

The Big Lesson

an editorial

Workers Age

A PAPER DEFENDING THE INTERESTS OF WORKERS AND FARMERS

Vol. 7, No. 40.

NEW YORK, N. Y., SATURDAY, OCTOBER 1, 1938.

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LABOR UNITY AGAINST WAR PERIL

Revolutionary Labor Groups Join in Appeal to Masses in Crisis

Martin Talks On CIO Pact

UAW President Explains Meaning Of Agreement Recently Reached

Detroit, Mich.

In a radio address delivered over Station WJR on September 20, Homer Martin, president of the United Automobile Workers of America, presented his official interpretation, as head of the U.A.W., of the agreement recently entered into by the auto-workers union and the C.I.O., the provisions of which were reported in the last issue of this paper.

Mr. Martin's address, somewhat abridged, follows:

MR. MARTIN'S ADDRESS

The United Automobile Workers of America stands today, as thruout its history, an autonomous union. It is affiliated with the Committee for Industrial Organization. During the past week, an agreement was reached between the United Automobile Workers of America and the representatives of the Committee for Industrial Organization that recognizes once and for all the autonomy of our union. This, to me, is of paramount importance and is one of the principles for which the present administration has consistently fought.

Fundamental Principles Recognized

Many interpretations have been given the agreement; however, in my opinion, this agreement speaks for itself. Certain fundamental

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6,000 Call For Aid To Loyalist Spain

American labor solidarity in the struggle against fascism in Spain was pledged by more than 6,000 workers who crowded, despite the heavy rain, into Royal Windson Hall in New York City on Wednesday evening, September 21. Unusual enthusiasm marked the meeting, which was held under the auspices of the Trade Union Relief for Spain.

In opening the meeting David Dubinsky, president of the I.L.G. W.U., emphasized the "one great lesson we can learn from the tragedy that is unfolding itself" in Europe:

"It strengthens our conviction that the so-called leaders of European democracy cannot be depended upon to preserve or to fight for democracy and for the rights of the common people. That can be done only by the organized forces of labor together with the progressive and genuine liberal and liberty-loving men and women everywhere."

Tremendous applause greeted the statement of Leon Jouhaux, general secretary of the French C.G.T., that events now taking place in Europe irrevocably bind the work-

ers of all countries to the fate of Republican Spain.

The Spanish people fighting against fascism are entitled to the support of all liberty-loving people, declared Gonzales Pena, Minister of Justice of Republican Spain, who made a special appeal to American workers.

The appeal for relief funds met an enthusiastic response. Dress-makers Union, Local 22, I.L.G. W.U., opened with a contribution of \$1,000 and more thousands of dollars were contributed by members of the audience. Nearly \$200,000 has been collected and sent to Spain by the Trade Union Relief, of which Charles S. Zimmerman is chairman, Alex Rose secretary and David Dubinsky treasurer.

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Fitzpatrick in The St. Louis Post-Dispatch

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Capitalism Means War

The increasing militarization of the whole capitalist economic and social system, and the mobilization measures which are being carried out in different countries, have the effect of creating a state of tension which cannot last much longer without flaming up into universal war.

The present situation shows with naked clarity that all capitalist governments, "democratic" as well as fascist, are plunging on to war which appears to them to be the last hope of maintaining capitalist domination and of defending the imperialist interests and aspirations of the various national governing classes. This is the historic

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The most tragic feature of the present situation is that, not only does the Socialist International repeat its betrayal of 1914, but the Communist International, which was created to combat imperialist war, now professes the most shameful social-patriotism. The policy of the Popular Front has resulted in the complete submission of the workers to the imperialist governing classes and has prepared the way for the policy of "national unity" which "democratic" imperialism needs in order to wage war.

The war which threatens us today will be a war of rapine and imperialist conquest on the part of the fascist dictatorships, but it will not be a war of liberation on the part of the "democratic" imperialist states.

Czechoslovakia And Spain

Czechoslovakia national capitalism has oppressed workers in Czechoslovakia whatever their nationality, and in its negotiations with Henlein has been prepared to sacrifice the workers of the Sudeten districts to preserve its own interests. How can it be trusted to fight for liberty? Nor is it British or French imperialism which will defend the principles of democracy—they who have done nothing to save Republican Spain!

There is one country in Europe the people of which are struggling

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Nazis Make New Claims

Prague Rejects Hitler's Second Ultimatum; Powers Confer

An ultimatum to Czechoslovakia to evacuate huge sections of its territory of great economic and military importance by October 1, was laid down by Adolf Hitler last week in his second conference with Prime Minister Chamberlain at Godesberg on the Rhine. Within less than twenty-four hours, the new military government at Prague, headed by General Jan Syrový, rejected it.

Having forced Czechoslovakia to accept the Anglo-French proposal to cede the Sudeten regions to Germany, in accordance with Hitler's demand at the Berchtesgaden conference the previous week, the British Prime Minister came to Godesberg to complete the arrangements. But there the Nazi dictator presented a series of new demands along the following line:

1. German occupation by October 1 of extensive sections of Czechoslovakia, some even predominantly Czech in character, and the departure of all Czechoslovakian military and civil authorities by the same date.

2. A plebiscite in other districts, in certain of which the German-speaking people make up hardly a third of the populace.

Hitler presented Chamberlain with a map indicating his territorial claims; it was clear that he was demanding a far larger portion of Czechoslovakia than had originally been contemplated.

3. Release of all Sudeten Germans from the civil or military forces of the Czech state and the freeing of all Sudeten-German political prisoners.

4. Refusal to give any guarantee of the new frontiers of the Czech state unless Poland and Hungary both joined in this guarantee. Since Poland and Hungary are actively demanding slices of Czechoslovakia in the name of "their" minorities, this meant that Hitler was actually sponsoring their claims, determined to bring about the virtual dismemberment of Czechoslovakia and the conversion of what would remain of it into a German vassal state.

Prime Minister Chamberlain transmitted Hitler's new demands to Prague. Officially, he took a "non-committal" stand, but it was believed that additional pressure was being exerted on the Prague government to yield. Anglo-French conferences were resumed at London immediately. When Prague's rejection of the new Hitler ultimatum was made public, it was announced that Chamberlain and Daladier would soon present a "counter-proposal" of their own, which they hoped would be "satisfactory to both sides"—that is, which would grant Hitler the substance of his demands in a form that the Czechs could be forced to accept.

Meanwhile, war preparations

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ETHIOPIA!

China!
Spain!
Austria!
Czechoslovakia!

One after the other, victims of fascist aggression—victims also of "democratic" connivance! Every outrage that Hitler or Mussolini has committed, he has been able to perpetrate because the "great democracies" had cleared the road for him in advance and come to his aid and assistance in every difficulty. Need we any proof of this today after the fiasco of sanctions in the Ethiopian war, after the scandal of "non-intervention" in Spain, after the Chamberlain-Daladier ultimatum to Czechoslovakia?

In all this, there is no occasion for surprise, however much there may be for indignation and resentment. For the "great democracies" are, primarily and fundamentally, capitalist democracies, dominated and directed by capitalist interests. Their foreign policy is determined not by considerations of political "ideology" or internal regime but by considerations of imperialist interest. And prime among these is the preservation of the whole imperialist system, of the whole capitalist social order, in the world today. Neither England nor France, as long as they are dominated by capitalistic interests, can afford to do anything to block Hitler or even to withdraw their active support from his schemes of aggrandizement, for, with the collapse of his regime which would then be so likely to follow, the whole existing social order in Europe and perhaps the world would be jeopardized. "Either Hitler or chaos (that is: revolution)," is the alternative they face and of the two they certainly choose Hitler and all that he implies.

These are the cold facts. Capitalist "democracies" necessarily act in conformity with their capitalist character and it is the sheerest folly to expect them to do otherwise. But that is exactly what the advocates of "collective security" expect them to do. The entire scheme of "collective security" stems from the idea that it is possible for the imperialist "democracies," such as Great Britain, France and the United States, whose very existence is based on the greed and selfishness of the profit system, to band themselves together into a "holy alliance" dedicated to the altruistic cause of safeguarding freedom, democracy and international "law" thruout the world! This is folly that becomes positively criminal in its blindness and stupidity!

What do the advocates of "collective security" want? They want us to place our hope and reliance on the "joint action" of the "great democracies" to preserve peace and democracy. As well ask us to place our hope and reliance upon a gang of murderers to preserve the sanctity of human life!

They speak of the "joint action" of the "great democracies" Well, we have had joint action of the two "great democracies" of Europe for several years now; what has it brought? Look at Ethiopia, Spain, Austria and Czechoslovakia, and you have the answer. Would our "collective-security" apostles like to have the United States a third partner in this enterprise? That is something towards which the Administration has been surreptitiously moving in recent months,

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Martin Explains C.I.O. Pact

(Continued from Page 1) principles have, in the past, been made issues. I have taken my position relative to those fundamental principles. In the present agreement between the U.A.W. and the C.I.O., those fundamental principles have been completely recognized. I have stated before and I state again, there can be and there will be no compromise on these fundamental issues.

Responsibility And Contracts

Again, I and my administration have consistently taken a position that contracts with employers must be adhered to, that it is our right as a union to fight for the best possible contracts with employers, but that once we have written our contracts, every member of our union is morally obligated to uphold both the letter and the spirit of that contract.

The other day in the city of Detroit, representatives of the C.I.O. not only recognized the correctness of our position in this matter, but in a press statement to the entire nation, commended me and our Executive Board for our position. The press statement reads as follows:

"It will be noted in connection with the agreement that emphasis is placed on adherence to contracts. In this connection, we wish to commend the policies of President Homer Martin, officers and members of the union. The contracts now held by the United Automobile Workers make ample provision for the peaceful adjudication of disputes. Strikes in violation of contracts cannot be tolerated."

A fifth paragraph of the agreement provides a complete vindication and offers complete support to the fight that the present administration of the U.A.W. has made to make and keep the union an organization of, by and for democracy, as over against the activities of those who would place the union under the control, domination and guidance of alien political forces. This paragraph reads: "In keeping with the International constitution, no activities on the part of any person or group of persons which, in the judgment of the International Executive Board of the U.A.W., undermine or are detrimental to the best interests of the U.A.W. or the C.I.O. will be tolerated or permitted to continue."

Those political forces who have sought to find comfort in this paragraph as being indefinite, can certainly find little encouragement in the records of either Mr. Murray or Mr. Hillman, for it is a known fact that both Mr. Hillman and Mr. Murray have established themselves in the eyes of their entire membership and all those who are acquainted with them, as being unalterably opposed to the domination of the union by outside, alien political forces. To be specific, the Communist Party, while it may seek to misinterpret the intent and purpose of this paragraph and to turn the attention of the nation from its evident significance, knows full well that this paragraph means that not only has our administration been supported in its stand against communism, but that it expresses the future national policy of the C.I.O. relative to communists and communist activities. Those of us who were in the conferences know that it means that the full weight of the C.I.O. is

rank disservice to the members of our union. Furthermore, they have proven for all time that they have thus far been totally incapable of the leadership which is necessary to properly direct the affairs of an organization such as ours.

placed behind the administration in its efforts to establish the U.A.W. as a union for the workers in the industry.

One has but to look over this entire agreement to recognize that, while it is undoubtedly a compromise proposition, it is not the original proposal and that it recognizes and supports the major positions of the administration.

Again let us point out that the agreement clearly establishes the position of the union and the present administration regarding the C.I.O., its principles and policies. The truth is that there has never been an question as to our loyalty to the C.I.O.; there has never been a foundation for the rumors, innuendoes and deliberate misrepresentations which have been circulated to the effect that the present administration was disloyal to the C.I.O. We stand committed today, as always, to the principles of industrial unionism and to the Committee for Industrial Organization, as both the advocate and instrument of industrial unionism for the mass-production industries. We have stated in the past and we repeat today that no union in the C.I.O. or in the nation is a better example of the correctness of the principle of industrial organization than is the United Automobile Workers of America.

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WHAT NOW?

At its Los Angeles convention last week the American Legion adopted unanimously the following "Americanism" program:

1. Deportation of Harry Bridges and "all like aliens."
2. Immediate deportation of all aliens convicted of felony.
3. Investigation of certain Labor Department officials who "have blocked the immigration and deportation laws."
4. No immigrants to be admitted from countries that do not accept deportees.
5. Curtailment of immigration generally.
6. Compulsory naturalization.
7. Against any liberalization of the naturalization laws.
8. Endorsement and approval of the Dies Committee.
9. Fight against all "isms."
10. Free speech "except where the right is invoked to incite crime and violence."

On June 30, Earl Browder, general secretary of the Communist Party, declared before the McNaboe Committee in New York:

"The national policies of the Legion have been consistently democratic and liberal. . . . We agree with the preservation of the United States government as the Legion does, and this applies to all who would subvert it. . . . The Communist Party is the only one which does not have a major difference with the Legion."

Draw your own conclusions!

Big Lesson of the Crisis

(Continued from Page 1)

under cover of the noble, highly moral platitudes of Secretary Hull and President Roosevelt. But it is not something that the American people can contemplate without a feeling of the utmost alarm.

To some, the Stalinist leaders included, the gospel of "collective security" is only a mask behind which to intrigue in order to involve this country in war. With these people, there is little use in reasoning; they have to be exposed for what they are. But there are others who sincerely believe that "collective security" is the road to peace. They are blinded by abstractions, by gaudy phrases, to the point of completely ignoring the most obvious facts, the grossest realities. For them, the fate of Czechoslovakia, which stake everything on "collective-security" pacts sanctioned by the most solemn pledges of the "great democracies," ought to be an eye-opening lesson.

No capitalist government, no capitalist institution, can be relied upon for peace and democracy. Only international working-class action, fundamentally hostile to capitalism and all its works and

therefore free from all considerations of preserving the status-quo, can serve as a reliable bulwark against the dreadful menace of fascism and war!

Imperialist Oppression
The international working class must also support the colonial peoples and help them in every way to use a war situation in order to liberate themselves from the brutal domination of imperialism, which has been exemplified particularly during the last two years by the oppressive acts of the British imperialist government in India, the Near East, Africa and the West Indies, and of the French imperialist government, despite Popular Front administration, in Algeria, Morocco, Tunis and Indo-China. The struggle of the colored workers against imperialism is indissolubly linked with the struggle of the white workers against capitalism.

Soviet Russia
The defense of the conquests of the proletarian revolution, which remain in the U.S.S.R., against all imperialist threats, is the duty of the international working class. To accomplish this duty, the international working class must carry on the class struggle in capitalist countries and, at the same time, assist the revolutionary forces in Soviet Russia which are struggling against Stalinist bureaucracy.

A Call To The Workers
Against the rising tide of false patriotism and international rivalries, we call upon the greater force of international solidarity and cooperation between the workers of all countries, whether "democratic" capitalist or fascist, to fight capitalism everywhere and to prepare for real and lasting peace, which can only be assured by the establishment of workers power leading to a world socialist commonwealth.

Down with war!
Long live the social revolution!
International Bureau of Revolutionary Socialist Unity
International Communist Opposition
September 12, 1938.

His Chosen Role

THERE might have been some excuse for his (Congressman Dies) investigating some people who call themselves communists but who are really connected with circles working in agreement with the Nazis—namely, the anti-communist sects of Lovestoneites and Trotskyites. These groups . . . openly propagate defeatism for the United States in any future war. . . .—Earl Browder, secretary of the Communist Party of America, in the Daily Worker of August 27, 1938.

Earl Browder continues his chosen role: stool-pigeon and finger-man for the reactionary Red-baiters!

Labor Unity Against War

(Continued from Page 1)

for their liberty—Spain. A general European war would immediately transform Spain into a battle ground of rival imperialist powers and would lead to the complete destruction of all that still remains of the revolutionary conquests of July 1936. One of the first aims of the "democratic" imperialisms, proclaiming themselves protectors of Republican Spain, will be to pitilessly suppress the revolutionary vanguard of the Spanish workers.

Our Duty

The duty of all revolutionaries is to put forth all their efforts now to prevent a new imperialist butchery. In fascist states, it is our duty to utilize the hate of the working masses against fascist oppression in order to create the basis of conscious class efforts against the war policy of Hitler and Mussolini.

In "democratic" countries, it is our duty to use all the possibilities which we still have to organize resistance against imperialist war, particularly by means of trade-union action. In such countries as Great Britain and France, great public demonstrations should be organized against imperialist war, and against "national unity" in order to defend the rights of the workers menaced by the preparations for war.

If war breaks out, the working class must use the situation so created to overthrow capitalist domination for the conquest of power by the workers.

Only a revolutionary workers government will be capable of waging, if necessary, a really anti-fascist war for the liberation of the peoples.

Two Stages In The Anti-Monopoly Struggle

That struggle against the big bourgeoisie characterized the middle-class struggle against monopoly in the period after commercial capitalism. This phase of the anti-monopoly struggle, basing ourselves upon American experience, may be divided into two stages:

1. With the beginnings of industrial capitalism, of the modern factory system, the small producers, artisans and craftsmen, and the farmers, started a struggle against industrialism in the name of anti-monopoly. This opposition to industrialism was strongly marked in Jacksonian democracy, and the enemy included banks, which were considered the arch-devils of the monopoly conspiracy to destroy the independent small man. This particular anti-monopoly struggle was tied up with the struggle to broaden and deepen American democracy.

2. As the development of industrial capitalism moved irresistibly onward, the anti-monopoly struggle flared up again in an effort to preserve small-scale production and free competition against large-scale production and the limitation of competition. As large-scale production moved toward monopoly, the struggle became one to restore competition: the state was called upon arbitrarily to insure the relations of competition, which economically were being destroyed! The middle class of independent small producers and storekeepers, aided by farmers who were being exploited by the railroads, rallied to the anti-monopoly struggle in

the form of Greenbackism, Populism and the progressivism of Theodore Roosevelt and Woodrow Wilson. Law after law was passed to limit monopoly and to preserve or restore competition. But large-scale production and monopoly became increasingly dominant. In fact, anti-monopoly legislation often helped monopoly; the Sherman law to outlaw the trustee device (whence the name, "trust") of combining corporations was succeeded by the much more efficient holding-company device.

Monopoly capitalism, in spite of all opposition, became dominant. It is dominant today. The Roosevelt attitude to monopoly has been curious. The old N.R.A. was an immense strengthening of monopoly. Recently, there has been anti-monopoly talk in Roosevelt circles, resulting in the new anti-monopoly move.

Now the Roosevelt Administration, always willing to try anything once, is resorting to something new. That is the campaign against monopoly, including another investigation, which is now getting into swing. But there is a new twist to this campaign against monopoly: the emphasis is not on the restoration of competition but on the restoration of production.

The importance of that new twist to the anti-monopoly struggle is historical; it is a departure from the past and extraordinarily significant for the future.

Struggle against monopoly has always been an aspect of capitalist development from the beginning. In the period of commercial capitalism, up to the end of the eighteenth century, the struggle of the middle class against the big bourgeoisie, which wanted to compromise with the absolute monarchy after emerging from feudalism, was carried on in the name of anti-monopoly. And it was the middle class, in the name of the struggle against monopoly, that thrust the English and the French revolutions to larger objectives and achievements.

Underlying all of Thurman Arnold's argument is the old bourgeois economic theory that prices are the determining factor in production, instead of prices themselves being determined by the capitalist necessities of production.

One of the factors in bringing the recent recession was the piling up of inventory; that is true. But would inventory have been piled out if prices had been lower? No, for the real factor at work was the inability of capitalist production to create enough consumer

The New Deal Anti-Monopoly Campaign

By LYMAN FRASER

THE great task of the Roosevelt Administration is to make a declining capitalism work.

But, in one way or another, all the Roosevelt efforts have failed. Despite all government measures and the expenditure of more than ten billion dollars, the recovery and prosperity of 1934-37 was pitifully incomplete and it broke down into another minor depression which is not yet over. Spending, alternate attacks on business and concessions to business, "planning"—they have all failed.

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New Twist In The Anti-Monopoly Campaign

On the surface, it appears that the new anti-monopoly moves are of the old type—to limit monopoly and restore competition. And, indeed, all the demagogic talk of breaking up the trusts is reappearing, and the hard-pressed independent businessmen are being fooled again by the talk of destroying monopoly and restoring competition. But, as a matter of fact, all that is mere talk, mere demagoguery, mere politics. Actually, the real purpose is not to restore competition but to regulate monopoly and monopoly prices in a desperate effort to increase production and make capitalism work.

That "restoration of production" is the underlying objective of the new anti-monopoly policy, appears clearly in the statements of Thurman Arnold, chief anti-trust enforcement officer of the Roosevelt Administration and author of that significantly incomplete book, "The Folklore of Capitalism."

Insisting that "we only desire to combine combinations going beyond efficient mass production," Thurman Arnold declares that "the problem is how to unleash the productive forces without taking the short and easy road to industrial autocracy."

The anti-trust laws can help to "unleash the productive forces," according to Arnold, by preventing corporations from adopting inflexible price policies which have nothing to do with productive capacity and which do not aid in the distribution of the goods which they make. "In this latest recession, we were choked with the inventories which could not be distributed. Production, therefore, had to stop. We are being forced to take control of inflexible price structures and coercions in restraint of trade today, just as in 1933 we were forced to take control of financing and marketing of securities."

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Labor Costs and Profits

(From Labor, rail-union weekly)

EVERY two years the United States Census Bureau publishes the results of its Census of Manufactures, which are of immense importance to labor, because they show, in a most convincing manner the small share of the value created by industry which goes to workers.

These reports give the total wages paid by each industry during the year surveyed and the total value of its products and the price for which they were sold at the factory door.

The bureau is now releasing reports on its 1937 enumeration and they reveal information that can well be called startling.

In The Cigarette Industry

Take the report of the cigarette industry, as an example. It shows that the total value of cigarettes made in 1937 was \$968,857,634, and that the total wages paid were \$24,175,739.

Obviously, the wage earner got less than 3 cents of each \$1 received by manufacturers for their products.

In a few other industries, picked at random, wage earners got the following percentages of each dollar of value produced: cane-sugar

refining, 4; chewing gum, 5; corn syrup and starch, 8; malt, 16; household laundry machines, 17; matches, 17; ammunition, 20; and steel springs, 21.

These figures not only show labor's surprisingly small share of the product value; they also explode the theory that an increase in wages would cause a corresponding increase in the price of the product.

Wages And Prices

Suppose the total wages paid in these industries were doubled. In the cigarette industry, that would mean the manufacturers would pay 6 cents instead of the 3 cents they paid in 1937 for each \$1 of product value. Then, to keep their profit margin the same, the manufacturers would need to charge only \$1.03 for the amount of cigarettes they sold in 1937 for \$1.

That would be a price increase of only 3% to raise wages 100%.

As a matter of fact, cigarette manufacturers could double the wages of their workers without increasing prices and not even make a noticeable dent in their profits. That fact is proved by the following figures:

The net profits of three large cigarette companies in the 22 years from 1912 to 1934 totaled \$1,250,-

000,000. One of the three, the Reynolds Tobacco Company, in that period, made profits of \$500,000,000 on an investment of only \$16,000,000. In other words, its profits in 22 years were 31 times its entire investment.

During the past five years, Reynolds paid dividends of \$1,500 out of the product of each worker on its payroll.

In 1933, George Washington Hill, president of the American Tobacco Company, received in salary and bonus \$1,384,037, not counting his dividends. His pay was \$24,693 a week!

These are only a few of the astounding facts known about the profits of the cigarette companies and the fabulous pay of their top officials.

Much the same picture is obtained by studying the other industries listed above. Cane-sugar refiners would need to boost the price of their products only 4% to raise the wages of their workers 100%.

The same principle holds true of all the other industries. Their profits would be only slightly affected by a large increase in wages, and even if they insisted on passing the wage boost on to consumers, prices would be increased comparatively little.

Economics and Health

IN families on relief, acute illness is 47% more prevalent and chronic illness 87% more prevalent than in families with incomes of \$3,000 or more.

Non-relief families with incomes of less than \$1,000 have twice as much illness disability as families with more than \$1,000.

Infant mortality is five times as high in families with less than \$500 a year as in families with \$3,000 or more.

Forty per cent of the counties in the United States, containing 17,000,000 persons, do not have a registered general hospital.

About 40 million persons, in families with less than \$800 annual income, cannot pay for medical services and in many cases do not receive adequate care.—From a recent government report on public health.

Prices And Production Under Capitalism
Prices, of course, play an important part in the relations of production under capitalism. But prices cannot be separated from profit and accumulation, and that is precisely what Thurman Arnold does. Lower prices might stimulate demand, but if lower prices mean profit, the prices are not going to be lowered. The movement of prices proceeds within the orbit of capitalist profit.

The whole theory underlying the new anti-monopoly twist was given its statistical "justification" in a study by Gardiner Means, who is head of the National Resources Committee, the "planning" body of the Administration. Means tried to show that in the depression years 1930-33, there was an inverse relation between decline in production and decline in price, that one

of 24,500,000 pesos—8,500 shares of preferred stock and 16,000 shares of common. In summing up the above figures, the Mexican government said in reply to the British protest: "So you see, gentlemen, the subjects of his Majesty's government of Great Britain have not invested in Mexico the fabulous quantities that you imagine—but the great wealth of El Aguilá can be attributed, almost entirely, to the gratuitous and fabulous concessions granted to Lord Pearson by Porfirio Diaz."

And how long must the Mexican workers continue to pay for this original sin? And what is true of El Aguilá, is to a lesser or greater extent, true of the methods by which oil properties were acquired in Mexico by other foreign companies.

El Excelsior, Mexico City, April 21, 1938, gives the detailed figures on the organization of El Aguilá, and they are especially instructive in the methods used by the robber barons of capitalism, above all in semi-colonial lands.

El Aguilá (Royal Dutch Shell), organized in 1908, under Diaz, with a capitalization of 100,000 pesos which was divided into 100 units at 1,000 pesos a share.

From these small beginnings, the foreign oil interests grew as if by miracle in a little over a generation. El Futuro, official monthly paper of the C.T.M., publishes in its May 1938 issue the following figures on oil production in Mexico (in barrels):

(Continued on Page 6)

Foreign Capital and Mexican Oil

By ELLEN WARD

(This is the fifth article in Ellen Ward's series on Mexico.—Editor.)

It is an open secret that all firms doing business in Mexico, native as well as foreign, keep two sets of books—one set for the government tax collector and another, more accurate, for the information of the owners. In each struggle of the oil workers for a more adequate living wage, the cry of the foreign oil companies was always that the wages were already so high, and the return upon original investments so low, that they no longer justified continued production. And to substantiate these claims, they always stuck the second, sometimes even a special third set of books under the nose of the government. But what the books invariably failed to show was the original investment. When Cardenas decreed the expropriation of all foreign oil lands on March 18 of this year, a collective howl went up. Then they were all willing and ready to grant the demands of the workers, but it was too late. The government proceeded to publish the story of the original investments, for some of the companies, at least. The story of El Aguilá, just to take one of the British companies, runs as follows:

Story Of El Aguilá
Porfirio Diaz granted to Lord Pearson (founder of El Aguilá) vast oil-drilling concessions. In addition, he received the privileges of exploring and exploiting the subsoil of the States of Tamauilipas, San Luis Potosi, Vera Cruz, Tabasco, Campeche and Chiapas. For all of these privileges, Pearson invested 100,000 pesos.

One year after the organization of El Aguilá, the original shareholders issued additional shares of stock (with no increase in the original investment) to the amount

of 24,500,000 pesos—8,500 shares of preferred stock and 16,000 shares of common. In summing up the above figures, the Mexican government said in reply to the British protest: "So you see, gentlemen, the subjects of his Majesty's government of Great Britain have not invested in Mexico the fabulous quantities that you imagine—but the great wealth of El Aguilá can be attributed, almost entirely, to the gratuitous and fabulous concessions granted to Lord Pearson by Porfirio Diaz."

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(Continued on Page 5)

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His Chosen Role
THERE might have been some excuse for his (Congressman Dies) investigating some people who call themselves communists but who are really connected with circles working in agreement with the Nazis—namely, the anti-communist sects of Lovestoneites and Trotskyites. These groups . . . openly propagate defeatism for the United States in any future war. . . .—Earl Browder, secretary of the Communist Party of America, in the Daily Worker of August 27, 1938.
Earl Browder continues his chosen role: stool-pigeon and finger-man for the reactionary Red-baiters!

A Call To The Workers
Against the rising tide of false patriotism and international rivalries, we call upon the greater force of international solidarity and cooperation between the workers of all countries, whether "democratic" capitalist or fascist, to fight capitalism everywhere and to prepare for real and lasting peace, which can only be assured by the establishment of workers power leading to a world socialist commonwealth.
Down with war!
Long live the social revolution!
International Bureau of Revolutionary Socialist Unity
International Communist Opposition
September 12, 1938.

WORKERS AGE

Organ of the National Council, Independent Labor League of America, 131 West 33rd St., New York City. Published every Saturday by the Workers Age Publishers. Subscription Rates: \$1.00 per year; \$6.00 for six months; 5c a copy. Foreign Rates: \$2.00; Canada \$1.50 per year. Entered as second class matter Nov. 5, 1934, at the Post Office New York, N. Y. under the act of March 3, 1879. Phone: LACKAWANNA 4-5282

Vol. 7. October 1, 1938 No. 40

NO CONFIDENCE!

At the American Legion convention in Los Angeles last week, Mayor LaGuardia of New York is reported to have proclaimed amidst cheers and applause:

"Whenever our national government takes its position on foreign affairs, that is the position of the American people. We may differ among ourselves, but I know that the American Legion will say: 'Mr. President, whatever our government decided for the defense of this country and the protection of its peace, we stand behind our government one-hundred percent strong!'"

In our opinion, it is this attitude of "Politicians at the water's edge" or "Stand behind the President in foreign affairs," that constitutes the biggest trump card in the hands of the war-makers today. For it is by playing upon this unreasoning "patriotic" sentiment that they hope to inveigle the American people into a situation from which there is no turning back, into a situation whose only outcome is war. Mayor LaGuardia has certainly not done the country a service by becoming the mouthpiece of this dangerous propaganda.

If there is one field in which the people should not take the actions of the Administration for granted without questioning, it is the field of foreign policy. Decisions in this field are laden with the most tremendous consequences, not always obvious at first sight. Apparently innocent "conversations" may mask a military alliance, condemning hundreds of thousands of American boys to perish on the battlefields of Asia or Europe. The noblest phrases of international altruism, such as those at which Secretary of State Hull is so adept, may hide the crudest sort of power-politics in the interest of big-business imperialism. In such matters, things are never what they seem and assurances of noble intentions are worth less than nothing.

To pledge in advance to "stand behind our government one-hundred percent" in its foreign policy, is to give the Administration a blank check to be drawn on the life and blood of the people. From the public utterances and hidden machinations of President Roosevelt and the State Department, we know that the Administration is steering this country towards a military alliance with Great Britain, that most perfidious, that most treacherous of the "great democracies." If the Administration is given a free hand, as needs must be if we pledge it unquestioning support in advance, we may be sure that it will not be long before we are fighting on some distant battlefield for the greater glory of Wall Street and the British Empire!

What Mayor LaGuardia urges—echoing the sentiments of other spokesmen of the pro-war party, Democratic and Republican alike—is substantially the establishment of a totalitarian regime for foreign policy. We may "differ among ourselves" but, once the government decides, all dissent and opposition are to be outlawed as "unpatriotic." In this, there is an obvious logic: today, totalitarianism in the field of war preparations; tomorrow, when war comes, totalitarianism everywhere in the form of a military dictatorship!

Surely, the American people want none of this. But, if we are to frustrate the feverish efforts of those who are trying to entangle this country in a diplomatic net that will mean certain involvement in some foreign war, we must be on guard and watch every move of the Administration in this field with suspicion and distrust. Not unquestioning trust in the government but rather eternal vigilance on the part of the people, is the price of peace!

Who Fears Democracy?

In his address commemorating New York's ratification of the Constitution, President Roosevelt took occasion to hit back at the "Tories" and "reactionaries" by comparing them with those who opposed ratification a hundred and fifty years ago. "They were afraid of democracy," he proclaimed. "Then as now," they were "distrustful" of the ability of the people to solve their own problems and "meet changed conditions!"

This may be clever politics, but it is bad history

In Sudeten Land

Conditions Described on Eve of Nazi Attack

By WALTER SCHMIDT

Prague, Czechoslovakia. THE Germans in Bohemia possess a certain character of their own distinguishing them from Germany of the Reich. They are attached to the land of their birth and, in the last ten years, they had become reconciled to the Czechoslovakian Republic. Even after the fusion of the Christian-Socialists and Agrarians with the Nazis, these Germans and the Sudeten social-democrats supported the territorial integrity of the country which, by its geographical area, is now the home of Slavs and Magyars, of Russians and Germans alike.

At the same time, there has always been a pan-German wing amongst the Sudetens, tho until recently not much has been heard about it. Its small current became a raging torrent only after Nazism came to power in Germany, proclaimed the program of Greater Germany, conquered Austria and made vigorous propaganda amongst the Sudetens.

Economic Conditions

Nazi propaganda found fertile soil in the social conditions of the Sudeten workers, peasants and middle classes. This is the only possible explanation of its extraordinary success. The areas inhabited by Germans were formerly the industrial centers of Austria. They were also centers of exploitation. Profits were made in out-of-date factories by payment of low wages. When German workers objected and demanded higher wages, their local German employer did not hesitate to dismiss them and get cheaper labor from Czech and Slovakian districts. Meanwhile, the Czech government was endeavoring to carry out its policy of national unity!

These industries, both before and after the Great War, were badly run. Small wonder that they were seriously hit in the crisis of 1929. Thousands of men were suddenly thrown out of work. The German industrialists then attempted to rationalize production. Unprofitable expenditures were cut; works were moved nearer to large canals and railways; markets were sought in the South-East. The Goebbels propaganda, which pretends that "the Czechs have deliberately reduced the German area to a graveyard of industry," is the merest demagoguery. Herr Henlein and his agitators know better, whatever they may say. Hundreds of examples could be quoted to show how the

and even worse as a commentary on present-day affairs. Those who opposed ratification of the Constitution in 1788 were not the Tories or reactionaries of the day but precisely the genuine democrats who feared, with good reason, that the new instrument would become a bulwark of the power of the "rich and the well-born." Not the opponents of the Constitution were "afraid of democracy" but its champions and advocates who saw in it, also with good reason, an effective dam against the swelling current of popular rule.

And today? Who are "afraid of democracy" at the present time? Certainly, the "economic royalists" and "Tories"; but how about Mr. Roosevelt himself? How long ago was it that Mr. Roosevelt turned on the full force of his influence, to the point even of addressing a letter to Speaker Bankhead, read on the floor of the House, against the proposal to give the people of this country the right to vote on the declaration of a foreign war? Who was then "afraid of democracy"? Who was then "distrustful" of the ability of the people to "meet changed conditions"?

German employers in north-west, middle and western Bohemia destroyed their works or let them go to rack and ruin because profits were more to them than the fate of thousands of German workers. Today, these industrialists finance fascist propaganda amongst the Sudeten Germans because union with the Reich would suit employers, and fascist oppression of the workers would enable larger profits to be made. "Patriots" everywhere are alike!

Conditions Of Workers

With these facts in mind, one can Sudeten-German workers today. The average weekly wage before the crisis was about CK250-260, (\$8.75-\$9.10), and then sank to half that amount. There are few workers in these districts today who earn more than CK140 (about \$4.90) per week. In the northern districts, where the glove industry is, some wage-earners still receive CK 280-300 per week. But they are becoming fewer. The Henlein fascist propaganda has "succeeded" in discouraging Americans from buying Sudeten goods. So, instead of more bread, there is less!

Again, the Nazis state that the Czech districts have profited by the distress amongst the Sudetens. This is completely false. According to figures given by the Unemployment Ministry, the average wage throughout Czechoslovakia in 1936 was about CK60-65 per week (about \$2.10-\$2.50). In this calculation, the very low agricultural wages are included. In the last three years, the price of essential food-stuffs has risen owing to the tariff policy of the Czech Agrarians.

The condition of the unemployed, numbering over 184,000, is even worse. Here the "Genter" system is used, under which the state and the industrialists together share the cost of supporting the unemployed. A married worker with one child gets about CK65 (\$2.30) per week. The unorganized worker gets a food card, value about CK10 (35 cents) for each member of the family. This is obviously too little to live on, even the cost of living is far lower than in America. Recently, the state has attempted to deal with poverty by starting public works (roads, etc.) but too late to prevent the fascists making headway with their propaganda.

And the Nazis do not only talk. Notices have been sent to Reich Labor Exchanges notifying that preference must be given to any Sudeten-Germans seeking work. Thousands of Sudetens have crossed the frontier into Germany. Lately they have been filling the places of those Germans sent to

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WORLD TODAY

By Lambda

London, Sept. 7, 1938.

A STARTLING picture of the standard of living of the workers in England was presented recently by the well-known economist, J. Kucynski, in his new book, "Hunger and Work." About a year ago, B. Seebohm Rowntree laid down some figures on the subsistence minimum for workers. He found that a working class family needed at least 53/ (about \$11) a week for mere subsistence, while a single woman needed about 31/ (about \$6.50). Taking these standards and applying them to available wage statistics, Kucynski makes an estimate of the percentage of workers in the various industries who do not earn enough even for their bare subsistence.

Percentage Earning Less than the Rowntree Minimum

Industry	Male workers	Female workers
Mining other than coal-mining, and quarrying	75	75
Brick, pottery, glass, chemical, etc.	4	70
Metal, engineering, shipbuilding, etc.	5	55
Textiles	40	50
Leather	12	60
Clothing	12	35
Food, drink and tobacco	7	35
Transport and storage, other than railways	3	35
Public utility services	55	88
Coal mining	80	—
Building	50	—
Railways	25	—
Agriculture	100	100

It will be noted that the distributive workers are not considered here; this is due to the lack of data. But it is commonly recognized that their lot is even worse than that of the other categories.

On the basis of these figures, it may well be estimated that a minimum of ten million working men, women and children live below subsistence levels, under conditions, in which "they cannot keep fit for working."

ITALY AND TUNIS

FROM recent reports in the international press, we gather that the question whether Italy should attack Tunis in the event of war between Hitler Germany and Czechoslovakia, was discussed by the representatives of the Italian and German governments. No information concerning the outcome of this discussion was obtainable.

Italy has adopted Hitler Germany's position on the racial question. All foreign Jews residing in Italy must leave the country in six months. Italian Jews are no longer permitted to hold teaching positions or to study in the institutions of higher education.

HITLER'S BOAST

IN his Nuremberg speech, Hitler declared that Germany today is too well-supplied with food-stuffs to be starved out by a blockade. What prompted him to make such a statement was the desire to destroy the fear of the German people. He also wanted to impress Great Britain and France with the fact that Germany is much better prepared to resist their superior economic power than was the case in 1914-1918. Regardless of how large a quantity of raw material and food-stuffs Germany may have accumulated, it could not possibly last until the end of a prolonged war.

CHURCH CONFLICT IN GERMANY

THE Catholic bishop of Rottenburg (Wurttemberg) was recently forced by the government to leave his diocese, that is, to abandon the practical exercise of his episcopal function.

A conference of Catholic bishops at Fulda decided on issuing a pastoral letter against the Nazi religious policy and to have this letter read in all churches.

The accentuation of the church struggle in Hitler-Germany is a reflection of the growing tension in class relations.

In Chorley, Lancashire, the I.L.P. and the Labor Party have reached a working agreement. They will combine in the municipal elections this year and present a united front against the capitalist parties.

ACCORDING to latest reports, the trial of the Barcelona group of the P.O.U.M., which was supposed to begin first on September 30 and then on August 14, has been postponed again.

BOOKS

JAPAN IN TRANSITION, by Emil Lederer and Emy Lederer-Seidler. Yale University Press, New Haven, Conn., 1938. \$3.00.

THE authors of this book, having lived and taught in Japan for a number of years, feel themselves eminently qualified to give an impartial and objective account of Japanese development in its own terms, unimpeded by the "blunders" of western attitudes.

"These . . . cannot be treated in terms of western concepts, which presuppose another way of life from that of the Japanese. . . . It is not our aim to justify Japanese politics but to see it against a background which enables us to evaluate what we cannot grasp if we apply only western standards."

For their vaunted objectivity the authors have been very extensively praised. In spite of this, the book is a very uneven achievement throughout, and in spots quite reactionary in its objective social implications.

The work has its parts, of course. The analysis of the specific character of Japanese feudalism before Japan felt the impact of the West, is valuable. It serves as an antidote against blueprint-thinking, and prepares one the better to understand certain specific and peculiar features characterizing Japanese economic, social and political life today, for example, the feudal character of Japanese agriculture, the obstacles to industrial development involved in the heavy drag of this inherited feudal structure, the extraordinary position of the emperor and the reactionary use of it by the Japanese ruling class, the weight of tradition and the rigidity of form in Japanese culture, and so on.

But what can be said of people who in this day and age can write the following:

"Under the spell of the cherry blossoms, even the humblest of the people are liberated from day-to-day existence and its petty tribulations, are lifted into the sublime. It does not matter whether life be short or long. At least, it has brought these hours of the cherry blossoms, this marriage of the earth and the sun, this miracle that unifies the people, ever anew into one great being. The cherry blossom becomes a symbol for the Japanese attitude toward life. . . ."

The tens of thousands of Japanese soldiers, killed ("liberated") in China, will thank our authors for enabling them to go out along the cherry-blossom way. The Japanese farmers, half of the population, perpetually on the verge of starvation, will doubtless feel ennobled by such a sweet philosophy. The Chinese masses no doubt appreciate the elegant cherry-blossom spirit of the Japanese bombers.

Such is the result of the authors' super-"objectivity."

JIM CORK

Some Questions

What Can Save Czechoslovakia In The Present Crisis

FROM a reader in New York City we have received the following questions:

"1. Should the U.S.S.R. fight for capitalist Czechoslovakia?"

"2. Do you believe that England and France should fight for Czechoslovakia?"

"3. Should a powerful Communist Party in Czechoslovakia call for a workers government in this crisis?"

All of these questions are closely related and may best be answered together, beginning with the last. Under present conditions, no bourgeois regime in Czechoslovakia is capable of conducting a really effective defensive struggle against German invasion. England and France are acting openly as agents and attorneys for Hitler.

Every bourgeois party in Czechoslovakia is so thoroughly linked with, or rather under the domination of, Anglo-French capital that any serious action against the will of London and Paris is utterly out of question for them. Despite all their big words, the leading bourgeois parties are, at the last resort bound to be defeatist and capitulatory in the present crisis. Only a socialist workers party, or coalition of such parties, following a radical social program and without any entangling alliances with international capitalism to paralyze its will and power of action, could rally the Czechoslovakian masses of all nationalities for defense against Hitler. Such a regime is the only conceivable one that could save Czechoslovakia. But such a regime implies an independent class policy on the part of the social-democratic and communist parties, something virtually unknown in that country for many years.

Arousing World Labor

A socialist workers regime in Czechoslovakia, waging a defensive struggle against a fascist invasion, would prove a factor of incalculable power in arousing the labor movement of England and France to action. Under such circumstances, it would no longer be possible for the governments in London and Paris to intervene so brazenly on Hitler's behalf in every emergency. The repercussions in England and France might even prove strong enough to bring about a change of government and a shift of foreign policy. All this, of course, presupposes that the labor movement is not hamstrung and paralyzed by Popular Frontism, as it has been in the Spanish situation.

Nor should we overlook the profound effects that such a revolutionary defensive war would have upon the workers and the masses of the people in Germany, whose discontent with the Nazi regime has already reached a high pitch. There would undoubtedly be a marked increase of defeatist senti-

ment among the German masses, especially among the workers who still cherish their socialist traditions. The morale of the German armies in such a crisis is one of the deepest concerns of the Reich military authorities today, as a careful study of the material will show (see G. Reimann's "Germany: World Empire or World Revolution").

Should England And France Fight?

It is fantastic to speak of England and France fighting for Czechoslovakia, when by "England and France" you mean Chamberlain's (or "Eden's") England and Daladier's France. For reasons indicated editorially in last week's issue of this paper, bourgeois England and France, under whatever label the government of the moment may parade, are driven by their fundamental class interests to strive to bolster up the Hitler regime and aid it actively in its schemes of aggrandizement, despite a clash of imperialist interests in the narrower sense. Furthermore, to put it as if the only alternative to what England and France are now doing is to go to war with Germany, is totally false and plays right into the hands of the Chamberlains and Daladiers, who naturally cherish the role of "preservers of the peace of Europe." Had Anglo-French imperialism not given the active and continuous aid it has to the fascist powers, aid of an economic, political and diplomatic nature, these fascist powers could never have undertaken, and certainly could never have gotten away with, their aggressions. How many times has England saved the Mussolini regime in Italy from collapse? How many times, with France hard behind it, has it come to the assistance of Hitler in a tight spot? And this is still true today. That is precisely the point at which labor should hit and hit hard, and it should not allow itself to be deceived by the hypocritical

countries not entirely in their orbit may permit Mexico to sell some of its product somewhere. And we know now, thru information recently cabled from Mexico (tho it has been persistently denied in official statements by Cardenas) that considerable oil has been shipped to Germany and Italy, and several reports have named Japan also as a large purchaser in recent weeks.

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"EQUALITY"

THE richest one-third of the families of this country have a total aggregate income that is almost twice as big as the incomes of all the rest of American families put together.

The top two and one-half percent of the families appropriate more than 20% of the total national income. In southern rural and urban areas, the Negro family gets on the average hardly more than a third of the income received by the white family. The same discrimination is to be found, tho to a considerably lesser degree, in northern cities.

pretensions of the British Tories and French Radicals.

Russia In The Crisis

The position of Russia in the present situation is difficult in the extreme. For Hitler to absorb Czechoslovakia, partly by direct annexation and partly thru the establishment of a protectorate, would constitute a terrible military and political danger to the Soviet Union, quite apart from other considerations. Yet the whole course of Stalinist diplomacy in the last few years—oriented as it has been on complete reliance on the "great democracies," which have meanwhile been plotting with Hitler and Mussolini—has succeeded only in wholly isolating the Soviet Union and reducing its influence in international affairs almost to the vanishing point. A phase of Anglo-French strategy at the present time is to join with Italy and Germany in a four-power "security" pact, excluding and therefore against the U.S.S.R. For the Soviet Union to try to take single-handed action in the Czech crisis today, would not only be futile but would actually be walking right into the trap laid by Anglo-French diplomacy. There is nothing for Russia to do now except take the blow, however hard it may be, and learn its lessons. Of what value today is the Franco-Soviet military pact, for which Stalin sacrificed the international communist movement? Of what value today is Popular Frontism, for which he sacrificed the revolutionary and class-struggle character of the communist parties? Let us hope that these lessons will be learned before it is altogether too late!

The most popular fascist method is still the "cold terror." This runs no risk of workers' fists! Threatening letters are sent to selected victims; they are slandered by whispering campaigns and abused in the party press. Anyone who does not willingly submit is warned that Hitler will "teach him"—that he will get what he deserves for his "Czech-Bolshevik sympathies."

No social-democratic worker can possibly get a job in any German factory. In most cases, he is known and sent away when he applies; or he is asked for the S.D.P. (Nazi) card, which he cannot give, so he gets no job.

Yet there are many who stand firm. They know that every concession to the Nazis brings destruction nearer and encourages the war fever amongst the Brown-Shirts.

In Sudeten Region

(Continued from Page 4)

work on fortifications. The Nazis pay these workers with paper money in spite of the scarcity of this form of payment in the Reich today. A skilled worker in Germany may earn 30 marks per week—which means CK330—much of which is brought back into the Sudeten district. This suits Goebbels well. It accords with propaganda about the Nazi paradise over the border. Who bothers to think that the German worker formerly earned far more and that almost a third of his real wages is sacrificed to rearmament? The Sudeten-German worker who works in the Reich, but need not live there, can buy what he will with his kronen. So he is envied by workers on both sides of the frontier.

Meanwhile, the socialist and communist workers who do not submit to fascist oppression and who therefore get no privileges are having a hard struggle. The Henlein party, fully aware of all these conditions, has built up a network of organizations and has already succeeded to a great extent in the process of dissolving other organizations.

In additions to the more or less purely political organizations, the "gym clubs" presided over by Henlein, and the "Kultur" organizations, there are the semi-military bands similar to the German terror troops, already taking over police duties, such as closing streets, night patrols, boycotts, etc.

The stage is thus set for open fascism. Attacks are made on workers, on Jews, on emigrants. Some are actually taken across the frontier. When possible, the workers take to arms and resist. For example, in the neighborhood of Warsendorf (North Bohemia), the terror troops tried to attack the local union hall. The workers in a factory nearby stopped work immediately and rushed on the Nazis with their bare fists. The Nazis fled—but the union leader was dismissed by the management!

The most popular fascist method is still the "cold terror." This runs no risk of workers' fists! Threatening letters are sent to selected victims; they are slandered by whispering campaigns and abused in the party press. Anyone who does not willingly submit is warned that Hitler will "teach him"—that he will get what he deserves for his "Czech-Bolshevik sympathies."

No social-democratic worker can possibly get a job in any German factory. In most cases, he is known and sent away when he applies; or he is asked for the S.D.P. (Nazi) card, which he cannot give, so he gets no job.

Yet there are many who stand firm. They know that every concession to the Nazis brings destruction nearer and encourages the war fever amongst the Brown-Shirts.

WHERE WE STAND

PROGRAM AND POLICIES

of the **ILL.A.**

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WORKERS AGE BOOKSHOP

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Foreign Capital in Mexico

(Continued from Page 3)

duced most of Mexico's oil. They were also in complete control of exports, Royal Dutch Shell leading in this imperialist role.

Struggle Not Yet Won

Royal Dutch sold not only to Great Britain but also to the Dutch Bahamas, the Antilles, Australia, South Africa and other countries. Thus, more than half of Mexican oil exports was in the hands of this British concern. It is quite clear from this that the expropriation of the foreign oil companies cannot yet mean the independence of Mexican oil. Since Mexico must continue to export her oil, her struggle against imperialism has

not yet won a victory but has only shifted from one plane to another. Previously the struggle was against imperialist economic activity related to the production of the oil itself and now the struggle must be carried on against these same imperialisms as monopolizers of the world's oil marketing and transportation apparatus; since Mexican oil production cannot be absorbed by itself, it is obvious that the oil imperialists will not only seek to prevent oil exports but will use every means at their disposal to injure Mexican economy.

Nevertheless, the continuous struggle between British and American oil and the needs of

CIO Conference in N.Y.

State Body Set Up at Enthusiastic Gathering

By A. L.

New York City
THE C.I.O. of the state of New York called its first convention on September 16 and 17 in order to set up a permanent Industrial Union Council for the state. There were 840 delegates present, representing 700,000 workers. By decision of its General Executive Board, the I.L.G.W.U. was not represented. The Amalgamated Clothing Workers played a preponderant role and sent the biggest single delegation, some 180 representatives from locals all over the state. The Transport Workers Union sent a delegation of 84 from its big New York City local, and the T.W.O.C. was represented by 30 from upstate as well as from New York City. Other unions represented were the U.A.W., the N.M.U., the S.W.O.C., the United Radio and Electrical Workers, as well as the shoe, fur, civil-service, office and professional workers organizations.

The sessions were permeated with enthusiasm and spirit. The convention opened with greetings to Tom Mooney and was addressed by a varied host of speakers. A telegram from Charles S. Zimmerman, head of Dressmakers Union Local 22, I.L.G.W.U., in greeting the convention, emphasized the need for urgent unity in the labor movement today.

Constitution And Officers

Milton Rosenberg of the T.W.O.C., chairman of the constitution committee, reported on the constitution, which was adopted. It provides for a permanent Industrial Union Council, meeting yearly in convention; and for an executive board of 16 and two officers, president and secretary-treasurer. Each affiliated local is to pay one-half cent per month per member, and representation to the convention is to be on the basis of one delegate for 250 or fewer members and one for each additional 500. No national, international or local union may have more than one member on the Executive Board unless it has over 50,000 members in New York State. This method is particularly unfortunate, as it restricts the larger unions, such as the Amalgamated, and gives the Stalinist groups a way in by granting equal representation to the smaller unions they have seized control of, such as the office workers, Newspaper Guild, the Federation of Architects, etc.

Allan Haywood, New York regional director of the C.I.O., was unanimously elected president of the Industrial Union Council; according to the constitution, he is also a delegate to the C.I.O. national convention when it is held. Gus Stroebel of the Amalgamated in Syracuse was elected secretary-treasurer. The executive board consists of Abraham Miller and Murray Weinstein of the Amalgamated; Matthew Armstrong of the S.W.O.C.; Samuel Wolchak of the United Retail Employees; Alexander Ravnich of the Plaything and Novelty Workers Union; M. Rosenberg of the T.W.O.C.; Noah Walters of the laundry workers; J. Rosenberg of the Shoe Workers Union; Daniel Allen of the State, County and Municipal Workers; Austin Hogan of the Transport Workers Union; Carl Randau of the Newspaper Guild; Jacob Fisher of the office workers; and Leo Jandreau of the electrical and radio workers. All were unanimously elected and two seats were left open for delegates from the United Automobile Workers and the marine workers. The two officers, of course, are also on the committee.

The convention adopted a resolu-

tion supporting the railroad workers in their fight against a 15% wage-cut, and another for unity between the A. F. of L. and the C.I.O. on an industrial-union basis. It demanded the extension of the Social Security Act to cover more workers and the amendment of the State Unemployment Insurance Act so as to lower the waiting period from three to ten weeks to one week. Also the extension of the State Labor Relations Act and the defense of the Wagner Act against amendment, were urged. The delegates voted solidly for complete moral and financial support to the American Labor Party. The Industrial Union Council went on record for the New Deal but, altho a resolution was presented demanding a third term for Roosevelt, no action was taken. Further resolutions were adopted against racial discrimination, for the immediate release of the Scottsboro boys, against Judge Cotto's injunction in the Busch strike and against a threatened wage-cut for telegraph workers. Finally, the convention went on record for the "extension of the Wagner Act and the policies of the New Deal to Porto Rico."

The War Resolution

The resolution on war was the only one on which any discussion took place. The resolutions committee presented a resolution expressing the view of the Amalgamated, as adopted at their last convention. "The mad rush of nations towards war and mutual destruction engendered by the autocratic fascist powers can be checked if the proper economic measures are put to use and we urge that fascist war aggression be restricted thru economic means. We call upon the democratic nations of the world to join efforts to utilize to the utmost the economic instrumentalities of peace that war may be prevented. We call upon the government of the United States to

PRINTERS URGE UNITY

DELEGATES to the International Typographical Union convention, meeting last week at Birmingham, Ala., called for peace between warring sections of organized labor in a unanimously adopted resolution urging resumption of conferences between the A. F. of L. and the C.I.O.

The resolution emphasizing that labor's civil war created "confusion" and retarded the labor movement, urged the A. F. of L. and the C.I.O. "to unite these two bodies into one united American labor organization."

cooperate in an associated effort with the democratic forces of all nations to stop the war-makers and to preserve peace and democracy." While not fully coming out for "collective security" or demanding war against the "fascist aggressors," this resolution shows an attitude of reliance on the "great democracies" and on economic sanctions to be carried thru by these "democracies." A delegate criticized the resolution and pointed out that it was absurd to appeal to the "democratic" powers when England was so busy exerting pressure to turn Czechoslovakia over to Hitler. The Stalinites then took the floor for "collective security." The representative of the hospital workers got up and carried us all back to 1776 by quoting Patrick Henry: "Give me liberty or give me death!" Another one stated that, in the last war, America was forced to go in and that therefore it would be impossible for the United States to stay out of the next war! J. B. S. Hardman, the editor of Advance, then defended the resolution presented by the committee. He attacked "collective security" and "isolationism" together and warned against those who would prepare a new war to prevent war. The resolution was then carried.

This convention reflected the progress and consolidation of the C.I.O. in this state. But it also showed the extent of the Stalinist

Furriers Call on Lewis

Progressives Indict Gold-Potash Clique Rule

(We publish below an appeal sent to John L. Lewis, chairman of the C.I.O., by a committee of the United Progressive Furriers. The letter is signed by Sam Glassman, Benjamin Baraz and Nathan Kramer.—Editor.)

August 15, 1938
 New York City.

DURING the elections for officers and committees in the New York organization of the International Fur Workers Union, we addressed ourselves to you with an earnest plea to interest yourself in our case and see what you could do to secure for us our legitimate rights as union members, which were being denied us by the ruling group, dominated and controlled by the Communist Party.

The elections are now over, but our difficulties are not. The elections proved to us most conclusively that, if our union is to survive as an economic organization, we must raise our voice in protest against the intolerable conditions forced upon us by a political clique of Communist Party members.

We are appealing to you in the name of all the members who ran on the opposition slate. The administration of our union carried on a vicious campaign of slander against us during the elections. We were branded as thieves, crooks, gangsters and racketeers. All kinds of political labels were attached to us, altho 90% of our affiliates have no connection with any political party and are in the opposition for the sole purpose of improving the economic conditions of the fur workers.

From the attached statement of ours and from the copy of the

menace in the C.I.O., for today the Communist Party represents the extreme reactionary, war-mongering wing of the labor movement. We are confident, however, that with the development of the movement, this menace too will be overcome.

letter to Ben Gold, you, Brother Lewis, will note that we have been robbed of our democratic rights to have watchers in the elections; that our demand to secure an honest election was denied; that an unheard of terror and intimidation were used by the paid officers of the union, including Ben Gold, the International president; that all our protest and complaint fell on deaf ears; that the whole chain of people who make up the election and objections committee, the paid officers of the New York locals and the International president and all his organizers, are one and the same clique taking orders and acting on behalf of the Communist Party in the sole interest of that party, rather than in the interest of the fur workers.

We have on hand sufficient facts to bring our case to the courts and secure justice there. We dislike to do this because, first and foremost, we feel that it is in the interest of labor to try to settle its disputes in labor channels rather than in capitalist courts.

We also feel that, because of the general offensive being made against the C.I.O. thruout the country linking the C.I.O. with communism, it would be improper to bring these troubles of another communist-controlled union into the courts.

Last but not least, we know that such an open fight in the courts would involve the union in big expenses and fall as a heavy burden upon the shoulders of the fur workers.

In the past, when an opposition was mistreated by the administration, it appealed to the International and finally to the Executive Council of the Federation. In our case, we cannot appeal to our International and get justice. We are strong supporters of the C.I.O. and, in this case, you, Brother Lewis, are the only one we can appeal to and ask for your counsel and advice. It is almost impossible to continue in an organization, the leadership of which uses the most fascist methods, rules with an iron hand, apparently for reasons of safeguarding the positions of the bureaucrats on top.

Using Fascist Methods

During the last strike, they spent \$33,000 on hall committees made up exclusively of Communist Party members and their close sympathizers. The same hall committees in previous strikes went unpaid. This was done for the sole purpose of building a huge machine to be used to carry out the election schemes ordered by the administration.

Their complete mishandling of the strike has resulted in a settlement which is a setback for the workers. The above-mentioned facts are but a trifle of what is taking place in our union.

The leadership in our union, hiding under the cover of the good name of the C.I.O., is carrying on its work in the union in a manner contrary to what the C.I.O. stands for, using the C.I.O. label to cover their fascist methods. Whereas, to our communist leadership, the C.I.O. is a cover for the most fascist methods in the union, to us the C.I.O. was, is, and will remain the guiding force for real democracy in the trade unions.

We therefore appeal to you and ask you for your earliest counsel and advice.

May we also ask you that, when you are in New York, you call us in for a hearing. We will then present you with more facts, so as to acquaint you with the situation more thoroly.

New Deal Monopoly Drive

(Continued from Page 3)

determined the other. But the figures in his table (see above) prove nothing of the sort.

On a mechanical, statistical basis, taking the figures at their face value, the Means conclusion is justified that "for industries in which prices dropped most during the depression, production tended to drop least, while for those in which prices were maintained, the drop in production was usually the greatest." But that conclusion completely ignores the decisive underlying forces at work in a depression.

In a depression, by and large, the drop in the output of capital goods or durable (postponable) consumers goods is always greater than the drop in the output of perishable consumers goods. There is a very simple reason for this: every depression hits the capital-goods industries hardest; the purchase of machinery can be postponed, as can, in addition, the purchase of durable consumers goods (automobiles, furniture, etc.). But the purchase of food and other perishable consumers goods cannot be postponed. In spite of the drop in employment and purchasing power, people must live: they use up savings or borrow or get relief to buy the food that they must have in order to live.

Hence, the fact that the prices of food products and agricultural commodities maintained their output is not a function of their fall

in price but a function of demand for them being sustained during depression, whereas the demand for other goods, for capital or durable consumers goods, is postponed until better times.

The example of the farmers cited by Means is completely beside the point. Agriculture is of a nature where production is forced upon the farmer; he keeps on producing regardless of the movement of prices. If the prices of agricultural commodities had not dropped during the depression, if they had been maintained at higher levels, the result would have been more instead of less production, thus completely destroying "output-price relation" of Gardiner Means.

Means argues that, if the price of agricultural implements had dropped more, the output would have been larger. But he ignores the fact that by 1932-33 the income of the farmers had been so completely shattered that they were unable to buy agricultural implements at any price. Most of the farmers were glad enough to make money to pay interest on their mortgages, and many did not.

If one considers the movement of output during the depression, one observes that output was determined by the cyclical character of the industry; in every crisis, whether under competitive capitalism and its flexible prices or under monopoly capitalism and its inflexible prices, the output of capital goods always declined more

than the output of consumers goods.

Means argues that there need be no unemployment because "there is a potential demand of indefinite proportions, if not for all, at least for a wide range of industrial products. . . . The only way to develop a large additional demand for any product is to reduce its relative price."

Profits—The Real Problem

Yes; but will lower prices promote profits? Means and the new anti-monopolists ignore the crucial factor of profit. If it is unprofitable, capitalism will neither produce goods nor lower their prices—and monopoly limits output and maintains prices in order to make larger profits. The only way to unleash the productive forces is to change the profit relations of industry, to make production for use the purpose of production, or, in the immediate sense, to increase mass consumer purchasing power regardless of what happens to profits.

The new anti-monopoly campaign to restore production will prove as unsuccessful as the older campaign to restore competition. But there is this new element: the new campaign means making peace with monopoly; it means the abandonment of the middle class to monopoly; it means moving toward a "controlled" capitalism which, under existing relations of production for profit, strengthens the forces moving toward fascism.