signs that the men who sign pay checks have made one sacrifice?" Don McGill, Buick Local of Flint.

"These men are deliberately misleading us—Congress won't treat us any better, not matter what we give up," Arthur Shipley, Dodge Local delegate.

"Many of our members are fighting abroad. We must protect their rights at home. On the West Coast we have declared our willingness to work for just living expenses if management gives up profits. But they won't give up any of their profits," Louis Soccone, General Motors Local, Los Angeles.

# West Coast Loggers Strike

Special to LABOR ACTION  
By DONALD McDONALD

BURNEY, Cal.—Local 6-269, International Woodworkers of America, CIO, struck the operations of the Scott Lumber Co. here on March 27. The strike came as the culmination of a long series of violations of the contract by the company.

Among the provisions of the contract were a closed shop, machinery for the settlement of grievances, as well as a requirement that all cooks, waitresses and bed makers have a health certificate from a recognized doctor.

Since then a system of medical examination of all men employees by the company doctor has been instituted. It has turned out to be more of an inquisition than a medical examination, as is shown by the questions asked: (1) Where did you work last? (2) What union do you

belong to? (3) Were you ever in a strike?

Needless to say, most CIO men had three strikes on them before they even came up. This procedure was verified by several applicants.

### Manager's Strange Malady

The plant committee, in attempting to get a meeting with the company on this and other matters, was refused an audience. A conciliator was then requested of the Labor Department. But upon his arrival the company manager immediately retired to his home and refused entry to everyone on the ground that he was sick. Upon the departure of the conciliator agent there was a remarkable recovery by the manager.

An impasse having been reached, a practically unanimous strike vote was taken and the men came out. But sabotage of honest union action was added by the reactionaries in the IWA international office, who declared it an outlaw strike. Then the Stalinists in the state Industrial Union Council played their usual role of betrayal by bringing all possible pressure to bear to get the men to give up their strike.

Emboldened by such action within labor's own ranks and by Murray's now notorious attempt to sign away the right to strike, the Scott Lumber Co. brought suit against Local 6-269 and three of the Dyer brothers (active militants) for \$10,000. It secured a temporary injunction restraining the union from picketing.

### Hearing This Week

A hearing for a permanent injunction is to be heard at Redding in the Superior Court of Stasta County this week. In this connection it might be recalled that Shasta County is the home of the anti-picketing ordinance that was fought through the courts by the CIO and was declared unconstitutional by the U.S. Supreme Court.

As a result of all this pressure from every possible source from without, and of knifing from within, the men have returned to work temporarily. This upon the assurance of John Steelman, conciliation agent, that if the company refuses a meet-

ing with them and a conciliation agent on Monday, April 6, he will certify the case to the War Labor Board.

And then the old merry-go-round of stall and bicker will start again. From this example, not only the workers involved but all IWA men everywhere should take heed and henceforth know what to expect from Stalinist traitors, reactionary union bureaucrats, petty county officials and government boards, and resolve not to rely on such mirages of promise but rather on their own strength.

## Boston Bus Drivers Strike

BOSTON—Strikes in two bus companies and a threatened stoppage in a third company have brought the owners of the local bus lines to the realization that the workers do not read William Green's promises of "no strikes."

Of late, the bus companies—being sure that the workers could not strike because of the AFL's policy—have been trying to "nibble" away at the union conditions.

In near-by Revere, conditions became so intolerable that the workers went on strike despite the threats of the Governor and Mayor. A mass meeting in Lynn decided unanimously to strike the Eastern Massachusetts Street Railway Co. in 27 cities and towns for refusing to rehire a worker who had been laid off. The company agreed to rehire the worker early the next day.

The workers on the Rapid Transit Bus Co. (Winthrop, Saugus, Malden and East Boston) went on strike because the company has been forcing the drivers to paint buses, curb-stones, sweep out buses and bus terminals and other work in between trips.

It is interesting to note that the strikes and threatened strikes were not for salary increases or improvement of conditions, but to safeguard what they already had which the bosses were trying to take away.

The workers have an agreement with the company that does not expire until next August. As soon as they went on strike, the owner of the company, Judge Charles E. Flynn, wired William Green of the AFL (the bus drivers are all members of the Street & Electric Railway Employees of America, AFL) that the strike was a violation of the union agreement and that thousands of workers were kept from their jobs in the war industries by this strike, so wouldn't he please intervene.

The workers paid no attention to the judge, nor to Green. They stayed on strike not only until their grievances were settled but after they had drawn up a new air-tight agreement with a seven-hour day guarantee instead of six hours, and a salary increase from 65 cents to 85 cents an hour for the bus drivers and from 82 cents to 90 cents for mechanics.

### Say, Mr. Reader?

What do you think of this paper? Interesting? Like it?

Why not make sure of getting LABOR ACTION plus The New International, a monthly socialist magazine, for six months for only \$1.00? Fill in the blank on page 2.

# E. G. Budd Can't Lose—He Profits from Both Sides

Special to LABOR ACTION

PHILADELPHIA—Does the Budd family still profit from its foreign companies?

Like every other wealthy industrialist, Mr. Budd has always been interested in making a dollar of profit wherever he can. As a result of this he has attempted to benefit by setting up such companies in various European countries as would bring him a profit on his patents and mass production methods.

In 1930 Budd organized the Budd International Co. Of this subsidiary the American company owns or did own 82 per cent of the stock. Budd International spread into England, Germany and Italy. From companies in these countries Budd has made a great deal of money.

In Italy, Fiat Co., the great motor and aviation works, has licensing agreements with Budd whereby it uses his patents on stainless steel and other Budd industrial processes. The stainless steel trains that Mussolini rushes into Germany laden with food and soldiers going to the various battle fronts are paying heavy dividends to the Fiat Co., which in turn no doubt has paid Budd nicely for his patents.

In Germany, Budd has a 65 per cent interest in the German Ambi-Budd Presswerk. This company, also using Budd industrial patents, has played a big role in the rearmament of Nazi Germany. Whether Budd is reaping any profit on this company at present we cannot tell since no statement on operations has been received since September, 1939. (That was when Germany attacked Poland and was the beginning of the Second Imperialist World War.) We know, however, that all German industrialists have made enormous profits since Hitler came to power. First, by the destruction of the labor unions and, second, by the big war contracts that Hitler handed to the German industrialists in his prepara-

tations for the war. We have no doubt that the German Ambi-Budd Co. with its vital metal manufacturing got its share of the war profits, thereby giving Budd in America a few more dollars in his bank account and no doubt a lenient attitude to the savior of German big business who started pouring the national income of the German people into rearmament long before the big shots in England and France and America started playing the same game.

In England, the Pressed Steel Co. was organized to do the same thing that the Italian Fiat Co. and the German Ambi-Budd Co. did—make a lot of money for Brother Budd. This company also has shared in the rearming of England and has poured a fortune into the Budd coffers.

In France, the Citroen Co. (the Ford of France) has paid royalties to Budd since 1924 on his patents. Today the Citroen Co. is turning out tanks and airplanes for the Nazis and the Citroen stockholders who formerly collected dividends from the French government are now just as cheerfully making profits on Hitler war contracts.

From the above it can be seen that Budd International just can't lose, no matter what happens. If the Axis wins, he profits from Fiat, Citroen and Ambi-Budd. If the United Nations win, he profits from Pressed Steel and the American Budd Co.

What is true of Budd is also true of all the great companies—General Motors, Standard Oil, du Pont, Morgan and the rest. They have a finger in every pie and pick out all the plums. The workers of these great corporations in all countries also have something in common: low wages, speed-up, high rate of industrial accidents, slow starvation when they are fired for trying to organize, and the final sure reward—being tossed aside by the company when it can no longer make a profit out of their hides.

# World at War --

(Continued from page 1)

mediately upon Cripps' submission of the British proposals Chiang Kai-Shek urged their acceptance by the Indians. Behind Chiang Kai-Shek there is undoubtedly the fine hand of the American State Department.

Let the entire smelly business be too obvious as a sell-out, a seemingly terrible wrangle is taking place over the issue of Indian defense. Negotiations between the Indian leaders and London are apparently deadlocked at this moment. But what exactly are the differences which separate them? Nehru says that India will not accept a subordinate position in the plans for its defense. Does he mean by this suspiciously ambiguous formulation that India must first be freed? Not in the least. Nehru's interpretation of this statement refers solely to adequate Indian representation in the war committee which will direct the defense of India against Japan.

And in this war or defense committee does Nehru demand Indian leadership over military matters? No, he concedes that this properly belongs in the hands of the British generals. Is there perhaps a dispute in regard to the civilian head of Indian defense? No, there is not even that. London is willing to give that position to one of the Indian leaders, perhaps to Nehru himself.

After all, why shouldn't the British have an Indian in that post so long as control of India still remains in their hands? Who can better safely mobilize the Indians for the Allied war effort than an Indian nationalist leader? Why have a situation as in Malaya and especially Burma where the native population was either passive toward or actively supporting the Japanese invader? One must admit that even the British rulers are capable of learning something from the disintegration of the British Empire, particularly when it is a device for saving what remains of their colonial rule.

Perhaps the differences over Indian defense relate to the application of the scorched earth? Raymond Clapper reports from Calcutta to the New York World-Telegram that:

The toughest obstacle is the attitude of some native industrialists. A visitor hears much complaint about the British, but for hard-shelled, profit-hunting individualists, regardless of general consequences, the native industrialists would be hard to beat. Example: Their agitation against a 'scorched earth' policy, of which the government presumably is thinking in event of Japanese invasion. Mr. Gandhi's friend, the industrialist, Mr. Birla, is one of the leading opponents of the scorched earth policy. Several chambers of commerce, the Bengal Mill Owners Assn. and other native industrialists joined in a petition to the government, opposing it as inadvisable and unnecessary."

This shows that the ascetic Gandhi has behind him quite substantial interests in the persons of the Indian

capitalists and landowners and that he voices their interests. Gandhi is certainly a shrewd article. One finds him at the present time in the background, lest he soil his carefully cultivated pose. He conveniently allows Nehru to handle the negotiations. As for war and violence, that still appals him, especially since Nehru, who has no such qualms, can handle that too.

### Why a Conflict?

If Clapper's report sheds considerable light on this aspect of Indian society it makes very little sense with regard to the scorched earth point that he was trying to make. It is indeed difficult to imagine a fight between the British rulers and the native Indian capitalists on this issue. Since when have the British imperialists gone in strongly for the scorched earth policy? Where is the evidence? Certainly it was not in Penang, Malaya or Singapore, where the British preferred to leave their properties to the Japanese conquerors rather than to destroy them.

Even if the British have become, as a result of their defeats, partisans of the scorched earth policy, we doubt very much that there are differences between them and the native capitalists on this issue. Clapper does not present a true picture when he tries to give the impression of independent Indian capitalists expressing concern for their private property. The fact is that British and not Indian capital dominates the Indian economic scene. The Bengal Mill Owners Assn. may have petitioned the government against application of the scorched earth policy but does not Mr. Clapper know that the English managing agents control an actual majority of the capital of the Indian cotton companies?

When the decisive test came over freedom for India the Indian nationalists have played a vacillating role, because real freedom for the Indians can be gained only by unleashing the energies of India's 390,000,000 people. The Indian Nehrus and Gandhis fear this movement at least as much as the British overlords.

They even call upon Roosevelt to intervene in their behalf, and Louis Johnson, Roosevelt's special representative in India, is prepared at the decisive moment to do so. In his pocket he carries a personal letter from Roosevelt to an important Indian leader. At the right time this letter will be produced and everybody will fall in line. Symbolically it will certainly have its value. The American colossus will demonstrate once again its increasing influence in the affairs of the rapidly collapsing British Empire.

But no one, not even Roosevelt, can or desires to underwrite genuine freedom for the Indian masses. This remains their own immediate task.

And on this question the Indian masses have still to be heard from. It is they—not the British nor Gandhi nor Nehru—who will finally decide.



## Why the Fascists Use Anti-Semite Lies

(Continued from page 1)

ALL bankers are responsible for the war. The capitalist system of competitive imperialism has brought on the war. Furthermore, any capitalist administration—with or without Jewish connections—would do just what the Roosevelt Administration is doing, namely, prosecute the war in the interests of American imperialism.

Aside from the above fundamental facts, it so happens—as has time and again been proved by figures—that the really big and controlling fortunes of the country are not owned by Jews. America's "Sixty Families" are not Jewish. Those capitalists who happen to be Jews are as like capitalists who happen to be Gentiles, as peas in a pod. Also it so happens that the Roosevelt Administration is not Jewish. There is but a mere sprinkling of Jews in and around the present government. **But what difference does it make whether a politician in a capitalist government is Jew or Gentile? Both are controlled by the same capitalist code.**

Truth, however, is the least concern of Coughlin, Pelley, Kullgren, Christians, Smith, Kissinger and the other would-be founders of fascism in America. They want the people to turn their anger against the Jewish population, the overwhelming majority of whom are workers, small storekeepers and small professional people struggling to earn a living. Thus the real culprits, America's "Sixty Families," will remain in power—protected by the ruthless dictatorship of the Nazis. The masses, fed up with war, are supposed to change the "Jewish" Roosevelt Administration for the "Christian" Coughlinites—instead of for their own working class government.

### ANTI-SEMITISM—A FRAUD

A worker has but to look at the world today to realize the fraud of anti-Semitism. Hitler annihilated the Jews, who, he says, are the cause of wars and similar evils. But what a shambles the "pure Aryan" imperialists of Germany have made of Europe! And how about the war the Japanese militarists have waged for years against China and now throughout the East? Are there "Jewish" bankers in Tokyo—but with slanting eyes and yellow skin—who are responsible for the imperialist aspirations of Japan? Plainly anti-Semitism is a frame-up.

Who stands to gain by hatred of the Jews?

Who gained in Germany? Obviously the junkers and big industrialists—and Hitler. While the Nazis were staging their orgy of pogroms, union headquarters were also destroyed, union printing presses were confiscated, union leaders were murdered and jailed, militant workers were sent to concentration camps.

In a word, the only real weapon against exploitation, slavery and Nazi barbarism—LABOR'S MIGHT—was broken UNDER COVER OF ANTI-SEMITISM. Will the American workers let that happen here?

### COUGHLIN ANTI-WAR STUFF A FAKE

Basing itself upon the people's natural opposition to war, the Nazi-fascists of America try to ingratiate themselves with the masses by being very much anti-war and anti-administration—very much indeed.

Thus in an issue of the Social Justice (January 12) is found deceptive matter like the following:

"Let it be bluntly stated that besides fighting for liberty, our American boys will be expected to regain the Malayan Peninsula not for the people of Malaya or Great Britain, but for Sir John Hay and his legalized gangsters who own or control the Malayan Peninsula and the rubber racket throughout the world."

This sounds like the real McCoy, doesn't it? But—

What about the following treacherous Nazi tripe found in another issue of Social Justice (January 6):

"Any honest person will concede that Hitler and Hitlerism were protests against the old order dominated by Britain and the United States; were spearheads of a 'new order' to overthrow imperialism."

Thus in the eyes of Social Justice, British and American imperialism are very bad, but German imperialism is a shining "new order." And Japanese imperialism has the endorsement of God himself, according to Coughlin's mouthpiece. To quote again from it:

"Japan is almost barren of natural resources. Her people are prolific. Is there not another law, mightier than the 'Atlantic Charter,' which permits a people to expand to unused territories? Is it not true that the earth is the Lord's and the fullness thereof?"

This is typical of the double-talk of the Coughlinites and their ilk. When the imperialists of the small island of Great Britain moved into Malaya, they became legalized gangsters—as indeed they did. But when the imperialists of the small island of Japan take possession, they are only innocently expanding to "unused territories"—as indeed they definitely are not. For what has suddenly become of the poor Malaysians for whom Social Justice was shedding crocodile tears in the first quotation above?

To the inhabitants of the subjugated countries, an iron heel on the neck hurts just as much whether the foot above it belongs to an Englishman or a German, to an American or a Japanese.

Any anti-war propaganda that doesn't take this position is a fake. Any anti-war attitude that doesn't come out squarely for the end of imperialism throughout the world, but whitewashes Nazi imperialism and calls it a "new order"—is dishonest and a fake. The would-be founders of fascism in this country are not opposed to war. They are merely taking sides in the war. They are helping the Nazis to win!

But from the viewpoint of the worker, the winners of the war must be the subjugated peoples and working classes of all the fighting nations—so that there can be no other war in the future. When the working peoples of the world establish themselves as the rulers of the world, there will be no more wars. That is the side of the war the workers must be on. Any anti-war propaganda that doesn't say this—no matter how true is sounds in spots—is counterfeit.

So far two "strong" points of the American Nazi-fascists' propaganda have been exposed. Their anti-Semitism conceals a vicious program to destroy organized labor. Their anti-war propaganda is really support of the Nazis in the war. The next article in this series will deal with the Nazi attempt to arouse their followers in this country to murder and pillage, also their pretended opposition to the "bankers and princes of privilege."

The reason they speak so big against war is because they hope to win the support of the people that way for their reactionary program.

## Miserable Working Conditions Press Missouri Croppers to Organize Union

Special to LABOR ACTION

MISSOURI — We have often described in LABOR ACTION how the landlords robbed the Missouri sharecroppers of millions of dollars. To put it briefly: the government offered a planter, let us say, \$10 an acre for his cotton; if grown by sharecroppers, the cropper also was to get \$10 an acre. But if the landlord turned the sharecropper into a day laborer, he got the whole \$20.

That's how the Roosevelt government brought in a "new deal" for cotton, which resulted in sharecroppers becoming day laborer at \$1.25 a day for six weeks out of thirty-six while the landlords pocketed all the government subsidy.

How were the workers robbed? The administration of the law was turned over to three local committeemen in each county. The sharecroppers had no vote in the election of these committeemen. In the cotton country, of course, and for that matter everywhere these committeemen are white planters. Though these white planters professed to be "defending the white race against the Negroes," they chased out the white sharecroppers as fiercely as they chased out the Negroes and they pay the white day laborer exactly the same miserable pittance as the black.

So the government passed a law that was written with a crooked pencil and the landlords appointed their own representatives to administer it. It was cooked up to rob both white and black alike. Though the government knows what is happening, it has done nothing. But when some workers start to tell each other "We must get together, black and white, in the union to fight for our rights," then the landlords and their stooges start howling: "These people are 'enemies of democracy'! They are Jap agents."

Isn't it true, Messrs. landlords, that one year after the first roadside demonstration, when you feared that another one would take place, you met in county after county in Southeast Missouri and passed resolutions asking the government to change the law? Why did you do this? You did it because you were afraid that the demonstration might develop into a mass movement and the workers would leave Missouri, and you would have no labor. You passed those resolutions also because you knew of the miserable, the scandalous condition of the workers, and you were afraid that the government would pass a minimum wage bill. Also those of you who had a bit more vision than the rest didn't want public attention drawn to what was the most disgraceful situation in America.

The workers foolishly allowed themselves to be persuaded into keeping quiet; the government in Washington did nothing, as usual, and the workers were left empty-handed.

Nothing Has Changed  
Now nothing has changed. When the workers want to organize today and get a dollar or two per day extra the landlords who passed the resolution asking the government to change the law, begin to spread rumors about "Jap agents" and to say that the Workers Party and LABOR ACTION are responsible for the unrest in Southeast Missouri. The Workers Party and LABOR ACTION are not responsible for the condition in Missouri. If we were responsible it would be very different from what it is.

Every worker would get at least \$30 for a 30-hour week and time and a half for overtime. That would be to begin with and we would look to the powerful organized unions of the workers, both black and white united together and doing the same work and suffering the same difficulties. For we know that only the organization of the workers will get them anything and help them to keep it.

The landlords are now pocketing larger profits than ever. They have a fine market. The government wants cotton. The landlords still get the fat subsidies. They haven't rushed off to Washington say: "Take the grants away. We want to sacrifice for the war."

No, but the poor laborers must go on at \$1.25 with prices rising and food and clothes costing one and a half times as much as in 1939.

How long do the planters and their friends think that the sharecroppers will stand for this sort of miserable life? The sharecroppers know that the landlords are raking in profits. And they know that it is their right to demand a share of those profits in the form of increased wages. It is their right and they mean to get it.

These are the conditions which press the croppers to union organization.

## Thurman Arnold--Union Hater

In the fall of 1939 when Thurman Arnold, head of the anti-trust division of the Department of Justice, started his union-busting drive, misleadingly termed a "trust-busting campaign," he protested vehemently that he was a friend of labor, that his only intention was to help it. Some liberal periodicals and journalists even swallowed this story. He and they were all for unions but "sometimes unions weren't doing right" and "sometimes they engaged in jurisdictional strikes," so naturally someone had to call them to account and it was just fine and dandy to use the Department of Justice and the Sherman Anti-trust Act to get at the unions—all "for the sake of the unions," of course.

This gallant "trust-buster" proceeded to help unions and the consumer by starting criminal cases against unions! For good measure he threw in a few construction companies. But up and down the line he went against the building trade unions and the teamsters. Fortunately for the unions, the Supreme Court for a change paid some attention to the original purposes of the Sherman Act and decided that it did not apply to that type of case which Arnold was prosecuting.

During the course of his campaign, lasting well over a year, he distorted the whole picture of the activities of the building trade unions. Private contractors, government housing officials, union leaders and disinterested experts pointed out that the real reasons for the high cost of housing were price increases in materials, big profits to builders and landlords, and the terrific interest charges levied by the banks for financing such construction. This evidence didn't trouble friend Arnold, whose sole objective continued to be the destruction of the hard-won wage rates of the building workers. Now Mr. Arnold comes into the

open for all to see him in his true light. He thinks this is the time to jump hard with both feet and hobnailed boots. When the whole boss press, most of Congress, the big industrialists and all the professional labor baiters are howling in full cry, cooperating in their biggest anti-union drive in several years, he adds his voice to their lies and distortions and accuses union labor, emphasizing UNION, of being the cause of all our ills. So, says he, unions injure or destroy the farmer, the consumer and independent business man. All this, remember, from the man at the head of the government department which is supposed to curb and control the trusts, the big monopolies which fix prices to the buyer, which cooperate to pay as little as possible to the agricultural and industrial producer, which cut-rate the small business man out of existence, and which increase the consumers' cost of living, and fight every attempt of their employees to organize for decent conditions.

When we also consider that even Roosevelt, Nelson, Knudsen, Patterson and other big shots have just recently given the lie to the newest crop of anti-labor charges and have denied the need for restrictive laws, Arnold's action appears even more strongly as a deliberate contribution to the attacks of big business in its use of the war as a screen behind which it is trying to destroy the American labor movement.

They haven't succeeded yet and they won't, not even with Arnold's help. The unions with all the faults of their leadership are at least wise to this much, and the rank and file won't and the leaders dare not accept or allow the passage of union-baiting legislation.

A suggestion: Instead of wasting time on all this bunk why not remove Arnold and replace him with

someone who will devote his time to carry out the aims of the anti-trust law. Arnold can go back to Yale or get a job as personnel director with the National Association of Manufacturers. The Sherman Act was used for its first fifty years as a camouflage for attacks on unions. The history of that usage is dirty enough without Arnold's additions.

### "Off Limits for the 25th Infantry"

Twenty places of public accommodation and recreation in Walla Walla, Wash., have barred Negro soldiers of the 25th Infantry, and that ban has been officially enforced by the Army, according to a release of the NAACP. These places have been declared "OFF LIMITS for all soldiers of the 25th Infantry."

The People's Voice, New York Negro paper, carried the following pointed editorial comment:

"Recalling that the state of Washington, on the Pacific Coast, has already been included in the territory most liable to attack by the Japs if and when—PV wonders if those business men will show the same reluctance to admit Negro soldiers to their store when looking for protection from invaders."

### Tee Hee Dept., or How PM Gets a Scoop

In her review of the motion picture, "The Male Animal," Cecilia Ager, movie reviewer of the New York daily, PM, refers to Bartolomeo Vanzetti as "the martyred liberal."

Doesn't Miss Ager know that Vanzetti was an anarchist when he was framed in the famous Sacco and Vanzetti case? Or does she think that he too has "reformed"?

# The Readers of Labor Action Take the Floor...

## St. Louis Star-Times Writer Replies to LABOR ACTION

The following letter has been received by LABOR ACTION in reply to a letter sent to the St. Louis Star-Times on March 21 by Irving Howe, managing editor of LABOR ACTION. That letter attacked certain references to LABOR ACTION which appeared in the St. Louis Star-Times. The reply of the St. Louis Star-Times writer, Karl Pretschold, follows together with a brief note by the editor of LABOR ACTION.

Dear Mr. Howe:

In your recent letter to the managing editor of the Star-Times concerning a news story I wrote about the Sikeston lynching and the grand jury investigation which followed it you make two points, (1) that LABOR ACTION was referred to as the official organ of the Socialist Workers Party; (2) that "a slanderous and vicious implication" was created by mention of the Pacific Movement in the same news story which mentioned LABOR ACTION.

As to the first point, I was wrong, as I have since learned. I simply did not know that LABOR ACTION was not the organ of the Socialist Workers Party. I am not as well informed on left-wing groups and publications as you seem to think I am.

Mention of the "Social Workers Party" is, of course, a typographical error.

As to the second, and to my mind more serious charge, that you make: There was no intention of linking the Pacific Movement with organizing activities in New Madrid County or the distribution of LABOR ACTION. I disagree strongly with your statement that there is an "obvious implication that the alleged activities of the Socialist Workers Party and/or LABOR ACTION are in some way connected with the 'pro-Japanese Pacific Movement.'"

There was no such implication intended. There was no attempt to use

"one of the oldest tricks of journalism."

I sought merely to record the community state of mind, the atmosphere of tension which existed at the time the grand jury met. I tried to show that all activities, however unrelated in actual fact, were in many minds lumped together as "subversive." This community refusal to distinguish between movements, efforts to organize and protests over the lynching were parts of the "atmosphere of tension" which I mentioned in my news story. The attitude of the Star-Times toward the lynching of Wright, the investigation which followed and particularly the charge which was given the jury by Judge McDowell and the failure of the jury to return indictments are set out in editorials published in the Star-Times. I am enclosing copies of those editorials which, apparently, you did not see. I believe that if my news story about which you complained is read in the light of the views expressed in those editorials the "implications" which you read into the news story disappear.

Karl Pretschold.

(We are glad to receive this letter from Mr. Pretschold acknowledging his error as to the auspices of LABOR ACTION and disavowing any intention of attempting to connect LABOR ACTION with the pro-Japanese Pacific Movement. We retain our original opinion that in the context of Mr. Pretschold's article, in which reference to the Pacific Movement was immediately followed by description of alleged activities of LABOR ACTION without any differentiation between the two, there was a clear possibility of creating an implication in the minds of readers that the two were in some way connected. But we are pleased to record Mr. Pretschold's statement disavowing any such intentions, regretting, however, that—the to the best of our knowledge—the St. Louis Star-Times has not yet seen fit to print our letter as well as Mr. Pretschold's reply in order to clarify its readers.—Editors.)

## A Note from Missouri

Dear Editor:

Your paper is read by me with great interest and I'm sure by thousands of people who are clamoring for noble truth. Should be read by free thinking people who have freedom at heart.

I am submitting to you one of my poems which is written for mothers and it is my wish that all mothers may understand its true meaning, titled: "All Mothers Dear."

I am giving LABOR ACTION permission to publish same for the good it might do for downtrodden humanity.

Newburgh, Mo.

C. C.

(LABOR ACTION thanks reader C. C. for his contribution as well as for his good wishes. Due to severe space limitations, we cannot publish his poem, though we feel gratified at his kindness in sending it.—Editor.)

## New International in Letter to The Nation On War Position

Dear Editor:

Your readers will doubtless be interested in the following letter which I have sent to The Nation.

Albert Gates, Editor, The New Internationalist.

Dear Sirs:

In the March 21 issue of The Nation there appeared a letter from Dwight Macdonald regarding the Stalinist attack on left-wing refugees in Mexico, and a reply by the editors. It goes without saying that we agree completely with Macdonald's letter. We regard the Stalinist attack on these anti-fascist fighters as only another instance of GPU methods in dealing with political opponents within the general working

class political movement. I was, therefore, happy to read that you rejected the Stalinist charges against Serge, Regier, Muniz, Gorkin and Pivert.

In reply to the specific question which Mr. Macdonald asked you, i.e., whether one becomes a tool of fascism "if one opposes the present conduct of the war as imperialistic," you have made a questionable distinction between a tool and an agent. You say that opposition to the present war on any ground whatever, makes one a tool of fascism—but you add "a tool is not an agent." The distinction you make is too fine to involve a fundamental difference. The reason such a distinction is made in the first place, is because The Nation would like to distinguish between fascist opponents of the war and the position of international socialists, who are opposed to all imperialism war. Otherwise, the distinction would not be necessary. But on the same grounds as The Nation rests its case, Hitler would say that an international socialist is an agent of Roosevelt or Churchill.

I write this letter to you, however, to sharply dissent from your basic point of view. Revolutionary socialists are, above all, internationalists. Surely The Nation knows that our opposition to this war as imperialism obtains from our opposition to world capitalism and from the conviction that there is no hope for humanity, not only in the United States, but in the whole world, so long as capitalism, that is to say, imperialism, continues to exist. The fact that three totalitarian states are in alliance against two capitalist-democratic states, one totalitarian state, one military dictatorship, etc., cannot fundamentally alter the point of view of international socialism that this very war and the alliances could not exist except under the social order of capitalism.

Socialism, as the editors of The Nation well know, seeks to eradicate the basic causes for war, unemployment, poverty and fascism, which it knows are the products of capitalism. No matter what the out-

come of this war, no matter who wins, on the continued existence of capitalism, none of these phenomena will be abolished. The Nation proceeds in its thinking obviously on the theory of the lesser evil. That British or American imperialism, or Stalinism, now that it is no longer in alliance with Hitler, is a lesser evil in comparison with Hitler.

As a revolutionary socialist and an ardent anti-fascist, I am only too well acquainted with the barbarism of fascism and the imperialist aims of Hitler and Co. But I, together with thousands of other international socialists, sought to prevent the victory of Hitler in Germany long before he came to power, at a time when the German Social Democracy and the German Stalinist Party refused to unite in a common struggle against the scourge, when the democratic-imperialists did everything in their power to aid and rear Hitler. One of the most powerful "ideas" making certain this victory of Hitler was that of the lesser evil (Brue-nin is a lesser evil as compared to Hitler; Dolfuss is a lesser evil as compared to the Nazis). This theory destroyed the resistive powers of the German and Austrian working class. International socialists oppose this theory because it insures the continued existence of the social order which breeds and brings to power the fascist political system. I emphasize "political system" because Germany, Italy and Japan remain capitalist-imperialist nations. International socialists are for socialism, not only in the United States, or Great Britain. We are for world socialism as the only way to abolish all the evils of modern class society.

Whether this war ends in a stalemate or whether the United Nations win, the crucial social problems which prevailed prior to the outbreak of the war and which continue to prevail in the very midst of the war, will remain only to bring about conditions for a new war. That is why we stand for socialism now and that is why we dissent so vigorously from your editorial comment, to wit, that a socialist opposition to the war makes one a "tool of Hitler."

## Two Negro Soldiers Killed In Fort Dix

(See editorial on page 4, "Tragedy at Fort Dix.")

Two Negro soldiers and one white military policeman from Honey Camp, Va., were killed last week in a 15-minute battle at Fort Dix. Five Negro soldiers were wounded.

The trouble began when a group of Negro and Southern white soldiers had a quarrel as to who should use a telephone booth first. The Southern MP from Honey Camp, Va., interfered and began chasing a Negro soldier. "When he saw that he could not overtake him," says the official Army report, "he fired one shot, calling him to halt."

According to the Army report, "a fusillade of shots" was then fired from the barracks of the colored troops.

The New York newspaper, PM, conducted an independent investigation which came to the conclusion that:

"The sources of prejudice are: 'Southern firebrands transferred from Dix to other camps.'

"Civilian bigots in towns near Fort Dix, some of whom go out of their way to insult and disparage Negro troops."

PM reports that "saloon and restaurant keepers in the neighborhood repeatedly insulted Negroes to drive them away."

It was this anti-Negro pressure which laid the basis for the tragic brawl. According to PM, however, there is considerable basis for doubting the accuracy of the initial Army report, since "The fight couldn't have developed in that fashion, unless the Negroes in the barracks had their rifles loaded. This is unlikely because the men must have stolen the ammunition from the practice range, a serious infraction of rules, and it isn't likely they left it in their rifles, where the first inspection would have shown them up."

PM further reports that it was the general opinion that the white MP had no business starting the shooting. It says that George Sherman, manager of the Military Sports Palace, where the fight began, "was convinced that the shooting was unnecessary..."

"This conviction was echoed by an MP."

"I'm sure it would never have happened if colored MP's were on the job," he said.

"Others bore out this view. The fleeing Negro was racing for his own barracks, only 25 yards away. If the MP had merely continued to chase him, the witness said, he probably could have collared his man in the barracks without trouble because the fleeing man had no choice but to enter the barracks or race around them across open flats of land where he could have been spotted easily."

## From a Friend In California

Dear Editor:

I acknowledge receipt of three sample copies of your paper. Also I have received your form letter addressed to ex-American Guardian readers. For all of which, I thank you.

In nearly fifty years of living (pardon me, I mean "existing") on this little old planet I believe I have learned enough to "know almost all of the answers"—and have acquired just about all of that learning the "hard" way—a costly education and a lasting one, branded so deeply into my fibers that there isn't much left of the fibers.

In view of the above, I don't know why I am taking on a subscription to your paper unless it be that I like to be in good company (and the good Lord knows I'm in a helluva spot for THAT here in California), so help me Hannah!

Further, I like to feel that perhaps my humble, simple subscription may possibly mean just a little bit added moral support to the cause and the fundamental principles involved, and to my fellow humans who still have enough "fiber" left in you to "carry on" as you are doing. More power to you and may your tribe increase.

I have studied the world scene closely for a long time now, both subjectively and objectively, philosophically—and sometimes, er, not philosophically—and I have had long periods of high hopes and periods of dashed hopes. Tonight, as I write this bit, perhaps I am feeling just a bit "low" in spirit.

For you see, I am disappointed, fairly to the point of nausea, with humanity in general and most of all of my personal acquaintances in particular. I sometimes wonder—tonight is just another time—whether humanity, collectively or individually, is worth helping, whether they are worthy of as much consideration as an ant or a bee or a hog? (I told you I am feeling very "low" tonight.)

C. L.

California.



# Editorials

## LABOR ACTION'S PLATFORM

Against Both Imperialist War Camps! For the Victory of World Labor and the Colonial Peoples! For the Victory of the Third Camp of Socialism!

### LABOR MUST DEFEND ITSELF!

- Hands off the right to strike! For the defense of civil rights and all workers' rights! Against any wartime dictatorship measures!
- Thirty hours a week; thirty dollars the minimum wage; time and a half for overtime! Rehire the jobless millions by a six-hour shift!
- Wage increases which meet rising costs! No sales tax on consumer goods; no taxes on wages! Freeze rents and food and clothing prices at the 1940 level to stop the rise in the cost of living!
- Government contract without a union contract! The closed shop in all war industries!
- Maintain and increase all government social services!

### SOAK THE RICH—LET THEM PAY FOR THEIR WAR!

- A government levy on capital to cover the costs of the imperialist war! Confiscate all war profits!
- Conscript all war industries under workers' control!
- Expropriate the "Sixty Families"—the 3 per cent of the people who own 96 per cent of the national wealth!

### DEMOCRATIC RIGHTS TO THE DRAFTEES!

- The right of free speech, free press and free assembly for the men in the armed forces!
- Sixty dollars a month minimum for draftees!

### SMASH JIM CROW!

- Down with Jim Crow and anti-Semitism! All discrimination against Negroes in the Army and Navy, or by employers in industry, must be made a criminal offense!

### BE PREPARED!

- For Workers' Defense Guards, trained and controlled by the unions, against vigilante and fascist attacks!
- For an Independent Labor Party and a Workers' Government! No political support to the Roosevelt government!
- For Peace Through Socialism! For immediate independence of all colonies! Only a socialist world will destroy capitalist imperialism and fascist barbarism. For a League of Socialist Nations!

# Why the Atlantic Charter Can't Break Hitler's Rule

Stunning confirmation of LABOR ACTION'S claim that the Allied governments, because of their imperialist nature and program, are incapable of stimulating the German workers and soldiers to revolt against Hitler, came from an unusual source last week—a dispatch from the ultra-conservative New York Times reporter, George Axelsson.

Axelsson begins: "Adolf Hitler is not worrying that the German people will abandon him. The outstanding reason why the people still support him is fear—not fear of the Gestapo, but fear of the consequences of defeat."

This fear of what an Allied victory would mean to them as ordinary people of Germany who are not Nazis has received "scientific nursing" from Dr. Goebbels, Hitler's ace propagandist. And, what is most significant, "the Atlantic charter did nothing to allay the fear of the consequences of defeat."

"There is another reason why Hitler's hold on the people remains firm in these days of their trial: the propaganda of the United Nations has not been able to shake the conviction fostered by Dr. Goebbels as to what is in store for the Germans in the way of political organization of the state in case of defeat nor to dispel doubts about the sincerity of the Atlantic Charter."

## Pétain Government Sentences Socialists Of Spain

Pursuing its vile course as an agent for Hitler Germany and Franco Spain, the Pétain-Vichy government has sentenced to long years of prison several leaders of the Spanish POUM who fled to France after the collapse of the Spanish Loyalist government.

These men were taken from the French-established concentration camps at Montauban, brought before a military tribunal without defense rights, accused of organizing a political party in France and then sentenced.

The following sentences were handed out:

Solano—former general secretary of the POUM Youth—20 years at hard labor.

Jose Rodas—POUM leader in Lerida—15 years.

Ignacio Iglesias—former editor of La Batalla de Barcelona—12 years.

Juan Andrade—former left-wing POUM leader—5 years.

Comabella, Pons and Zayuelas—POUM leaders—5 years each.

Eight other members received from 6 months to 4 years each.

These men, all of them militant socialists and fighters against Franco fascism during the Spanish civil war, are but the latest of many refugee victims of the Hitler puppet government at Vichy. They will be freed by the French workers in the course of the coming people's revolution against Hitler-dominated Europe!

These are important statements. They require careful consideration. For out of them we can come to a real understanding of the political incapacity of the Allied imperialists to stimulate revolution in Germany as well as to a program on how to achieve this objective.

Why is it, after all, that the German people have "doubts about the sincerity of the Atlantic Charter"? They have doubts about the nature of the war because they can see that the words of the Atlantic Charter are mere words. They can see—and this Hitler, for his own reactionary purposes, is willing to let them see—that England obstinately refuses to grant India its independence, that the Atlantic Charter is a mockery in relation to the people of Africa.

What faith can they have in Roosevelt's "four freedoms" when they read of the Sikeston lynching, of the drive against labor, of the Fort Dix incident?

## Why They Fear Defeat

And why is it that they have "fear of the consequences of defeat"? Because they read the propaganda of the American and British imperialists, who advocate the political and economic dismemberment of the German people (who are to be made to suffer because of the crimes of Hitler.) They read the speeches of the British Lord Vansittart, powerful official in the British government, who is in favor of exterminating the German people. They remember the last Versailles, and understand that nothing better awaits them from a victorious Allied camp—except a super-Versailles.

So, even though they may grumble against Hitler, even though there is considerable discontent, the Allies cannot offer a political program, a banner to rally the German people to revolutionary action.

Once again we see the proof of what we have been writing for some time now: IT IS ONLY BY THE ESTABLISHMENT OF WORKERS' GOVERNMENTS IN THE ALLIED

COUNTRIES THAT IT IS POSSIBLE TO GAIN THE CONFIDENCE OF THE GERMAN PEOPLE AND RALLY THEM TO ACTIVE ANTI-HITLER STRUGGLE!

Workers' governments in the Allied countries could prove by action that they have no imperialist motives, that they do not intend to make the German people suffer after the war. Workers' governments in the Allied countries could speak to the German workers as brothers in the common cause against Hitlerism and imperialism.

In that way a double blow could be struck for humanity: the abolition of Hitlerism and fascism, as well as the ending of the war.

## ALCOA's Deal With Nazis---

(Continued from page 1)

strict production and not pay any attention to the tremendous growth of German aluminum production, so long as the Germans did not try to compete with ALCOA—that is, so long as no one tried to lower ALCOA's towering price structure.

The same arrangement was being worked in magnesium.

Once again big business is shown up for what it is; it has no interest in fighting fascism, it is in fact a bosom ally of fascism and takes to it like a duck to water. Its only interest in promoting the present war is: PROFITS, PROFITS AND MORE PROFITS!

LABOR ACTION has a proposal to end this sort of scandal. We say: CONSCRIPT ALL WAR INDUSTRIES UNDER WORKERS' CONTROL! CONFISCATE ALL WAR PROFITS!

Given this, there could not be secret deals between such monopolies as ALCOA or Standard Oil and fascist Germany or Italy or Japan!

The workers are the true anti-fascists. The workers are not interested in war profits. They don't make deals with Hitler.

We say even more: All political power to a workers' government! Then we would have a true fight against fascism. Under such conditions it would be impossible for the capitalist class to profit from the war; it would be impossible for them to be in league with the fascists, here or abroad. It would make possible the establishment of a decent society, a society of genuine peace, and real improvement of the living standards of all the people. Given such a government, given socialism, we could really smash imperialism and fascist barbarism!

## NEGROES

### Japan Offers You Same Old Slavery

By Paul Harris

The trouble with those people who see the Japanese imperialists as "saviors of the colored peoples" is that they judge history by the race question, instead of analyzing the world as a whole, and then fitting the race question into it. In previous articles we have shown how the Japanese capitalists (although their skin is yellow) step by step followed the course of world economy, transferring their economy from the serf type during the middle of the nineteenth century into a capitalist economy; then as the world crisis deepened (particularly in the first imperialist war) and now as capitalism is in a crisis from which there is no outlet, it aimed at domination over the whole of Asia. We ask again: "How different would it have been had the Japanese been white?"

Now to show that the colored people can expect no salvation from Japanese imperialism, we shall tackle the internal situation in Japan and see how it affects the Negro people.

What is the trouble in the world today? It can be stated briefly, in fact, in one word: monopoly. Most of the wealth of the world is monopolized by a few people in each country. They have all the material advantages while the vast majority of the people are poor.

### THE "SIXTY FAMILIES" IN AMERICA

Perhaps 70 per cent of all the wealth of the United States is owned or controlled by sixty families. In fact, the Senate discovered and published the fact that so wealthy and so powerful are the twelve largest corporations in the United States that their decisions control the economic destiny of the whole country. As long as this situation continues, we shall continue to have idle men and idle capital, and all sorts of chaos in the economy, with the poor suffering, and periodical wars in the interests of the capitalist class.

Now if the situation in Japan were different, if there was an economy which had some sort of balance, if Japan really stood for a redistribution of wealth which would insure economic progress and prosperity, then the idea of Japan as a savior would have sense. But what is the situation in Japan?

In 1909 paid-up capital of all companies in Japan amounted to 1,367 million yen; of this the big companies had 495 million yen, or 36.2 per cent. By 1933 the total capital had grown to 14,547 million yen. But the share of the big companies was 9,264 million yen, or 63.7 per cent.

So that ten years ago the great monopolists of Japan owned nearly two-thirds of the wealth of that country.

### MONOPOLISTS CONTROL JAPAN

Everyone knows that in America Standard Oil dominates the oil industry. Mellon dominates aluminum production, du Pont dominates chemicals, Morgan dominates banking and finance and has his finger in every pie, and along with American Tel. & Tel., Henry Ford and a few others whose names are known to everybody—these people run the country.

But in Japan, Mitsui and Mitsubishi control the coal industry; Mitsui, Mitsubishi and Okura control half of the iron and steel industry; the other half being in the hands of the government; copper is controlled by five great firms, one of which is Mitsubishi; cement production is controlled by Onoda cements, a Mitsui firm; ship building is controlled by Mitsubishi; in electrical engineering there are four firms, two of which are Mitsui and Mitsubishi; artificial silk, the famous Japanese industry, is controlled 95 per cent by Mitsui and Mitsubishi; the cotton industry is controlled 70 per cent by four firms, two of which are Mitsui and Mitsubishi; the entire sugar industry is controlled by three companies, all of which belong to Mitsui and Mitsubishi.

### 4 CORPORATIONS OWN HALF OF WEALTH

Of the total capital in the country a few years ago, Mitsui had 15 per cent, Mitsubishi had 16 per cent, Sumitomo had 9 per cent and Yasuda had 4 per cent. Forty-four per cent, nearly half the wealth of the country, was owned by four large corporations. Now isn't it fantastic for Negroes to look to Mitsui, Mitsubishi, Sumitomo and Yasuda to save them from American race prejudice? Those are the men who rule Japan, just as Morgan, Rockefeller, du Pont and Co. rule here. Each group is seeking profits abroad through the same imperialist war. How can these men help the Negroes?

Not only can't they save American Negroes. They can't save the peoples in the East, either. India offers a beautiful example. India has been exploited by Britain for three centuries but the exploitation of India by Britain has never been so intense as during the last fifty years, simply because it is during the last fifty years that the crisis of world capitalism has become increasingly unbearable. The British, hard pressed in recent years, have used a trick which should be particularly interesting to Negroes just now. As the masses of Indian people pressed on for freedom, the British would appoint some Indians to posts in the government on the one hand and exploit the Indian masses more on the other! Now the intensification of exploitation is not an accident. It is due to the increasing crisis of British economy. But Japan suffers from the same crisis. And if anyone thinks Japan is driving the British out of Asia for the sake of Indian freedom, then that man is making a sad mistake.

Driven by the same forces, their economy in chaos due to excessive monopoly, the Japanese capitalists can only try to fasten their own claws into India's throat and squeeze out the profits that Britain formerly squeezed. How can it be otherwise?

That is why we advocate a policy of resistance to all imperialism. This is not a time for indulging in dreams about Japanese imperialism helping the colored people. It is imperialism that is running the world. And no section of imperialism—be it British or German, American or Japanese—can solve the Negro problem.

The solution to the Negro problem is interwoven with the solution to problems of humanity as a whole—that is, the creation of a free socialist society where such monstrosities as Jim Crowism will be impossible.

(Next week Paul Harris will discuss the road to liberation for the Negro workers, who are their friends and who their enemies.—Ed.)

## Tragedy at Fort Dix

The death of two Negro soldiers and one Southern white MP, as well as the wounding of five Negro soldiers, is another in the regular series of such incidents. According to the New York newspaper PM, the white MP, whose "shot in the air" began the fight, was acting out of general anti-Negro bias rather than because of specific provocation in accordance with the military statutes, which rule that an MP is not to use his gun unless his life is endangered.

Regardless, however, of the specific incidents that provoked the tragic flare-up at Fort Dix, there is one thing that is certain: It is part of a nation-wide pattern of Jim Crowism and discrimination. This incident is one of a chain; it comes after the anti-Negro riot in Fort Bragg, after the beating of Negro soldiers by white civilians in Louisiana, after the murder of Sergeant Thomas Foster in Little Rock, Ark., when he attempted to protect Negro troops from white policemen.

And it comes after the lynching in Sikeston.

The "war for democracy," rather than resulting in at least a temporary decline in Jim Crowism, has on the contrary greatly increased the virulence of the Negro-haters. They feel a universal dread lest the Negro take this talk about "democracy" seriously and begin to apply it at home; they feel the need for "putting the Negro in his place."

Each time that such an incident takes place in an army camp there is an attempt to blame the Negro soldiers. Yet, peculiarly enough, it is always the Negro soldiers who suffer the most casualties; it is always they who are beaten and shot.

No attempts to hush this, or similar, incidents can succeed in solving the problem. The Negro people will not—they dare not—be quiet. Nor can any decent, militant white worker be quiet.

PM's articles show the real cause of these riots. Southern MP's are put in control over Negro troops—and they attempt to apply the lynch law of open, blustering violence to Negro soldiers, some of whom are not ready to submit to such humiliations.

In Fort Dix, for instance, some 50 Southern white MP's were in charge of Negro troops. They treated Negroes like dirt and it was inevitable that hell would break loose despite the fact that Negro soldiers got along well with Northern white soldiers.

Negroes have a right to demand that either Negro troops be policed by Negro MP's or sympathetic white MP's and that Southern white MP's be removed; or that if Southern white MP's are retained, that they be instructed by the proper military authorities that any act of racial discrimination or violence against Negro troops will be considered punishable.

Last week President Roosevelt made a statement—sweeping if vague—against Jim Crowism in industry. But he is com-

mander-in-chief of the U. S. Army. He has the power to give an order such as has been suggested above and see to it that it is enforced. Otherwise, how can anyone take seriously his protestations against Jim Crowism in industry, when he refuses to do anything about Jim Crowism's most vicious manifestation in the very army of which he is commander-in-chief?

## Standard Oil Has Its Friends

Last week LABOR ACTION devoted its lead story to the stunning exposé of how Standard Oil kept patent secrets from the U. S. government but made them available to Hitler, and how it continually helped the Nazis and fascists in order to make more profits.

In case you may wonder how Standard Oil got away with this sort of thing, how it could do this with the knowledge of the State Department, and in case you wonder what kind of treatment Standard Oil can expect from the government, we print below a partial list of names of high government officials who are or have been connected with Standard Oil:

Walter Teagle, chairman of Standard's board, is a member of the War Labor Board;

Senator Tom Connally, a member of the Senate Investigating Committee, is attached to Standard Oil through his interest in Humble Oil and Refining, the Texas subsidiary of Standard Oil;

Philip Reed, chairman of the board of General Electric (one of the few companies closely enough associated with Standard Oil to be let in on the butyl process secret) is head of the industries branch of the War Production Board;

Robert Patterson, Undersecretary of War, was formerly engaged in law practice for Standard Oil;

General W. B. Pyron, of the War Department, who was a Gulf vice-president until a few months ago;

Dean Acheson, an Undersecretary of State, who was in the employ of Standard Oil until he got his government job.

Now you can understand why Standard Oil could fling as it did without molestation from the government; it has its friends in every important governmental niche. It's the same old story—the capitalist government officials protecting capitalist corporations.

## LABOR ACTION

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## Congress Knives Profit Bill - -

(Continued from page 1)

In the first place, all three proposals are fake because they regulate merely percentage of profit on the face value of contracts received and say nothing about percentage of profit on the total capital investment of the contractor needs for the contract—which is the real and usual way to calculate profits. The evidence brought out by the Truman and Vinson committees has shown that many corporations averaging between 6 and 10 per cent profit on their government contracts are actually making profits from 50 to 300 per cent on their capital investment.

For instance, James E. Barnes, Washington lobbyist for the Todd Shipbuilding Corp., testified before the Senate Naval Affairs Committee on February 5 that his company will make \$20,000,000 profit this year, after all taxes have been deducted, on a total capital investment of \$40,000,000 from contracts providing "only" 10 per cent profit of the contract's face value.

An even better example is that of the giant corporation, General Motors. This huge monopoly has already amassed war contracts with face value aggregating \$6,000,000,000. If General Motors is limited to a profit on its contracts of "only" 6 per cent, as the House proposal would specify, it would still make

\$360,000,000 clear profit—representing about a 25 per cent profit on its total capital investment.

A second reason why all three proposals would be ineffective in curbing profits is their failure to provide adequate safeguards against various shady bookkeeping devices, by means of which corporations pad their costs with fictitious items in order to conceal their real profits. For instance, corporations frequently pile their profits into so-called "contingency" and "reserve" funds which are not counted as profits and thus mark off large sums from the amount that they are taxed on.

**Fake Reserve Funds**  
Thus U. S. Steel last year put aside \$25,000,000 in a contingency fund, increased its depreciation allowance by \$14,000,000 and marked off \$10,000,000 for emergency plant amortization, thus concealing \$49,000,000 which would otherwise have been taxed.

Another favorite method by which corporations conceal their real profits is through the payment of exorbitant salaries and bonuses to top executives. Edmund Toland, counsel for the House Naval Committee, reported on March 25 that a sample survey of 15 companies handling naval contracts had shown that the salaries and bonuses of their officials

in 1941 ranged from 22 to 1331 per cent above the 1934 level.

On the same day, Representative Albert Gore of Tennessee presented a long list of corporation executives who got bonuses up to \$100,000 last year as their companies cashed in on the war boom.

Of the three proposals, the most obviously ineffective—and the one most likely to pass—is the Nelson plan to give Army and Navy officials power to reopen contracts in case of "unreasonable" profits. This proposal is ineffective because it does not state what constitutes "unreasonable" profits but leaves that to the judgment of those officials who are themselves responsible for the original contracts.

### "Psychological" Value Only

This is why certain senators have been quoted in the New York Times as saying that the Nelson plan was "of mere psychological value" which would obtain only "nominal profit control." And that's putting it mildly!

The 2 to 10 per cent sliding scale of profit proposal, which has met with decisive defeat, is hardly much better. It would not prevent corporations from splitting up their large contracts into many smaller contracts and sub-contracts and thus get profits on the higher rate instead of the lower one.

For instance, General Motors could split its \$6,000,000,000 worth of contracts among its 90 factories in such a way that each contract would have a face value of a few million dollars, on each of which a profit of 6 to 10 per cent would be allowed; whereas if the contracts were added up and taken as a whole, only 2 per cent profit would be allowed, under the Senate proposal.

In any case, it is clear, however, that not even these mild proposals have much chance of passing. The Administration has applied heavy pressure to defeat them and is holding out for "discretionary powers" without any specific limitation written into law.

The only way to effectively stop boss war profiteering is to fight for LABOR ACTION's proposal: A 100 PER CENT TAX ON ALL WAR PROFITS!

## NEW YORK MEETING:

### FOR A FREE INDIA!

SPEAKERS:  
PAUL TEMPLE  
Philadelphia Organizer, Workers Party  
HENRY JUDD  
Labor Action Writer

Sunday, April 12, at 8:00 p.m.

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