

## Congress Proves Itself To Be the Bitter Enemy Of the American Workers

AN EDITORIAL

The Congress of the United States has proved once more, in the manner in which it has handled the problem of priorities unemployment, that it is the bitter enemy of the American working people.

Every time a congressman makes a speech attacking Hitler, it is almost invariably followed by some action attacking the American workers.

The Congress of the United States, always the tool of capitalist reaction, always looking after the interests of privilege, monopoly, big business and the profiteers, has now distinguished itself by a series of acts so openly anti-labor, so completely uncompromisingly reactionary, that it is necessary for the labor movement to pay some attention to this situation.

Let us list but a few of its recent anti-labor acts:

1) Just before the entrance of this country into the war, it was preparing to pass one or another of a series of anti-strike bills which would have crippled the American labor movement.

2) It has prepared a series of proposals, through the Senate Byrd Committee on Economy, to cut every important social service which the workers still enjoy—NYA, WPA, etc.

3) It is now preparing new tax bills which will smash at the pocketbooks of the American workers while leaving the war profiteers in comparative comfort.

4) It has passed a "price control" bill which is a complete fraud and which cannot stop rising prices nor prevent disastrous inflation.

5) And now, most spectacular of all, it has sabotaged and well nigh killed a bill to give aid to hundreds of thousands of workers who have lost their jobs because of the fact that their plants are being retooled for war production.

### BILLIONS FOR WAR, BUT UNEMPLOYED . . .

The very same Congress which has voted the incredible sum of 156 BILLION dollars to defray the cost of the imperialist war refuses to give a measly 300 million dollars to help the priorities unemployed, who are out of work through no fault of their own, but rather because of the greedy bosses who refused to convert to war production before.

These congressional boondogglers who have just voted themselves lifelong pensions have the galling audacity to say that if they vote to give the priorities unemployed \$24 a week, that will be an incentive not to work!

These congressional puppets of Wall Street, who do absolutely nothing about war profiteering and "defense brokers," are against "pampering" the auto workers by giving them enough to eat!

### "SACRIFICE" TALK IS THE BUNK

All the talk of these peanut politicians about "sacrificing" equally for the war is directed exclusively at labor; they wink their eyes at the dollar-a-year men and the profiteers. They see in the war an opportunity to defeat their most hated enemy: the American labor movement. They prove in practice what LABOR ACTION has maintained: the war is an imperialist war fought in the interests of the boss class and the imperialists.

It is time for American labor to take stock. It is time to recognize that the Congress of the United States is an enemy of the workers, and will always be one so long as it is controlled by the two capitalist parties, Democratic and Republican.

It is time to recognize the need for independent labor action on the political front.

Drive the capitalist boondogglers out of office! Labor must have its own independent political party, democratically organized and based on the trade union movement! Labor needs its own men in Congress—not the self-styled "friends" who are friends only until the morning after election, but men from the shops and factories and farms who can speak for and fight for their own class!

## An Offer That You Can't Afford to Miss!

This is a circulation appeal. You probably don't like to read circulation appeals, since you're fed up with phony advertising.

All right, then, here it is—short and sweet:

**IF YOU SEND US ONE DOLLAR, YOU'LL RECEIVE LABOR ACTION AND THE NEW INTERNATIONAL FOR SIX MONTHS!**

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Since the war began we have received an unprecedented number of letters—some laudatory, others critical, but all agreeing as to LA's indispensability.

And when you see the latest issue of The New International, with its lively and varied contents, and its new, modern format—you'll agree that you want both!

Don't delay. The sooner you send in your dollar, the sooner you'll get LABOR ACTION and The New International—and the sooner we'll be able to widen our circulation! You can't afford to miss this offer. You need the LABOR ACTION and The New International; they need you!

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STATE \_\_\_\_\_

# LABOR ACTION

FEBRUARY 23, 1942

A PAPER IN THE INTERESTS OF LABOR

ONE CENT

# CONGRESS SPIKES AID TO "PRIORITIES UNEMPLOYED"

## Report Shows Low Wages of Majority of Population

A revealing picture of the fact that the overwhelming majority of the American population are workers in the lower income brackets was given this week in a report issued by Secretary of the Treasury Morgenthau.

According to his table, there are 48,167,000 income-earners in the United States. The table breaks down the wage groups so that there is revealed the different categories of wages and income. The truth they establish about the real status of the American working class bears out all that we have been saying for a long time.

It may surprise many people to know that there are 3,324,000 workers earning between \$00 and \$10.00 a week.

There are 4,975,000 workers who earn between \$10.00 and \$15.00 a week while 5,470,000 workers receive wages between \$15.00 and \$20.00 a week.

The largest wage group is that earning between \$20.00 and \$30.00 a week. This group numbers 10,747,000 persons.

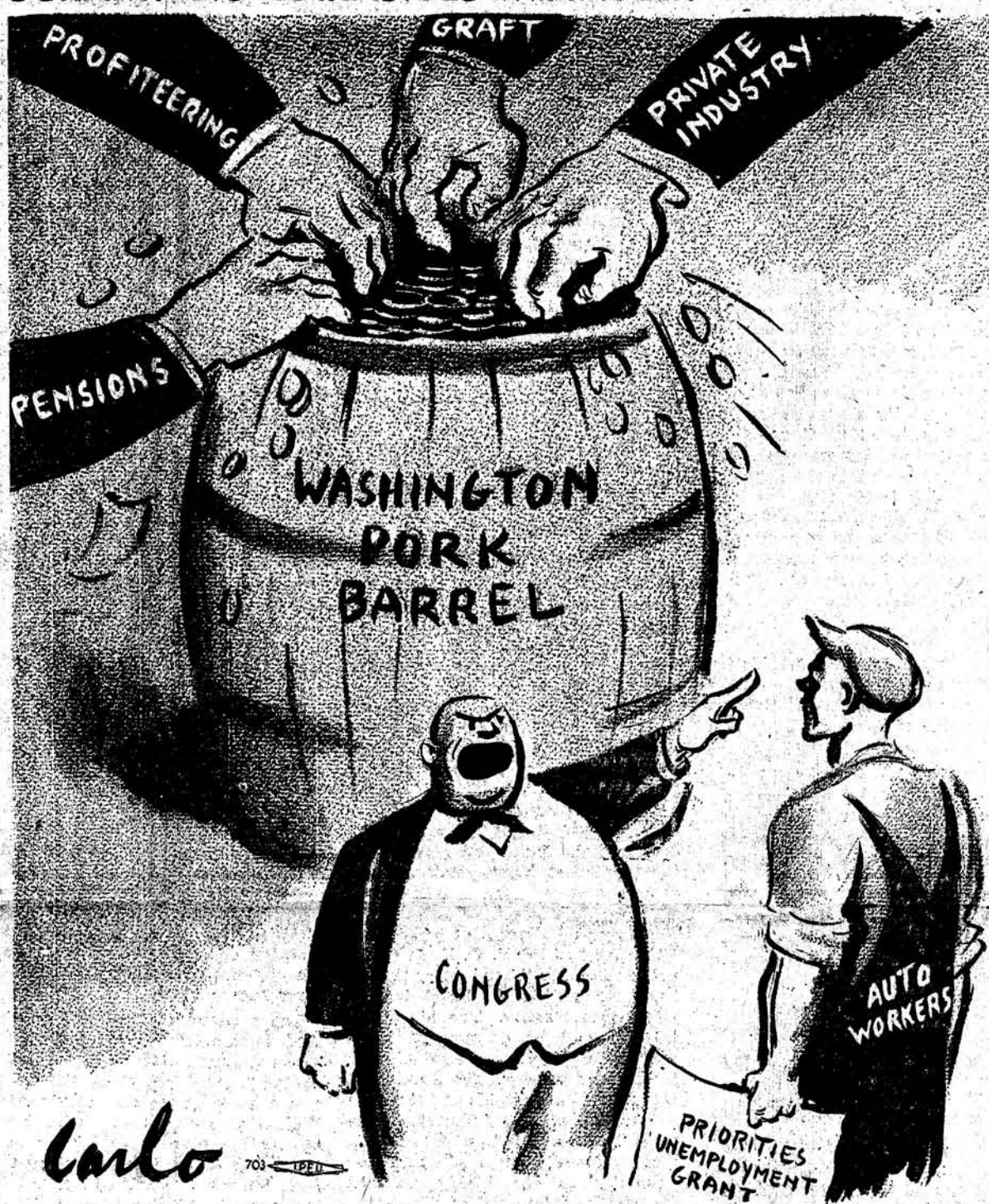
What is of highest significance is the fact that there are 13,769,000 workers earning less than \$20.00 a week. There are 24,516,000 workers earning less than \$30.00 a week and 32,263,000 workers earning less than \$40.00 a week. That is less than is needed for a decent standard of living.

If the \$40.00 to \$50.00 a week group is included, it will be found that 38,057,000 workers are included, or 79 per cent of the total income earners in the country.

Contrasted to the overwhelming majority of the working population are the earnings of the higher brackets. Those earning \$100 to \$150 a week number 1,059,000; between \$150

(Continued on page 4)

## "SCRAM! NO PARASITES WANTED!"



## Race Bias Exposed at Government Hearing

### CIO Representatives Take Firm Stand Against Discrimination

By SUSAN GREEN

NEW YORK CITY, Feb. 17.—Not only do corporations with government contracts practice rank and rotten race discrimination in hiring workers, but they are fully supported by government agencies such as employment bureaus and public training schools.

This smelly situation was officially aired before the Committee on Fair Employment Practices holding hearings in this city, February 16 and 17, on complaints in the metropolitan district. This committee was created by the President, who is Commander-in-Chief of an Army, Navy and Air Corps guilty of the grossest anti-Negro bias.

Every government war contract has a clause supposedly binding the corporation not to discriminate against workers because of race, color, religion or country of origin. This empty gesture was made by President Roosevelt in an attempt to

placate the aroused Negro population after the threatened march on Washington last July—which was abandoned by its weak-kneed leaders. But, as was to be expected, the bosses do not regard this clause of their contracts with the same seriousness as, for instance, those clauses which pertain to their rate of profit.

The Wright Aeronautical Corp. of Paterson, one of the two largest builders of airplane motors, a subsidiary of Curtiss-Wright, was put on the carpet. Of the 18,000 workers it employs, a mere 121 are Negroes, and they are permitted to do only heavy or menial labor.

The Wright anti-Negro labor policy is also the policy of the Paterson Vocational Training School. Of 4,000 students not one is a Negro. The Wright Corp. controls the advisory board of the school and also its faculty. The New Jersey State Department of Education condones this domination of a state institution by

a private corporation. The New Jersey State Employment Bureau cooperates by not sending Wright any Negro applicants.

### A Typical Case

Robert Smith, Negro, a university graduate and expert electrician, testified against the Wright company. His story is typical of the "freedom" of employment enjoyed by the Negro worker. Mr. Smith answered an ad for an electrician, and his qualifications were so excellent that he received a special delivery letter to call at the Wright plant in Paterson. That was before the Company knew the color of his skin. When he called he was told the company does not employ Negroes as electricians. If he wished, he could have a job in the foundry.

Having been out of work for three months, Mr. Smith took the job. The bulletin board in the foundry prominently displayed the following:

(Continued on page 3)

## Aircraft Workers, Attention!

The Bell Aircraft Corp. of Buffalo reported a profit of \$1,970,645 for 1941 after tax and contingency deductions. This compares with \$284,745 for 1940, and represents an increase of 692 per cent! In reality the profits of Bell were far higher, really almost twice as much as the above figure. Bell applied \$1,200,000 to its contingency fund (a fund for future emergencies) using a trick which all the large corporations are now using: hiding their immense profits by putting part of them in abnormally large contingency funds.

A powerful and ominous drive to defeat the bill now pending in the House of Representatives, which would grant \$300,000,000 to help workers who have lost their jobs because of "priorities unemployment," was begun this week by various congressmen, governors and other defenders of capitalist interests and labor haters.

It is weeks now since President Roosevelt—influenced by the pressure exerted by the labor movement—asked for an appropriation of \$300,000,000 to aid the priorities unemployed. Since then the bill has been kicked around from congressional committee to committee. As far back as January 17, the problem was being "explored" by the House Appropriations Committee; some time later it was taken over by the House Ways and Means Committee.

All this while the number of priorities unemployed was steadily growing, until there are hundreds of thousands. Leaders of the United Automobile Workers Union, whose members were mainly affected by the conversion to war production, declared that they couldn't be held responsible for the consequences if some form of relief were not voted; in other words, that they couldn't restrain their members from militant action unless the grant was passed by Congress.

And then there suddenly took place an amazing series of attacks on this bill. Governor after governor—Stassen of Missouri, Saltonstall of Massachusetts, Lehman of New York—attacked the bill.

Why? It would lead to the "federalization of unemployment insurance," they said. What hokey! The workers, who've been laid off from their jobs, don't care a hoot in hell about that. They don't care whether relief is local, state or federal—what they want is to get it. That's Point 1 on their agenda.

### Who Can Handle the Problem?

But as a matter of fact, at the present time the only agency in a position to handle the situation is the federal government. Leave the problem to the states and the workers are sure to starve.

So the unemployment insurance system will be federalized? So what? Who cares?

Then there began the parade of representatives from the bosses' associations, the Chambers of Commerce, etc. Every reactionary faker and good-for-nothing scoundrel shrieked at the top of his lungs that the unemployed workers didn't need the "extra relief—everyone had their say at the Ways and Means Committee hearing except the workers themselves.

According to the New York Times, the majority of the House Ways and Means Committee is opposed to the bill and will not even report the measure out to the House. This onslaught against labor's rights is "justified" by some mumbo-jumbo about fears of "sociological aims" intruding in the war program. In other words, the congressmen don't want any aid to labor or the unemployed to take place during the war. The one thing they'll tolerate is war profiteering by the capitalist class for the good and simple reason that that is why the war is being fought in the first place.

### Incentive to Idleness?

The reactionary congressmen also "justified" their opposition to the bill by declaring that if it were passed there'd be a "premium on idleness" and "workers wouldn't want to go back to work."

What reactionary and vile stuff this is! We should like to suggest that these Congressmen try living

(Continued on page 4)

## Behind the Fall of Singapore

By Henry Judd

In two months the troops of the Japanese Empire drove their way through the "impassable swamps" and "tiger-infested jungles" of Malaya.

In two days these same troops tore to bits the mighty defenses of "impregnable Singapore Island" and swarmed all over the Gibraltar of the Far East. It couldn't happen, but it did!

Gone are the airfields, the naval guns (all pointing the wrong way!), the \$400,000,000 naval base—never used except for ONE week—and built by 20 years of labor.

Japan now controls the South China seas and the water exits and inlets into the Indian Ocean. Japan now runs the rubber plantations, the rice fields and the tin mines that formerly belonged to the British. Japan now is immeasurably strengthened to strike deeper into the Dutch East Indies and at Burma and India. Every military authority admits the harshness of the blow; government spokesmen talk about "the worst is yet to come."

Churchill faces the crisis of his career—smooth-tongued words will not satisfy the critics.

Everyone asks: Why did it happen? From all sides the answers come: British bungling, stupidity, shortsightedness, inefficiency. Failure to apply "scorched earth" is cited; failure to organize a proper air defense is pointed to.

All this is true. British militarism—run by an aristocratic caste—was never notorious for brains! But it's all superficial and secondary. There is a reason a thousand times more important in explaining the Singapore fiasco.

Malaya and Singapore fell because the people, the 12,000,000 Malaysians, Chinese and Indians—didn't give a damn which side won.

LABOR ACTION has published articles explaining the attitude of these colonial peoples—explaining how, after 100 years of British exploitation in the mines and on the plantations—they felt neither side had anything to offer them in the way of democracy, independence or improved

living standards. When the war began they fled to the hills and stayed there.

Nor did the British make the slightest effort to win over the people, even when the going became toughest. They wouldn't arm them; they wouldn't even build air raid shelters for them (those were for whites only!)

Cecil Brown said on the radio: "At Panang the British military authorities ordered the evacuation without consulting the government. They refused to evacuate anyone except Europeans. All Chinese, Malaysians and Indians were left to their fate. That was the beginning of considerable difficulties with the natives in Malaya." (You bet! That was the beginning of the end for the British, too!)

All of this is a deliberate policy of the British. It proves the imperialist character of the war they are conducting. Yes, they want to win—and keep their precious colonies at the same time. Sure,

(Continued on page 4)

## "Friend" of China "Enemy" of Japan!

"British interests required us to keep out of the quarrel which has broken out in the Far East and not wantonly throw away our old and valued friendship with Japan. It was in the interest of all the world that law and order should be established in the northern part of China."

(Winston Churchill, 1935, when Japan invaded Manchuria.)



# Europe in Revolt

News from the Socialist Third Camp

## ARE POLES HUMAN BEINGS?

Wherever the Nazis have been occupying a European nation their immediate task has been to strip the country of everything which could be useful to the German military machine. Their long range aim has been, especially in the East, to so lower the material and cultural standards of the oppressed nation as to weaken its power to resist and degrade it to a semi-agricultural level. In order to proceed successfully with such a policy it was absolutely necessary to impress on the German soldiers and workers that the conquered nations were semi-barbaric and not worthy of having any other fate.

It was essential for the Nazis to counteract all tendencies on behalf of Germans to regard the people of conquered countries as brothers sharing common oppression and misery with them. For months every effort of the Nazi propaganda machine was directed to impress the German workers of the essential differences between themselves and Polish, Czech and Russian workers. Promises of the future privileged position of German workers as compared with the workers of the rest of Europe were liberally distributed. Yet it seems that the common people of Germany have not been very much impressed with this propaganda. We have already reported signs of class solidarity between French workers and German soldiers; and here is an extract from a German paper showing similar tendencies in the East.

The "Ostdeutscher Beobachter," a Nazi paper published in western Poland, reports that a celebration was held at the Leader School of the Nazi Labor Front at the end of the term. The representative of the Gauleiter delivered a speech in which he said:

"A struggle is being waged today between two nations—the Poles and the Germans. We must keep the fruits of the German victory. There can be no compromise and no sentimentality. THERE ARE GERMAN WHO DO NOT REALIZE THAT POLES MUST BE TREATED WITH APPROPRIATE SEVERITY. THEY STILL ARGUE THAT 'POLES ARE ALSO HUMAN BEINGS.' There is but one answer to such doubts—we are human beings, too, and today we fight for our liberty, for living space, and for leadership of the world, which should rightfully be ours."

There have also recently been several trials in Czechoslovakia and Poland against Germans who were accused of having given "food or ration cards to starving Jews and Polish and Czech workers. In every case they were condemned to long prison terms for "race treason." The Hitler regime realizes very clearly the extreme danger of such fraternization between members of the oppressed nations and members of the "master people." But the self-styled "anti-fascists" of the various governments in exile work only into the hands of Hitler when they seek to stir the undoubtedly strong nationalist tendencies in the occupied countries to a hatred against "the German" in general. A German soldier who hears of their plans to disintegrate Germany and destroy German economy forever is only pushed back into the hands of Hitler, and "national solidarity," which is weakening inside Germany, can only be reinforced by such propaganda. Only when emphasis is laid on union of all oppressed, inside and outside the "national" borders, can sympathy be won. Realization by German soldiers that "Poles are human beings" and consciousness among Polish workers that the German soldiers are "poor fellows just like us" is revolutionary dynamite inside enslaved Europe.

## AGAIN THE SLOW-DOWN

Suppression of all legal methods of defense against the Nazi domination creates all kinds of ingenious devices on behalf of the workers in occupied territories. Very clever methods are devised in order to harm the German war machine without the risk of being shot because of sabotage. Here is a report from Kladno, Czechoslovakia:

"The public health authorities of the protectorate are confronted by a mystery. In the Kladno mining area a peculiar epidemic of influenza has broken out. It is a unique kind of influenza. It spreads only among the mining communities and does not affect women and children. Its victims are to be found chiefly among the young workers of Czech nationality.

"A comforting sign is that this influenza epidemic has not yet caused any deaths. After a few days have elapsed, during which the patient is incapable of work, he gradually improves and recovers. In most of the cases, however, a relapse occurs in the course of from 14 to 28 days. The main result of this influenza, however, is that it has caused a considerable decrease in the efficiency of the workmen in the mines."

# Pine Workers Notes from Feather River Canyon

Local 6-28, International Woodworkers of America, Portola, Calif., recently endorsed a resolution in support of the convicted CIO militants in Minneapolis and contributed \$10 to the Civil Rights Defense Committee to support their appeal.

At the time of the Pearl Harbor incident in December there was a natural surge of indignation and a consequent interest in the proposed formation of a State Guard unit here at Portola. Many union members who on account of age, dependents or other disabilities couldn't participate in the armed forces, thought that here might be their chance "to do their bit." But a slow wave of disillusion followed as the truth of the Pearl Harbor catastrophe leaked out. Also as they cooled off and had time to analyze the main purpose of the State Guard, as has been proved in many instances throughout the country, that of potential strike-breaker, they changed their minds and very few have joined up.

Hundreds of workers of the woods and mills know that most of their gains have come as the result of their strikes. They do not consider themselves bound by the three-point peace program of the industry-labor conference. They feel that heads of

neither the AFL nor the CIO were authorized in any way or had the power to waive for the duration of the war their weapon of the strike.

With his recent call for labor unity, John L. Lewis regained some of the popularity around here he lost in his 1940 flop for Willkie. Of course in the intervening period many workers have realized, what with Roosevelt's strike-breaking tactics at North American Aviation and the shipyards in Oakland, Calif., that both candidates were of the same caliber and that if Lewis had called for an independent Labor Party, he really would have done the workers a good turn.

On Wednesday, January 21, the initial number of the "International Woodworker" was printed. It is the new official organ of the International Woodworkers of America, being the result of the consolidation of the "Woodworker," formerly published by the Columbia River District, and the "Timber Worker," formerly published by the international office, which was to a great degree Stalinist dominated. With a unified official organ henceforth, there should be no divided, conflicting and confusing publicity. The new paper was welcomed by Local 6-28, IWA, Portola, and for practically the first time the bundle order was insufficient to fill the demand.

# American Labor in the Last World War Workers Met High Living Cost With Great Wave of Strikes

(This is the second in a series of articles on American labor during the last war. The first article, published last week, described how the workers' cost of living rose above their wages levels. This second article describes the series of strikes resulting from that situation.—Editor.)

By SYLVIA MERRILL

The working class in the last war did not take the disparity between wages and cost of living lying down. They couldn't afford to, and the only way they could keep their heads above water was by striking.

In 1913-14 and the first half of 1915 the country was in one of its periodic depressions. By the middle of 1915 the country became one of the chief producers of munitions, foodstuffs and other war needs. As the war wheels began to turn, the labor movement entered a period of organization and strikes. Just as today, labor knew that if it did not get something out of all the profits being made, it would be out in the cold.

During 1915-16, there were 4,924 strikes involving 2,000,000 workers. Of these strikes, 1,386 were for wage increases and 129 against wage cuts. A great many were for union recognition.

The railroad workers were carry-

ing on a struggle for the eight-hour day and time and a half for overtime. Over 35,000 railroad workers on 52 lines got together and in the midst of the war boom, August, 1916, decided that it was now or never.

The Big Four announced that unless a settlement was reached the railroad workers would strike. They knew they were a vital cog in the machine, and so did the government. While the companies refused to come to an agreement with the unions, President Wilson asked Congress to enact an eight-hour-day law for the railroads. Congress did so two days before the strike deadline.

Machinists' Strike As a result of a strike of munitions workers led by the International Association of Machinists in Bridgeport, Conn., which spread to several munitions centers in other states, 60,000 machinists in the East won the eight-hour day and a forty-eight-hour week.

In 1916, the New York longshoremen struck for a signed contract and payment of double time for handling war munitions and explosives.

The garment workers in New York, Philadelphia and Boston struck and won union shop agreements.

Many of labor's demands, like the eight-hour day and time and a half, seem rather modest to us today. But if labor isn't on guard during this war we may have to fight for these demands all over again. It is well to remember that it is due to these pioneering efforts of the labor movement that we enjoy many advantages now.

And labor still has a struggle for one important demand that also caused many strikes in the last war—the fight for the closed shop. In order to understand labor during the last war, it is necessary to note the heroic struggles fought by the much maligned and persecuted International Workers of the World (IWW). Since the rise of the CIO we have come to accept the principle of industrial unionism as a necessity in the labor movement. But in the last war, the craft-conscious AFL won many demands for the highly skilled workers while the laborers in the steel mills, lumber camps, textile mills, etc. went unorganized and underpaid. The IWW fought valiantly and uncompromisingly for the interests of these workers, the most exploited sections of the American working class, most of whom today are organized by the CIO.

IWW Pressure The pressure of the IWW on the AFL bureaucracy played a big role. In its tireless efforts to organize the American working class, the IWW was a thorn in the side of the AFL leaders who might otherwise have been all too ready to slide along. Testimony of the role played by the AFL bureaucracy is to be found in the "American Labor Year Book of 1919-1920."

"Authority and responsibility within the American labor movement have to a very great degree passed over from the executive offices of the AFL to the meetings and local councils of the rank and file. We have international unions stronger in numbers and in financial showing than ever before, and we see the AFL gathering in hundreds of thousands of new members, with scarcely an effort as compared with the days before Europe went to war. But the initiative and the power of action on the industrial battlefield had slipped from the national leaders' hands."

Prior to the declaration of war, defense labor boards had been set up to deal with the numerous strikes. Many AFL officials sat on these boards. But they had less effect on the rank and file than the government hoped. The worker had to live and in the words of an old labor song he couldn't say, "Please, Mr. Boss, a little raise; the cost of living is going up." He had to say, "Strike, strike, strike, no please, Mr. Boss."

The National Industrial Conference Board, an employers' research agency, found that in the first seven months of war (between April 6 and October 6, 1917) there were 3,000 strikes. In 1918 there were 3,353

strikes involving 240,000 workers.

This bosses' agency stated that "...demands for higher wages were the most frequent cause for strikes. Increased cost of living...readily accounted for this."

However, while in the April to October, 1917, period, 455 strikes were for wage increases exclusively, 230 strikes were for higher wages plus closed shop conditions. Of the latter, 208 ended in compromise, the wage demand being granted, but not the closed shop.

While the government and industry were debating proposals for no more strikes for the duration of the war, open shop, compulsory arbitration boards whose "decisions must bind all parties to the dispute," the workers were "debating" on the picket line.

There was the lumber workers' strike in the Pacific Northwest. Copper miners struck in Arizona, marine workers in Puget Sound and the Chicago stockyards went out.

More boards were set up. But none of them stemmed the tide. The class struggle could be arbitrated no more in time of war than in time of peace. Labor felt its might and knew its importance.

# PRESS ACTION

"At one of the factories in Chicago where we have been distributing for 2 months, we have received literally scores of inquiries from the workers as to who runs the paper, and we have discussed taxes, wages and employment problems with many of them. The enthusiastic response has enabled us to triple the number of LABOR ACTIONS distributed. Yesterday two fellows told us that they had intended to send a telegram to LABOR ACTION congratulating it for its presentation of the news from the workers' point of view. And one worker came up and asked to subscribe to our paper. Another told us that he would soon attend the Labor Action Institute we run here in Chicago."

In the past two weeks LABOR ACTION has received the following subscriptions:

Chicago	5
New York	3
Missouri	3
Michigan	1
Total	12

As announced on page 1 of this week's LABOR ACTION, our special subscription campaign for hundreds of new regular readers is on!

The campaign lasts from March 1 through April 30. LABOR ACTION and New International agents are already busy at work to put the campaign over with a real success.

We are offering LABOR ACTION and The New International subscriptions for six months—both for \$1.00 (\$1.25 in New York City). It should be a snap to get acceptances of such an attractive offer.

In addition, we are offering prizes to LABOR ACTION readers who participate in the campaign. Anyone who gets us ten \$1.00 combination subs receives a copy of "Karl Marx," edited by Trotsky.

The individual who gets the most \$1.00 subs for the entire two-month campaign gets Trotsky's "History of the Russian Revolution."

Literature agents are busily at work visiting friends and former readers; calling on new readers; distributing leaflets asking for subs at factories familiar with LABOR ACTION, etc.

We will publish news about our progress as the campaign gets under full stride.

# Far Eastern Defeats Cause Revision of Allied Strategy - - Long War Seen as Result

By SENTINEL

With the loss of Singapore, gloom has fallen over the Allied camp. The speed of Japanese conquests has brought panic into the United Nations. Who could have imagined that Japan would fight its way from Pearl Harbor to Singapore in ten weeks?

It is in the Far East that the great, long established empires are toppling over first. The British Empire has already lost Hongkong, Malaya and Singapore. Japan is gobbling up the rich Dutch East Indies and the Philippines. Australia, Burma and India are threatened.

After Singapore, Sumatra and Java are expected to fall. To supply the Burma Road and Russia the Allies must now travel 12,000 miles via the south of Australia. Using Singapore as a base, Japanese raiders in the Indian Ocean are now in a position to harass even this tortuous supply route. Besides this, there is the Japanese frontal attack on Rangoon and the Burma Road itself.

## Japan's Strength Revealed

The truth is also coming out about Japan's ability to carry on. Informed steel circles in the United States have now revealed that Japan has a three year supply of scrap steel that came from the United States. Japan's three year supply is estimated at 10,000,000 tons. For the sake of profits, big business in the United States supplied Japan with 11,600,000 tons of scrap steel over a period of ten years.

With steel from the United States, oil, rubber, tin, food and other materials from Malaya and the Dutch East Indies, one can no longer speak of blockading Japan. If anything, the reverse is true. Japan is now in a position to blockade the Allies. The United States has not been able to get any supplies to Vladivostok, Rangoon, the port terminal of the Burma Road, may soon be in Japanese hands.

Not only are the real facts of Japan's strength coming to light. There are hints also about the real state of affairs of the Allied forces in the Pacific. Winston Churchill in his latest speech practically places the cause for Japan's victories in the Southwest Pacific on the debacle at Pearl Harbor. At Pearl Harbor, he said, "...the shield of seapowers, which protected the fair lands and islands of the Pacific Ocean, was for the time being, and only for the time being, dashed to the ground." It would seem from this statement that far greater losses than have been reported were suffered at Pearl Harbor.

## The Outlook Is Dark

Numerous writers in the American press are pleading with Washington to tell the people of the United States what really happened at Pearl Harbor. They point out that in South America, in Asia, in Africa and in Europe, everywhere except in the Allied countries, the facts about Pearl Harbor have been broadcast by the Axis powers.

The outlook is dark for the Allies not only in the Far East. According to a broadcast by Pearson and Allen,

## Philly WP Says: Make Landlords Pay Blackout Expense

Making the landlord pay for "civilian defense" expenses is the basis of a new campaign of the Philadelphia Workers Party. Complaints from tenants on the 1400 block in Brown Street are that air raid and blackout precautions are expensive and cannot be purchased by low income families.

Says one tenant: "I have seventeen windows in my house. To cover them with blackout curtains would cost over thirty dollars. I've got all I can do to pay the rent."

The Philadelphia branch of the Workers Party has raised the demand that the landlords of these properties pay the expense of blackout materials.

Ambassador William C. Bullitt has submitted a very pessimistic report to Roosevelt regarding the Near East. They revealed that Bullitt informed Roosevelt that the Germans are about to stage a tremendous drive on the Near East and have amassed enough troops in North Africa so that they will not have to go through Turkey, but will drive on through Libya and Egypt to the Suez Canal. Bullitt is supposed to have reported that in his opinion the Germans will take not only the Suez Canal, vital life line of the British Empire, but also Syria, Palestine, Mesopotamia and Iran. Finally Bullitt is also reported to have warned Roosevelt that the United States must be prepared for 18 months of discouraging news before there will be an upswing of war in the Allies' favor.

Whether this information is well founded or not, the logic of the war map does point to a German attack in the Near and Middle East. This attack may take place as Bullitt indicates or it may come through Turkey, but come it will. It will be the German arm of the pincer movement already initiated by Japan in the Burma and the Indian Ocean. Between them the entire British Empire is endangered. Together they will aim to conquer the areas of self-sufficiency, to make the blockade a farce and to cut off the vital supply lines to Russia and China.

Should Japan and Germany meet in India, then the Allied supply lines reinforcing Russia and China will no longer exist. If at the same time the German fleet controls the waters of Northern Russia because of the successful dash of the Scharnhorst and Gneisenau, then the tremendous manpower of Russia and China will be completely shut off from all Allied supplies from the outside. Such a situation can only lead to the ultimate defeat of Russia and China. Germany and Japan will then be complete masters of the European, Asiatic and African continents.

## Allied Supply Lines Cut

It is because the forces of the Allies, excluding Russia, China and India, are at present so inferior to those of the Axis powers that Roosevelt and Churchill are compelled to recognize the enormous weight of the former countries in the war. This one of the major tasks of the Allied leaders is to keep Russia in the field. They must keep the major part of the German army tied up in Russia. They must keep free the supply lines to Russia and China. Conversely the Axis aim is to close those supply routes and prepare the offensive with which they hope to knock out the Russians.

It is to the Germans that the task falls, in the main, to eliminate Russia from the war. Japan will watch the Germans in this performance. If the coming Nazi offensive against Russia meets with success Japan will choose the time best calculated to ensure her success and strike at the weakened Russia. Victory over Russia in the Far East would eliminate once and for all the Russian dagger aimed at the heart of Japan. Only then will the Japanese be able to feel that all of their previous conquests are permanent.

Who Can Replace Churchill? Churchill has been under fire for the way he is conducting the war. The fall of Singapore has promoted that criticism and may even result in a cabinet crisis. Churchill is an imperialist to the marrow of his bones. He conducts the war with all the cleverness and all of the limitations of the imperialist leader. If the British Empire is disintegrating because of imperialist policy there is no other statesman in Great Britain who can save off this disintegration so long as Great Britain is a capitalist country. Churchill really is the best that decadent capitalist and imperialist Britain has available. If he is not good enough, it is because the social system that supports him is outlived.

Churchill considers his greatest achievement the enlistment of the United States on the side of Britain. While Churchill did not in his last speech refer to 1943 as the year of the Allied offensive (he is not so sanguine now) he did place all his hopes on America. American imperialism is indeed the only hope for Britain coming out of the war with some semblance of an empire. Roosevelt understands what is expected of the United States. If he mobilizes the manpower and production of America for swift intervention on behalf of an empire that can no longer hold its own it is because he knows that not only British imperialism is in the balance, but American imperialism as well.

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

## On the Meaning Of Democracy

Dear Editor: It was with some surprise that I read your paper. I did not know that any such critical publication would be tolerated during wartime—especially one so outspoken. After all the glory-coated slop spread so lavishly, and deliberately, by the press and radio, and lapped up so eagerly by the eternal sucker, your skepticism was like a dash of cold water. Refreshing and even a little encouraging. Nevertheless, I have a criticism to offer. It refers to the use of one

word erroneously, an error leading to much confusion; necessitating the creation of various subtle differences and specious qualifications.

In several of your editorials you refer to the battle between socialism and capitalistic democracy. No such battle exists, because no such thing as capitalistic democracy exists.

The social order, or disorder, ruled by capital is called democratic by its press agents and their dishearteningly gullible audience.

It is obvious that an organization, or a paper, fighting for the things you are, is not fighting against democracy. That is merely a nom de plume for an enemy whose true names are less flattering.

Yet you give that impression. Of course it is a ridiculous statement. You could not fight democracy any more than Hitler could, nor Churchill or Stalin could. Nor could you address its citizens as Roosevelt claims to. No such thing exists, except as a hope. Don Quixote tilting windmills had at least an opponent that was real.

The word needs definition. The disparity between the meaning of democracy and what we have now must continually be pointed out, not confused.

It is a good word. It has been given meaning by men who lived for it—and men who died. It has been perverted and sold, but not destroyed. Roosevelt and Churchill lay claim to it, but we own it.

T. F. C. New York.

It is unfortunate that Reader T.F.C. does not give examples of what he means. Nowhere that we can find has LABOR ACTION counterposed socialism to democracy, for the simple reason that we believe democracy capable of genuine existence and fullest expression under socialism. Not only are the two not counterposed, but, on the contrary, they are inseparable.

However, we disagree with one idea implied in the letter of T. F. C.

It is of course true that the "democracy" of capitalism is largely of the bogus variety, that it is inadequate, constantly encroached upon, and virtually meaningless in the most essential spheres of life. Nevertheless, it is essential to distinguish between capitalist democracy, limited and inadequate as it is, and fascism, which is the naked, dictatorial rule of the capitalist class. This distinction we make, not in order to support the imperialist war which masquerades under the cloak of democracy, but rather to understand that what little there is of democracy at the present time can only be preserved and extended by the struggle for socialism.—Editor.)

## Budd Worker on NLRB Hearings

Dear Editor: The recent Labor Board hearing was enlivened by the testimony of Budd's well known dictatorial works manager, Mr. Mahan. The perfect description of Mahan was given me by one of my fellow "serfs," who said: "If he were a little larger, he would make a good strong arm man."

Unfortunately for the Budd company, Mahan appeared before the board examiner without removing the chip from his shoulder, when he

Budd Worker.



## An Analysis of the CIO Plan for Production

## What Attitude Should Workers Take to the Murray Plan?

By Jack Wilson

A major policy of the CIO officially advocated at every opportunity is the Murray Plan for labor's role in the war.

Murray's plan visualizes the President of the United States establishing "a council for each basic and vital defense industry. Each council shall consist of an equal number of representatives of management and of the labor union in the industry, together with one government representative, the latter to serve as chairman." The councils would be known as the steel industrial council, the auto industrial council, etc.

Over these industry councils would be the decisive National Defense Board, with equal representation for industry and labor, of which the President would be chairman. It would plan and control the entire war production drive.

The objectives of these organizational proposals would be, in the words of Murray:

"1. To guarantee the production of armaments in needed quantities and on time, by achieving the highest possible productive efficiency of American industry, through the full and complete cooperation of industry, organized labor, and government.

"2. To guarantee the production of domestic or non-military goods in adequate quantities so as to further improve and extend the American standards of living through a more equitable distribution of the national income, thereby improving the morale of the American people, and preventing a chaotic breakdown of our domestic economy when the national defense program is completed.

"3. To preserve the basic democratic rights of the American people; namely, freedom of speech, assembly, and worship, and the free right to organize into independent associations for lawful purposes, such as the right of labor to organize into unions of its own choosing for collective bargaining and other mutual protection."

## INDUSTRY AND THE PRESIDENT BALK

Since the Murray Plan was presented long before December 7, 1941, the first observation to be noted is that it was not approved by two of the three necessary parties to any such action, namely, industry and the President.

That Murray understands at least partly why his proposals have been cold-shouldered is indicated in the report he made to the CIO convention. "It is because labor does not trust the employer, the employer in too many instances does not trust labor, government doesn't trust either. And it seems to me that neither labor nor the employer trusts too much in government," he declared.

The starting point of an analysis of the Murray Plan must then be in seeking the underlying causes of the antagonisms which Murray describes. For surely, no plan which proposes a love-and-kisses relationship between capital and labor can succeed unless the causes of the present antagonism between the classes involved can be eliminated!

Let us begin this examination by reviewing the incidents arising from the attempts to apply the Murray Plan itself, or rather an application of the Murray Plan to the auto industry, the Reuther Plan.

Why didn't the auto bosses accept the Reuther Plan? Why was there such a sharp cat and dog fight between them and the labor unions, despite the fact that the latter support the war?

C. E. Wilson, president of General Motors, gave the answer: "We made 32 cents on the dollar on auto sales, and only nine cents on the dollar on war orders." The longer the auto industry could oppose conversion to war production—despite the fact that such conversion was in its general, basic class interests—the more immediate profit it could make.

And, as everyone knows, that is the main purpose of business—to make profit. Nothing more nor less!

## INDUSTRY'S MAIN PURPOSE—PROFITS

Even when industry was forced to convert to war production, it kept clearly before its eyes the reason for its existence, namely, the gathering of profits.

Could there have been any more dramatic and convincing proof of industry's preoccupation with profits before all else? And that's why labor doesn't trust the industrialists! They are economic enemies; their basic interests conflict.

In asking labor to have faith and trust in the employing class, Murray asks an action on the part of the workers which would betray their class interests. He asks them, in effect, to have faith in and to aid their enemies.

Once we understand why labor doesn't trust and opposes the bosses, then it is easy to see why the bosses feel the same way about labor, especially organized labor. They know that unions are the most effective means in the workers' struggle for at least enough wages to live on.

The czars of industry will have faith in the labor unions only when labor gives up its struggle for a decent standard of living. Which means that the bosses will trust labor only when labor cuts its own throat! That's the price that Murray and the CIO leadership would have to pay if they really want to gain the "confidence" of the bosses.

We have seen therefore that what Murray described as the antagonisms of the present moment are in reality basic to the form of society in which we live: capitalism. Capitalism is a society in which a few men own the means of production and operate them for their private profit. The government, regardless of how "liberal" it may be, functions in the basic interests of this capitalist class. So long as this economic system continues to exist, the antagonisms between labor and the bosses, between labor and the government will continue to exist, no matter what Murray or anyone else may wish.

There is only one antagonism which Murray describes, which is not basic to capitalism and which exists because of the present peculiar situation. That is the antagonism between the bosses and the government, to the degree that it exists at all.

## BOSSSES AND GOVERNMENT AGREE

It should be remembered that on all the basic issues of the day industry and the government agree: the continuation of the capitalist system of exploitations; the prosecution of the imperialist war for profit, to name only two of the most important. But on one thing there is some disagreement between industry and the government.

Industry dislikes the Roosevelt regime because it puts brakes on the more obvious and ruthless employers' exploitation of workers. Big industry wants to return to the "good old days" of the open shop, when union men were fired at will and wage cuts came any time the companies wanted to increase profits.

The Roosevelt Administration understands that labor is too powerful for that kind of treatment, that gigantic struggles would ensue if the pig-headed methods of man-

agement were openly employed; so it seeks to act as a buffer.

If the war continues to go adversely for the Allies and they must therefore have a perspective of a long, gruelling war—as now appears certain—it becomes clear that this disagreement will in large measure disappear and that the capitalist government will necessarily (from its own class point of view) be forced to adopt more and more of the open representative measures now advocated by certain sections of big industry. More and more there would then be agreement on the "need" for smashing at labor's standards and rights.

The capitalists and military brass-hats look with considerable envy at Hitler Germany, which has demonstrated that in order to achieve Point 1 of Murray's plan ("Production of armaments in needed quantities and on time") under capitalism and to do so with a profit for the capitalists too, it is "necessary" to destroy the union movement.

Here, then, is the first and basic contradiction of the Murray Plan. Its first objective—UNDER CAPITALISM—can be accomplished fully... by destroying the trade union movement.

For capitalism to conduct this war with the efficiency required to destroy its Nazi opponent, it will find it increasingly "necessary" to adopt Hitler's methods: subordination of labor's class interests to the interests of Wall Street and its war, military dictatorship or semi-dictatorship to smash the labor movement.

Naturally no worker is for such class slavery. Where workers criticize the production plans of the present industrial and war machine, it comes from a recognition of the incompetence of the capitalist class, its social decay and degeneration which make it impossible for it even to conduct its own war efficiently; and not from any desire to see the adoption of Hitler's methods in America. The conclusion to be reached from such criticism of the inefficiency and incompetence of capitalist war production, is not that capitalism should adopt the methods of Hitlerism, but that rather socialism should

be substituted in order really to smash fascism and its roots.

It is clear then that to criticize the capitalist industrial and war machine from this point of view is completely different from supporting the Murray Plan.

## SECOND OBJECTIVE OF THE PLAN

The second main objective of the Murray Plan is to provide "guns and butter." Murray points out, and correctly, "the production of domestic or non-military goods in adequate quantities so as to further improve the American standards of living... [is necessary]... to improve the morale of the American people..."

Doesn't he know in this war the choice is guns OR butter! And hasn't the recent experience of the American people shown that the Roosevelt regime has made its choice: GUNS!

And the only "butter" the American people will get is the amount of wage increases the CIO can wrest from the bosses in struggle (steel, aluminum and auto today).

Isn't it plain that only in so far as the CIO struggles against the workers paying the burden of the war, which both the Roosevelt Administration and business desire, can Objective II of the Murray Plan be achieved. Not in cooperation with the bosses and the Administration but in struggle against their aims to load the workers down with the war cost!

Objective III of the Murray Plan is an excellent summary of the purposes of the CIO, its struggle to extend democratic rights, its determination to organize all unorganized workers, etc.

But Murray forgets to ask a simple question. Against whom does the CIO have to struggle to obtain democratic rights, to organize and bargain collectively? The very people with whom he proposes to enter into a love-and-kisses relationship, namely, the industrial barons.

In so far as the CIO has achieved some democratic rights for the workers in the mass production industries, it did so through years of hard and bitter struggle against the bosses, who wanted to keep labor unorgan-

ized because that meant more profits for the companies.

All the speech-making, conferences, pleas for cooperation with management fell on deaf ears. Industry listened only when labor demonstrated its might and power. When the General Motors workers won the sit-down strike in 1937, when Ford was conquered on the picket lines, when the steel workers avenged the Little Steel massacre!

## LEOPARD CAN'T CHANGE ITS SPOTS

After 100 years of bitter struggle against labor, Murray proposes that the bosses change their spots. He proposes that the bosses surrender peacefully to the establishment of more democratic rights, or bigger and more powerful unions.

When Murray preaches this mutual faith and trust between capital and labor, he is deceiving the workers, for such a condition is impossible. The class interests of the two contenders are fundamentally different. And the whole history of the development of the CIO demonstrates this fact irrefutably.

To summarize: The Murray Plan is a utopian dream based on a world that doesn't and can't exist. Its basic error flows from Murray's failure to recognize the simple fact that in present-day society there are two antagonistic classes always in struggle of one kind or another.

The first objective of the Murray Plan flows from open and full support of the imperialist war. It means, in practice, as we pointed out, to subordinate labor defense to the defense of Wall Street's world imperialist interests. It is in direct contradiction to the last two aims of the Murray plan.

Those aims in the Murray Plan which appeal to the workers, the achievement of a higher standard of living, the attainment of more democratic rights, the organization of the unorganized, can be accomplished only if the CIO stands on the policies which marked its formation and successes of recent years: the policy of militant and direct struggle against the bosses.

## How the Dutch Exploit the East Indies

## Fabulous Profits Wrung from Native Slaves

By Albert Gates

With the fall of Singapore the attention of the world is now directed to the Japanese struggle for the conquest of the Netherlands Indies, more commonly known as the Dutch East Indies. Should Japan succeed in its present aim, it will have won what is considered the richest possession in the Western Pacific.

The Japs have already taken Borneo, the Celebes and have established a strong foothold on Sumatra. They have taken a series of important bases on the numerous islands forming this group and are now pointing toward the invasion of the most important island of them all, Java.

The legends about the Dutch East Indies are many. Hollywood has done its part and from that seat of magic and fancy has come the common picture that the Dutch East Indies are famous only for the beautiful women of Bali.

Some people know that oil is to be found on the islands, and perhaps even rubber and tin. But very little real knowledge exists of this Dutch possession. Few people know how the Dutch came to control the islands or why the struggle over them is so fierce. It is our purpose in this article to sketch briefly the facts of its seizure from the native peoples and how it has been exploited for the benefit of Dutch imperialism and a few large corporations in Great Britain and the United States.

## A LITTLE OF ITS HISTORY

Twenty-five years before the Pilgrims set foot upon Plymouth Rock, the Dutch East India Company was already in the islands seeking to establish control of the spice trade with the islands. This company had done well for a period of years. But later reverses led to its collapse in 1798. It was then that the Dutch government took over the business of the company and as a government proceeded to the complete possession and control of the East Indies.

During the Napoleonic wars, when the Little Corporal had overrun Europe, the possession of the East Indies changed hands, first going to Napoleonic France and then to England. Following the defeat of Napoleon, the Dutch regained the islands and have held them until this moment, when their control is threatened by Japan.

Once the islands were regained, the Dutch government began to exploit them with a vengeance. The government employed what became known as the "forced culture system." By this policy, the natives were taxed in labor and compelled to work (without pay) on the government plantations. The system was so profitable that in 40 years the government made a clear profit of \$334,000,000, or an average of more than \$8,000,000 a year (Fortune Magazine, May, 1934). The system was abolished by a mass liberal protest in Holland. But these profits were only a forerunner of what was yet to come.

If you were to lay the Dutch East Indies across the United States, they would reach from Baltimore to San Francisco. Java is the most important island of the

group, with a population of more than forty million of the islands' 65,000,000 people. Java is the world's most densely populated country, having about 850 persons per square mile, as compared to 41 in the United States. This is greater than the population density in Japan.

These 65,000,000 people are exploited by a foreign power with only 8,000,000 people (Netherlands). The Dutch and Chinese capitalists dominate the islands economically, while the Arabs have given the Malay-Polynesian population its religion, Mohammedanism.

## THE MATERIAL WEALTH OF THE ISLANDS

The East Indies are extremely rich in natural resources. Here are some of its products:

Products	Percentage of World Production
Oil	10
Sugar	8
Copra	50
Tobacco	18
Tea	8
Coffee	20
Tin	95
Kapok (mattresses, etc.)	95
Rattan (furniture mfg.)	84
Tapioca	60
Pepper	95
Sisal (rope making)	95
Quinine	95
Iron	
Gold	

These products have been produced in great abundance and have gone to enrich the foreigners who have appropriated the production of the islands. The native population gets precious little benefit out of the natural richness of their home. Even Fortune, the magazine of big business, was led to say:

"The 59,000,000 black and brown inhabitants of the Indies have been exploited in the past without mercy to produce this mighty total of commodities." (May, 1934.)

It is necessary only to add that this exploitation has never ceased!

World capitalism has almost two billion dollars invested in the islands. All but \$69,000,000 is held by four countries. The Dutch lead with an investment of almost \$1,250,000,000, followed by England with \$175,000,000, the United States with \$164,000,000 and Chinese capital of \$137,000,000. (Figures for 1934.)

The largest corporation on the islands is the Royal Dutch Shell Oil, which controls 75 per cent of the oil production. Other large corporations with a rich stake are: Goodyear, U.S. Rubber Co., Standard Oil Co. of N.J.; Anglo-Dutch Plantations, Ltd., Amsterdam Rubber Co. and Handels Vereeniging, Amsterdam.

## Race Discrimination Exposed--

(Continued from page 1)

nently displays a notice urging foundry workers to better themselves by taking the training course at the vocational school. Nothing daunted, Mr. Smith presented himself for an application to the school. He was informed, not too politely, that the notice isn't meant for Negroes.

The Sperry Gyroscope Co. of Brooklyn is another company practicing "democracy" according to its own lights. It employs 11,212 workers, of whom all of 21 are Negroes. The Sperry company discriminates against Negroes, Jews and foreign-born Americans. The private employment agency handling its business inserts ads calling for "white, Christian and American-born." Jewish applicants interviewed at the agency are told they cannot be used because the "Sperry company does not want Jews." The New York State

tack labor—also laid great emphasis on so-called union discrimination against Negro workers.

However, all CIO representatives at the hearing declared themselves 100 per cent against racial discrimination. Irving Abramson of the New Jersey State Council, CIO, did so in connection with his testimony against Wright Aeronautics. The representative of Local 1217, AUW-CIO, reported that his local voted to accept all Negro workers employed by the Fairchild Aviation Co. The same is true of Local 425, UERW-CIO, which likewise voted to admit all Negro workers employed by Ford Instrument Co. John Brophy, sitting on the committee for CIO President Philip Murray, read into the record a statement of CIO policy regarding absolute equality of all races, creeds, colors and nationalities. Thus the correct principle of working class solidarity was unequivocally stated.

## Norman Thomas In Display Of Political Impotence

By RIA STONE

CHICAGO — Norman Thomas and Maynard Krueger, addressing an audience of several hundred University of Chicago students recently, gave a spectacular demonstration of the impotence of the Socialist Party in the face of declared war. The topic of the discussion was "Will the War Bring Socialism?" The conclusion of these men, leaders of the Socialist Party, was completely hopeless. Dismayed by the fact of the declared war, they scurried for shelter into the imperialist war camp and renounced completely even their earlier feeble attempts to regard the war from a genuinely socialist point of view.

Maynard Krueger is a professor of economics at the University of Chicago. He spoke like one. What workers feel as the class struggle, he describes abstractly as the factor of "conflict" in society. But even he admits, as he must, that the factors of "conflict" in society are increasing while the "cooperative" factors, i.e., the ability of the bosses to make concessions, are decreasing. However, his remedy is an undue stress on the significance of the consumers cooperative movement.

Krueger recognizes that the roots of the war are imperialist. But, hamstrung by the recent ambiguous statement of the Socialist Party, he is prohibited from asserting that the war remains imperialist in character. So Krueger remains tied to the apron strings of the weasel-spirited Socialist Party.

## Krueger and Thomas

Maynard Krueger seems apathetic, without hope. Norman Thomas seems alive but has nothing to live for. The war? Well, Thomas is not ashamed that he fought "to keep America Out of War." But how we are in the war, he says, and we must face the fact that a smashing Axis victory would ruin all chances for world democracy. Does that mean you are for the war, Mr. Thomas? Well, I am not for a smashing victory over the Axis powers, either, answers Thomas, but I am for a just peace at the appropriate time. And who is to write this peace, Mr. Thomas? Well, I am not for another Versailles conference, he answers. You see, Thomas anticipates another conference table dominated by the present belligerent powers at which workers and so-called progressives can BEG for a peace more just than the last one. But the only really just peace, consummated by the workers themselves, is completely neglected by Thomas.

And what about the Third Camp—the workers and the colonial peoples, Mr. Thomas? He has nothing to say about the colonial peoples. He ignores the billion or more colonial workers and peasants who may determine the outcome of the war by their revolts against imperialist oppression.

And do the American workers have a stake in this imperialist war, Mr. Thomas? Should they strike for their rights in war time? Well, says Mr. Thomas, I think some strikes are justified but many should be avoided. "And besides there isn't enough democracy in the trade unions." Thus, Thomas puts his main stress on the weaknesses of trade unions and avoids discussing their essentially sound aspects.

Krueger's hopelessness and Thomas' superficiality are not accidental. Rather they are manifestations of a decadent party, professing socialist aims while abstaining from Marxism; vacillating between tender-hearted compassion for the working class and actual confidence in the ruling class.

## Chicago Workers Discuss Colonial Peoples in War

CHICAGO—An attentive audience of Negro trade unionists and unemployed workers listened closely to the Labor Action Institute lecture on "The Oppressed Peoples and the War," by Grace Lee on Friday, February 6.

The lecturer emphasized that the colonial caught in the rivalry between Anglo-American and Japanese imperialism have no stake in this war and showed how they were indifferent to who emerges victorious. However, today's comparative quiescence on the part of the natives is no proof that the colonial peoples will not rise in the near future against their foreign oppressors. When they do, they may well ignite the spark which will start world revolt against unending imperialist wars.

The speaker also pointed out that any struggle for national self-determination is increasing with each meeting, showing the need for such an institute, where Negro workers can discuss the problems confronting all workers today. At the next meeting, on February 20, Tom Jordan will discuss "The Negroes and the Trade Unions."

## THE CONFLICT WITH JAPAN

The plan for a Japanese conquest was prepared some years ago by the economic penetration of the Nipponese. Japan was, prior to the war, the chief competitor to the Dutch and British.

For example, in 1928 England supplied 29 per cent of textiles imported into the Indies. Holland and Japan were tied for second with 26 per cent.

In 1933, Japan's share rose to 76 per cent, while Holland and England tied for second with 7.1 per cent! Japan's share of total East Indian imports rose from 10 per cent in 1928 to 31 per cent in 1933, while Holland's share dropped from 20 per cent to 12 per cent. Thus, the Japanese were defeating the Dutch economically in their own possession.

It is clear from the foregoing facts what the war is about. It has nothing to do with democracy—something which never existed for the colonial peoples of the Far East. Japan desires the possession of the great material wealth now in the hands of Great Britain and the Dutch. The Japs want the oil, tin, rubber and other material resources of these great colonial possessions.

They will no more educate the native peoples than did the Dutch or British. They will give the colonies as little democracy as they have had heretofore. They will keep the living standards of these people just as low as they have been kept these many centuries. The only thing they are interested in—as is England and the Dutch and the United States—is the material exploitation of the Far East for PROFIT.



# Editorials

## LABOR ACTION'S PLATFORM

Against Both Capitalist 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!
- No 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!
- \$60 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!
- For full social, economic and political equality for Negroes!

### 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!

## Labor Action's Tax Program:

# For a Stiff Tax on Undivided Profits

This is the third of a series of articles explaining LABOR ACTION'S four-point tax program:

- A 100 per cent tax on all war profits.
- A capital levy on accumulated wealth.
- A stiff tax on undivided corporate profits.
- A 100 per cent tax on all personal incomes above \$20,000.

This week we discuss our third proposal: A stiff tax on undivided corporate profits.

One method by which large corporations retain part of their net profit is by not dividing or distributing all of their profits instead of distributing them to stockholders. This provides one of the most important legal loopholes utilized by the wealthy to escape paying heavy taxes. To make this method clear, we will take as our example the Chase National Bank, the country's largest bank and fourth largest corporation, with total assets of over three and a half billion dollars.

Net profit of the Chase National Bank for 1941 amounted to some fourteen and a half million dollars. Theoretically, this entire amount should be distributed to the bank's stockholders in the form of dividends. Actually, however, only ten and a half million dollars were so distributed, while the remaining four million dollars, 27 per cent of the total net profit, were retained by the bank as undivided profit.

Since this procedure is nothing new to the bank but merely a repetition of what it has been doing for years, it is no surprise to learn that the bank's total accumulation of undivided profits now stands at forty million dollars. The gigantic hoard of undivided profits now stands idle in the vaults of Chase National Bank, serving no useful social function and untouched by

taxes at a time when the workers are being driven to the ground with new taxes.

### WHO GAINS FROM THIS ACCUMULATION?

Who gains from this vast accumulation of undivided profits? First, the bank itself gains because it can use its undivided profits as a reserve fund for some future date. Second and more important, the handful of wealthy individuals who own most of the bank's stock gain because by not receiving the total dividend normally due to them this year, a prosperity year, they avoid paying the high surtaxes they otherwise have to pay on their personal income tax. Instead, these "economic royalists" will receive dividends on the undivided profits of 1941 in some future depression year, when their personal incomes will not be quite as great and they will therefore have to pay less taxes.

The example of the Chase National Bank is not unique but typical of the procedure followed by hundreds of others of America's large corporations each year. One of the reports of the Temporary National Economic Committee shows that for the year 1936, a typical prosperity year, corporations in the United States set aside a total of almost one and a half billion dollars in undivided profits.

Since total corporate net profits in that year were six billion dollars, this means that on the average almost 25 per cent of net profit was retained by corporations as undivided profits. Had these undivided profits been distributed to stockholders as dividends, it would have brought in several hundred million dollars additional revenue in the form of higher personal income taxed from the recipients of these dividends.

### WAS LAW FOR THREE YEARS

In 1936 Congress passed a law taxing undivided profits. This tax was in effect for only three years until 1939, when it was repealed because of the vio-

lently objections of big business. During this period the undivided profits tax, brought in only \$176,000,000 a year total revenue, chiefly because its rates were so very low, ranging from 7 to 27 per cent.

LABOR ACTION now proposes a stiff tax on all future corporate undivided profits, large enough to completely discourage the form of profit hiding. Since total net profit of all corporations in 1941 is estimated by the New York Times as eight billion dollars, and since the report of the TNEC estimates that about 25 per cent of profit is undivided, it is clear that a 50 per cent tax on undivided profits would yield one billion dollars annually.

In addition, LABOR ACTION proposes that a stiff tax be placed on the vast hoard of cash now lying idle in corporate treasuries and representing accumulations of surplus and undivided profits of the years prior to the war. Senator Norris estimates that the vast hoard of idle money in corporate treasuries amounts to almost sixty billion dollars, more than the United States government will spend for all purposes next year. This money includes vast sums which have been set aside by corporations in special contingency, depreciation, depletion and inventory reserves and now serve no useful social function. To conscript wealth at a time when human lives are being conscripted is only just.

The only people who would lose from a corporate undivided profits tax would be the 75,000 persons who own half of all corporate stock in the United States. These bloated plutocrats represent only one-fifth of one per cent of the country's total population. The remaining 99 and four-fifths per cent of the people have everything to gain from an undivided profits tax and should insist on its immediate passage by Congress.

## If This Be Treason...

A Philadelphia Negro by the name of Carpenter has been arrested on the charge of "treason." The "treason" of which he is accused is that he is alleged to have said that this "is a white man's war."

We don't know if the government is really going to go through with this case. We rather suspect it's going to be dropped. Because it's clear that nobody with a grain of intelligence would relish a trial in which he would have to prove such a statement either treasonable or untrue.

We do know this: if Carpenter is guilty of "treason" for believing that this war is not of benefit to the Negro people, then there are at least a few other million Negro people who will have to be tried on the same count. And there are plenty of white workers who will be ready to challenge the Department of Justice or anyone else in Washington to prove to the Negro people that this IS their war.

We, for one, do not completely agree with the sentiments of the Philadelphia Negro who was arrested. We agree, of course, that this war is not being fought in the interests of the Negro people, but we believe that the great mass of white people—everyone except the capitalists—has nothing to gain from this imperialist war, either.

But it is clear that in making the statement that this is a "white man's war" Carpenter was merely expressing his bitter resentment against the great lie of the war propagandists that the war is being fought in the interests of the Negro people of this country.

And for the right to express that resentment, we of LABOR ACTION will fight to the bitter end. It is the right of the oppressed to raise their voices in protest; it is the right to reject and brand the lies of the imperialists.

## The British 'Discover' India

Churchill and his fellow-rulers of the British Empire have discovered India and its 385 millions of people.

After two centuries of imperialist oppression and subjugation of the Indian people, the English Tory and capitalist class have suddenly found out that India not only has become a focal point in the war, but that the opinions, the likes, and dislikes of its people mean something.

So they are hastening—with a rush and a panic hardly becoming to a proper English gentleman—not merely to express their great love and admiration for the Indians, their concern over their welfare in the war—but also to make promises and proposals.

They see the danger of losing everything; so, out of the generous depths of their Tory hearts they have made India an offer. Of independence, of freedom, of self-government? Of everything that the

"Atlantic Charter" supposedly guarantees them? Not on your life!

They've offered India—a seat on the War Cabinet! And then, to show they ain't fooling—a seat in the Pacific War Council!

The masses of India cry out for freedom, for peace, for a better life, for less exploitation, for food and homes, for liberty. The Japanese are at their very door—threatening not only the conquest of India, but to take over for themselves every means of British exploitation of the land.

What will satisfy the people of India? The whole story of Malaya proves that nothing less than complete freedom and the ousting of foreign imperialist rule will satisfy the long-oppressed workers and peasants of the country. This the British are unwilling to do, because they are unwilling to abandon their imperialist policy—the reason why they are fighting the war.

In other words, it's up to the people of India themselves to take their fate in their own hands; to defend themselves against Japan and England or any other imperialist power that may cast longing eyes at the country. **The defense of India begins with its Declaration of Independence!**

And Mr. Imperialist Englishman offers—two seats! Was ever an empire and ruling class so bankrupt?

Even Nehru, leader of the Congress, who would go over to England if something were offered him, scorns this "offer."

## Postscript to An Incident

Last week we printed an editorial pointing out the significance of President Roosevelt's attack on the Farm Security Administration for paying poll taxes for Southern sharecroppers.

Two days after LABOR ACTION appeared the President retracted his statement. He said he was in favor of the FSA lending the money to sharecroppers to pay their poll taxes, and that he had made the previous statement because he had believed that the FSA gave the money outright, which however is not the case.

That this shift is rather lame is putting the matter mildly.

Far more important is the fact that Roosevelt's retraction of his attack on the FSA doesn't change the picture in the slightest.

The poll tax is imposed by the Southern section of the Democratic Party. Roosevelt is the leader of that party. His party, his machine in Congress, his election strength rest in large measure with these poll tax congressmen. This symbolizes the close and inseparable connection between American capitalism and the Southern Jim Crow and poll tax regime.

Nothing that any of the capitalist politicians say will ever change that. And no weasel-worded statements will absolve them of the responsibility of leading a party and a government which tolerates the shame of Jim Crow and the poll tax.

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## Lest We Forget

by Tom Gilbert

### REALIST AT VERSAILLES

The following discussion, according to Lincoln Steffens, is reported to have taken place at Versailles during the peace conference. The "Big Four"—Lloyd George, Clemenceau, Wilson and the Italian, Orlando—met in a preliminary discussion. According to Steffens:

"At this conference M. Clemenceau remarked: 'One moment, gentlemen. I desire before we go any further to be made clear on one very essential point.' The President and Premiers halted and looked up expectantly at M. Clemenceau, who said: 'I have heard something about permanent peace. There has been a great deal of talk about a peace to end war forever, and I am interested in that. All Frenchmen would like to make permanent peace. But I would like to know—all Frenchmen would like to know—whether you mean it, the permanent peace.'

"He looked at his colleagues and they nodded.  
"So," Clemenceau said, "you really mean it! Well, it is possible. We can do it; we can make the permanent peace. And we French need, we very much need, the permanent peace. Every time you, our neighbors, get into a fight, France is the battlefield, and our population, our armies, do not increase. If there is not an end of wars we French may be all wiped out some day. So you see, it is we French more than you remote Americans, Mr. President, more than you safe islanders, Mr. Lloyd George, who require the security of the real peace. But we French cannot quite believe that you, our friends, neighbors, allies—that you really mean what you say. Do you, Mr. President?"

"Mr. Wilson did.  
"And you, Mr. Premier?"  
"Mr. Lloyd George did.  
"And the Italians did, of a certainty, yes.

### THE "PEACE" THEY WANTED

"Very important," M. Clemenceau muttered, as if convinced, as if the whole prospect were changing and his whole policy. "Very important. We can make this a permanent peace; we can remove all the causes of war and set up no new causes of war. It is very, very important what you say, what you have been so long saying, Mr. President. We here now have the opportunity to make a peace that shall last forever, and the French people, diminishing, will be safe. And you are sure you propose to seize this opportunity?"

"They did, they emphatically did.  
"Clemenceau clucked in his throat; he pressed tight down the fingers of his gloves. 'And you have counted the cost of such a peace?' he asked.  
"There was some hesitation at that. 'What costs?'  
"Well," said the French intelligence, 'if we give up all future wars—if we are to prevent war, we must give up our empires and all hope of empire. You, Mr. Lloyd George, you English will have to come out of India, for example, we French shall have to come out of North Africa; and you Americans, Mr. President, you must get out of the Philippines and Porto Rico and leave Cuba alone and—Mexico. Oh, we can all go to these and other countries but as tourists, traders, travelers; we cannot any more govern them or exploit or have the inside track on them. We cannot possess the keys to trade routes and spheres of influence. And, yes, we shall have to tear down our tariff walls and open the whole world to free trade traffic. Those are some of the costs of permanent peace; there are other sacrifices we, the dominant powers, would have to make. It is very expensive, peace. We French are willing, but are you willing to pay the price, all those costs of no more wars in the world?'

"No, no," they did not mean that exactly.  
"Then," said Clemenceau, sitting up straight and fisting the table sharply once, "then you don't mean peace. You mean war. And the time for us French to make war is now, when we have got one of our neighbors down; we shall finish him and get ready for—the next war."

"Then," said Clemenceau, sitting up straight and fisting the table sharply once, "then you don't mean peace. You mean war. And the time for us French to make war is now, when we have got one of our neighbors down; we shall finish him and get ready for—the next war."

## Philly Negroes Win Housing Victory

Mr. Mudge is embarrassed!

Two weeks ago, as chairman of the Philadelphia Housing Authority, he came to the conclusion that the Richard Allen Homes project, originally built as a low-cost housing project for low-income groups and now ready for occupancy, could be turned over to defense workers instead, thereby leaving the 900 families that had been evacuated to make room for the buildings homeless and living under what the Authority itself considers "impossible conditions."

Mr. Mudge soon found that the mass reaction of Philadelphians headed by various Negro organizations was so unexpectedly sudden and militant as to force the Housing Authority to meet and vote to a man against him and his proposal.

Mr. Mudge felt that the federal government had betrayed him, when it maintained a sullen silence on the subject after observing its effect on Philadelphia workers.

In Philadelphia, this is the first

housing victory achieved by organized working class groups. No small part of the spirit and militancy in this battle stems from the incessant campaigns of the Workers Party in Negro areas. Negroes have not forgotten the Workers Party in the Lambert Street situation, where they nipped the rent rise in the bud.

## Low Wages Of Majority - -

(Continued from page 1)  
and \$200 a week, 298,000, and those earning over \$200 weekly number 695,000. If these figures are added, it will be established that 2,032,000 earn \$100 a week or over. And this group makes up only about 6 per cent of the working population.

The most important thing to be remembered from these figures is that it is the group totalling 38,057,000 workers who are now bearing the cost of the war. The war burdens of the workers are increasing every day and before long they will become almost unbearable.

## G.E. Workers Demand \$1 Raise

Special to LABOR ACTION

LYNN, Mass.—An eager crowd of General Electric workers jammed into the Odd Fellows Hall here on Tuesday, February 10. It was a mass demonstration to the company that labor is in no mood to suffer the brunt of war profiteering. The G.E. workers, here and throughout the country, are demanding a blanket dollar a day increase to meet the rising cost of living.

The workers, members of Local 201 of the United Electrical, Radio and Machine Workers of America, CIO, filled every foot of the hall and loudly applauded the vote for the raise.

Union security was the other key demand of the meeting.  
Business Agent Alfred Coulthard, speaking in his usual conservative fashion, pessimistically said that if the management does not give in, the case will go before the War Labor Board, who may whittle the demands "way down. Already the workers can see in advance that the action of "labor leaders," who tie our hands while the big capitalists have their hands free, is harmful to our standard of living.

One of the most hopeful signs at the meeting was the emergence of newer, younger elements who are trying to take part in the union's affairs. Unfortunately, however, the older leaders of this, the largest CIO local in New England (18,000 members), are doing their best to hold on to the reins of control.

More and more of the younger members are pushing forward, nevertheless, and it is felt that they will eventually succeed in revitalizing the local. And that the local needs revitalizing is the almost unanimous opinion of the membership.

The management is constantly trying to cut rates and increase profits, and only vigilance and alert shop stewards, or councilmen, as they are called here, can stop them. Fortunately, the rapid expansion of the G.E. here has brought enough fresh blood into the local to make it seem as though there is a good chance that revitalization will take place here as it must everywhere else in the country as well.

## Congress Spikes Aid To Unemployed - -

(Continued from page 1)

on the princely sum of \$24 a week, as the bill provides, for just one week and see how "luxuriously" it allows them to live.

Who is responsible for the hundreds of thousands of auto workers being unemployed? Certainly they themselves are not. It is the auto bosses, hungry for profit, who refused to convert to war production; it is the congressmen and government officials who tolerated this attitude; it is they who are responsible.

Make no mistake about it. The auto workers won't take this lying down. They're not going to try to subsist on a miserable pittance of unemployment insurance for several months while the factories are being converted to war production. They will raise their voices, for aid—in voices large enough for even Congress to hear.

And the demand they should voice is: We've lost our jobs through no fault of our own; therefore we should be paid full trade union wages while unemployed. This demand, plus an attack on Congress' refusal to pass even Roosevelt's inadequate sop.

## Behind the Fall of Singapore

(Continued from page 1)

they want to lick the Japs—and hold on to their colonial possessions and money bags at the same time. Yes, they want the Japs out of Malaya—and themselves back in possession of the mines and plantations so they can take up again where they left off.

They want to win the war for their Empire—but not for the people and democratic freedom. So the result is that the colonial people whom they've exploited for centuries won't lift a finger to help them on such terms.

Why should a Malayan, an Indian, or a Burmese lay down his life for his master who tells him in advance that he'll get neither freedom nor independence for it. Churchill already has informed the Empire people that "the Atlantic Charter doesn't hold for them." And that's why Singapore fell so easily to the Japanese who had only to lick the relatively small handful of white defenders.

Lord Moyne, Colonial Secretary of the Empire, in a message delivered to the people of Malaya said: "In spite of grievous reverses we shall break the enemy's power and restore to you your freedom of life."

What colossal gall and impudence! How can the British "restore" what the people NEVER HAD? Exploitation and slave labor they had plenty; freedom and independence they had plenty of nothing. The people of Malaya will interpret this statement—and correctly so—to mean that the British want to restore their slave rule. Hardly likely to induce them to resist the Japanese.

### FATE OF COLONIAL PEOPLES INVOLVED

If all this was simply a matter of the handful of British plantation owners, merchants, capitalists and "whiskey and soda" club snobs, we would not get greatly worked up over it.

But a lot more is at stake than the useless existence of the British imperialists.

We are greatly concerned with what happens to the tens and hundreds of millions of people (workers and farmers) of these colonial countries.

The victory of Japanese imperialism represents a great catastrophe to them. Japanese rule is as brutal and savage (witness China) as any that ever existed. The Japanese militarists, after all, had much opportunity to learn from watching the British in action. They will keep the colonials down with a hand every bit as iron-fisted and murderous as that of the English and Dutch. The colonials, far from being aided or "liberated" by Japanese victories, are crushed down more mercilessly than ever.

So they have an interest in defending themselves.

### HOW CAN THEY DEFEND THEMSELVES?

These people have something to lose; something more than the moneybags and property, which is about all the English lose. They have at stake that future which they have always dreamed of and worked for: a future in which ALL imperialists will have been vanquished and in which they will have gained freedom and self-government.

So they want to defend themselves. They want to keep the Japanese or Germans out of their land. But the British offer them nothing but continuation of the same old imperialist racket. They can't turn to their rulers. But they can turn to themselves!

They can defend their country in the manner urged by the revolutionary socialists who live and work among them: **Defend their country by their own independent initiative and action! Defend themselves by organizing their own People's Army and demanding the arming of the population.** A mass arming, not giving pistols to a few thousand Chinese boys, as the British did in Singapore. **Defend themselves by running out the British—or any other imperialist, who attacks them. Defend themselves by bringing out the flag of national liberation and independence; by organizing their own government of the native people, by the native people and for the native people; by organizing their own workers' and peasants' government.**