

NEXT WEEK:
HOW TO SOLVE THE
UNEMPLOYMENT CRISIS
by Lyman Fraser

Workers Age

Weekly Paper of the Independent Labor League of America

BY cowardly giving way in their every day conflict with capital they (the workers) would certainly disqualify themselves for the initiating of any larger movement.
—KARL MARX, Value, Price and Profit

Vol. 8, No. 33.

NEW YORK, N. Y., SATURDAY, AUGUST 19, 1939

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AT FIRST GLANCE

by Jay Lovestone

PREPARING BIGGER WARS

WE now have 12,750,000 men with fingers on triggers in forty-eight "leading" nations. This compares with but 5,970,000 under arms at the outbreak of the war twenty-five years ago. In fact, in one form or another, the world's armed forces are at least as big today, before the war has begun, as they were in November 1918, when the previous war ended. And Europe, tho not at war, has standing armies at least as large as do the Asiatic powers already at war.

More blood than water has flown under the bridges of politics and economics in the last twenty-five years. The worst of it is that so much more is to flow in the coming years. Let anyone forget, it is timely to recall that in the first war to "make the world safe for democracy," there were 8,500,000 killed and about 21,000,000 wounded. For a number of reasons, we can reckon with at least twenty-five million killed and one hundred millions wounded in the second war to "make the world safe for democracy."

Why? First of all, the coming conflict will have a greater share of the belligerent populations participating directly. Of course, before hostilities end, there will be more countries drawn into the killfest. Nor can anyone exaggerate the deadly consequences resulting from the revolutionization of warfare because of the development of the airplane. Besides, all weapons of destruction in tomorrow's war will have infinitely more accuracy, higher speed, and greater killing power than the infernal instruments of a quarter of a century ago. Who is there who can foresee the havoc wrought by these murder-machines—especially in a totalitarian war, in a war in which there will be practically no non-combatants?

Finally, the next world war will see the primary imperialist powers drop all of their tommyrot about humanity and inhumanity. In the most energetic way they will proceed to planful and prompt mass killing. An inkling of such plans was revealed to us by the eminent British Naval authority, Hector C. Bywater, when he boasted: "The British air force staff, with it, is believed, the full concurrence of the government, has prepared to the last detail a plan of counter-offensive tactics the absolute ruthlessness of which would surprise and might pain those Germans who believe that their country still enjoys a monopoly in 'blood and iron' methods." (New York Times, August 6, 1939).

Here we have straight talk—and not by an upstart diplomat. Mr. Bywater is telling more than he realizes. In the impending world butchery, no one nation or group of nations will have a monopoly on the horrors of hell. In its imperialist stage, capitalist civilization as such tends to become evermore synonymous with what the world once scornfully called "schrecklichkeit."

Only the firmest hands of international workingclass solidarity, acting in militant union against the imperialist ruling classes of all the "powers"—"democratic" as well as fascist—can save humanity from these waves of horror and oceans of blood.

CANNON BOOMS

THE vicious circle that in Europe was succinctly portrayed the other day by Mr. George A. Renard, secretary-treasurer of the National Association of Purchasing Agents. Everyone realizes that the gigantic war preparedness into which the leading European countries have so feverishly thrown themselves reflects the chaos of an entire socio-economic order. But could there be conceived an even worse chaos which the ruling powers fear even more than preparedness prosperity? Mr. Renard very correctly answers this question in the affirmative. Interviewed by Prince M. Carlisle, Mr. Renard declared in substance:

"Europe is under the necessity of continuing the crisis psychology in order to justify the continuance of the heavy armament programs that are providing the principal means of maintaining employment. To bring about a peaceful settlement of Europe's problems, sufficiently sound to reduce substantially the prospect of war, would make it necessary to reduce armament production drastically and this would throw the entire economic system of Europe into turmoil.

"Peace, therefore, is a commodity which Europe is unable to afford at the moment." (New York Times, August 6, 1939).

A more devastating indictment of capitalism as a social "order," none could attempt. Yet, Mr. Renard errs when he speaks only of Europe in this fatal danger. The United States faces more and more an identically suicidal dilemma. America's "prosperity" depends, in no small measure, on the world's war orders. In emphasizing this, we are not overlooking Uncle Sam's own mounting war preparations which will entail, this year, a cost of about two billion dollars.

PROSPERITY FOR WHOM

AND in speaking of European preparedness prosperity, it is essential that we harbor no illusions as to its reality, even in the most prosperous and "democratic" of countries. Under the lash of the Daladier-Reynaud decree government, the French workers have substantially increased production in the last few months. What has brought them in return? Increasing denial of their democratic rights, systematic reduction of wages and social services, and rising prices are the pillars of the edifice of prosperity housing France's "Sixty Families." The Paris correspondent of the London Economist (July 22, 1939) sized up this prosperity in the following fashion:

"The results achieved by M. Reynaud's famous Economy Committee, have not, however, been very encouraging, and there is also a widespread feeling that the people of France have already suffered too much in the cause of rearmament—particularly since it has been paid for by an increase in short-term debt. Moreover, the popular argument that the totalitarian States are now nonplussed is not favourable to further sacrifice."

Now we have the why and wherefore of Daladier's postponement of elections for two years.

"MERRY ENGLAND"

FROM Keynes down, England's economists have been promising an early end of unemployment and even a shortage of workers as a result of the giant armament program. However, few economists, in England and everywhere else, dare look into the reasons for the persistent plight—prosperity or no prosperity, peace or war—of the great mass of British working and middle class families. Here are some revealing figures in the realm of education of England's 2,917,000 boys and girls between 14 and 18 years of age. Only 379,000, or less than one-third, take part in any sort of education, while 493,000 receive part-time training. Only one-fifth of the 1,500,000 youths ranging from sixteen to eighteen get any sort of education. Certainly, this does not present us with a picture of an England prosperous and merry. The prosperity of Britain, like the prosperity of every other capitalist country, regardless of its form of government, is a class prosperity. No matter what its specific cause may be, it is always a class prosperity—for the benefit of the few and at the expense of the many.

125,000 Unionists March In N.Y. Federation Parade

New York, N. Y. New York City's trade unionists turned out 125,000 strong to mark the opening of the convention of the State Federation of Labor. It was the largest and easily the most colorful parade ever turned out upon the streets of New York. Practically the entire trade union movement was represented with large contingents and floats representative of their industries.

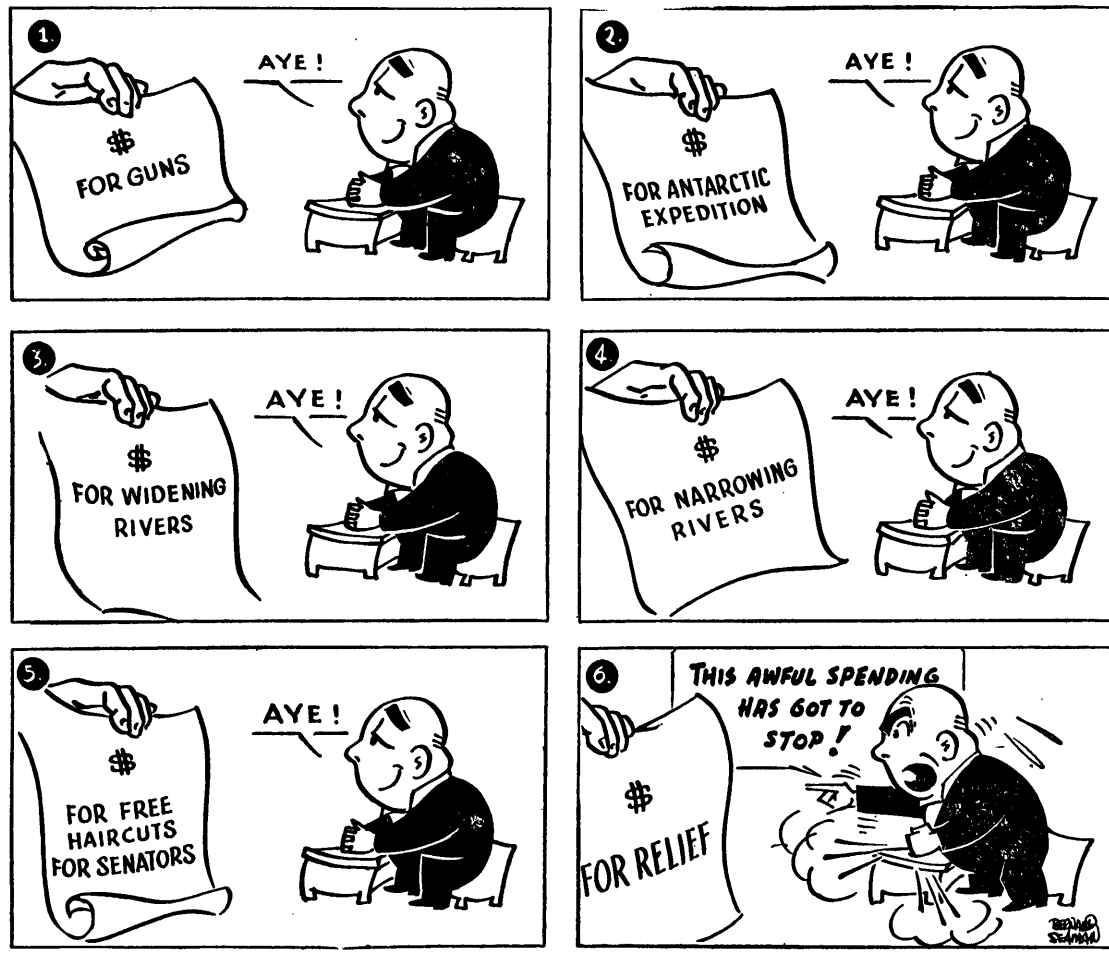
The parade attracted considerable attention because of the recent flare-up of the struggle between the C.I.O. and the A. F. of L., signified by the

entry of the C.I.O. into the building trades field. It was expected that the A. F. of L. would attempt to make this parade a demonstration of its strength. That it succeeded seems to be agreed all around.

The many thousands, marching for twelve hours, passed before a reviewing stand in front of the library on Fifth Avenue and 42nd Street, where they were reviewed by William Green, who had headed the parade, and other city and state Federation leaders.

Mr. Green expressed the belief that the United Mine Workers would be in the next parade.

ECONOMY AT WHOSE EXPENSE?



—from Justice

Congress Term Shows Anti-Labor Course

Roosevelt Responsible for New Deal Turn

THE first session of the 76th Congress by its acts of commission and omission, has indicated the reactionary trend pursued by both the democratic and republican parties and all their wings. This is the salient characteristic of the last session and not the spite opposition to certain Roosevelt-sponsored measures. The only action by Congress which in any way reflected the mood of the masses in their hostility to further involvement in the war front of the "democratic" countries, was its refusal to take up the Administration bill to repeal the arms embargo against warring nations. The sorriest spectacle, however, was the harmony displayed in voting \$2,000,000,000 to expand the Army, Navy and Air forces in a record peace time program. But Congress became economy-conscious when appropriations for W.P.A. and relief was under consideration. It cut 650,000 workers from W.P.A., abolished the prevailing wage provisions, reduced by \$785,000,000 employment relief appropriations for the fiscal year from July 1, 1939, to June 30, 1940. And it is well to remember that this was done with the consent of President Roosevelt and his leaders in Congress.

The House prevented consideration of an \$800,000,000 bill, already passed by the Senate, to aid low-cost housing and slum clearance. The President's warning that defeat would not only hamper the present program of the United States Housing Authority but would also deprive many persons of work does not deter the House coalition of Republicans and anti-Roosevelt democrats who killed the bill. The end of pump-priming was marked with the defeat of the \$2,800,000,000 lending bill. The N. Y. Times remarks editorially: "Government expenditures are always expenditures for the benefit of some particular interest or pressure group. For the first time in the session Congress demonstrated dramatically last week that it could resist demands for funds even in the name of groups that have hitherto been politically most powerful. It refused more public works. It refused more housing."

By the pressure groups the Times means the unemployed, the organized workers and farmers—the majority of the population. When it became evident that the Labor committees of both houses had no intention of recommending amendments to the Wagner Act before adjournment, Congress authorized an investigation of the National Labor Relations Board and appropriated ample funds for it. The chairman of the committee is Howard W. Smith, Democrat of Virginia. He is the author of the resolution for an investigation of the N.L.R.B. and outspoken critic of the administration.

The House was active and piled up a record of legislation against aliens. Most drastic of all the bills passed by the House was that proposed by Representative Howard Smith (Democrat) of Virginia, which would (1) forbid any one to urge a member of the Army or Navy to disobedience or punish any one advocating disobedience on the part of members of the armed forces; (2) forbid any one "by word of mouth or writing, to advocate overthrow of the government by force or violence; (3) tighten the deportation

U.S.A. Grants Large Credits To Franco

Japanese Treaty Break Aids Britain; Oil Men Swing Big Arabian Deal

Startling moves on the diplomatic, political and economic fields by the State Department last week demonstrated clearly the imperialist role of the United States, in direct contradiction to the altruistic motives attributed to it by the Stalinists and other collective securityites. The most important was the abrogation of the trade agreement with Japan, under which Japan received "most favored nation" treatment. Secretary Hull notified the Japanese state department that it would be given six months in which to show its willingness to negotiate a new pact.

Made ostensibly as a protest against Japanese aggression in China, the action is plainly a move to protect Wall Street's investments in China and to help Great Britain in an extremely difficult situation. Almost simultaneously with the denunciation of the treaty was the signing by representatives of Germany and Japan of a new trade pact which will boost German exports to Japan by more than 200,000,000 reichsmarks. The exports will be almost exclusively armaments and medical supplies, urgently needed by Japan in its Chinese campaign.

The second development was the credit of \$13,750,000 to Franco Spain, to be used to purchase cotton, of which the government has thousands of bales—a "surplus" from the A.A.A. program, under which the government buys surplus cotton from the plantation owners in order to maintain a high price for cotton.

The loan is being made at the very time Franco is carrying out his ruthless executions of all Loyalist sympathizers and supporters, when hundreds who are guilty of nothing more than supporting the Republican regime are being tortured and killed.

The fact that the loan is being made in the face of Franco's reign of terror is causing indignation in radical and liberal circles, and many protests are being made to President Roosevelt and Secretary of State Hull. One of the motives for the loan, according to the New York Times, was that the government "requested that consideration be given to American investments in Spain."

Especially shocked were the staunch believers in collective security and the "war of ideologies."

The third important event was an oil concession, covering the entire kingdom of Saudi Arabia, which has been granted to the Standard Oil Company of California by King Ibn Saud. For the concession the King received in gold coin what amounts to \$1,500,000. The King is to receive \$750,000 annually while prospecting is going on, and as soon as production begins he will receive large royalties.

(Continued on page 3)

tribut, Elias Gartman; 7th District, Ludwig H. Gerber; 8th District, Benjamin Brenner.

New York County: For General Sessions, Joseph V. O'Leary and Leo Rossett; For City Court, Isidor Lazarus; For Justices of the Municipal Court—1st District, Harold Levin, 2nd District, Allen Goodwin; 3rd District, Dorothy Kenyon; 5th District, Walter S. Fried; 8th District, Louis Fleischer.

Queens County: For Justice of the Municipal Court, Second District, Milton Davidoff.

War Crisis Nears As Axis Maneuvers

Prepares to Take Danzig; Partition Yugoslavia; and to Absorb Hungary

Europe is again in the grip of nerve-racking tension. Where Hitler will strike next is once again the question of the day. The last weekend, during which Hitler and Foreign Minister Ribbentrop were to have made a momentous decision on Danzig, ended without even the usual smoke-eating and blustering communique, so characteristic of Nazi technique.

Speculation in the European chancelleries is rampant on the exact nature of Mussolini's role in the present time-marking. Count Ciano's hurried trip to confer with Hitler and his still more hurried return to Rome have led some to believe that Hitler is attempting to shift the center of action away from Danzig. This, it is said, is in line with his recent speeches in which, it was claimed, he had hinted that Danzig is not an issue over which to go to war.

Whatever the case may be, action has been deferred while Hitler's troops are deployed thru central and southern Europe poised to strike in

WPA Firing Speeded by Harrington

Prevailing Wage Can Be Restored, Congressman Says; Strikes Continue

W.P.A. officials in every part of the country have resumed lay-offs under the 18-month clause, temporarily halted in the hope that Congress might rescind its action before it adjourned. A total of more than 650,000 will be laid off by September 1. Under the ruling anyone who has been on W.P.A. for 18 months or more must be laid off for at least 30 days. After that time, the worker will be reinstated if "extreme need is shown." With the smaller W.P.A. appropriation passed by Congress, on the recommendation of President Roosevelt, the prospects were very slim for but a small percentage of the 650,000 to ever get their jobs back.

In New York City 75,000 are to be laid off at a rate of 2,500 a day. In Pennsylvania more than 25,000 have already lost their jobs, with more than 57,000 to be fired before the end of the month. Similar situations prevail in every state in the country. Workers Alliance, carrying out its role of government company union, has not raised its voice against the lay-offs, acting on the principle laid down by Roosevelt and W.P.A. Administrator Harrington that "you can't strike against the Government." In New York the Stalinist leadership of the W.P.A. teachers union even went so far as to instruct its members to continue their classes without pay, "even if they had to hold them in alleys or on roofs." Hundreds of members of the Alliance are tearing up their membership books in disgust.

In sharp contrast with the supine groveling of the Alliance leaders is the action of the American Federation of Labor in continuing its strike of building trades workers on all projects in New York City. Thomas

Labor Men See Trend To Reaction

New York, N. Y. The New York State Federation of Labor, the A. F. of L.'s largest and most important state affiliate, went into session here last Tuesday after a most impressive demonstration of union strength the preceding Saturday. Monday was taken up with meetings of various departments and committees. Not until Tuesday morning did the convention assemble its 800 delegates representing 1,100,000 members in the State of New York.

In the preliminary sessions, George Meany, head of the state organization, delivered a report in which he expressed grave concern over the marked trend to reaction noticeable in the law making bodies thruout the entire nation. Mr. Meany called attention to a number of anti-labor measures passed by the New York State Legislature which were vetoed by Governor Lehman as being too sweeping. At the same time Mr. Meany reported a number of successes on the legislative field of interest to labor.

The financial and organizational situation were reflected in the report claiming affiliation of 1200 locals in (Continued on Page 3)

JUST IN CASE, EH, HENRY?

DETROIT, Michigan. — Henry Ford visited Camp Willow Run, near Ypsilanti, today and answered the 7 A.M. roll-call with the sixty-seven boys at his farming camp.

"Mr. Ford chatted with the boys for a while. Then, in a general interview, he said that he did not think there would be another war.

"The people don't want it," he said. "Wars are caused by idleness. I think our new tractor will do a lot to outlaw war. How? By keeping people busy."—The New York Times.

"London, England. — The Ford Motor Company, Ltd., has reached an agreement with the British government whereby it will lay in an extra supply of Fordson tractors as part of a possible wartime reserve." — The New York Times.

A. Murray, president of the Building and Construction Trades Council declared that the "work-stoppage," involving more than 30,000 skilled mechanics, had tied up every WPA project "hand and foot."

In direct refutation of Harrington's stand that under the new law prevailing wages could not be paid was the statement by Congressman James H. Fay, Democrat, of New York, that he had petitioned Harrington and President Roosevelt to restore the prevailing wage, which they have a right to do under Section 15B of the relief act. Fay said that 84 members of Congress had signed the petition before they went home after adjournment.

Beal Pardon Refused By Gov. Hoey

Raleigh, N. C. In the preliminary sessions, Fred E. Beal, militant strike leader of the Gastonia textile strike of 1929, was denied a pardon by Governor Clyde R. Hoey last week. Beal is serving a sentence of seven-teen to twenty years for "conspiracy to murder," a case arising out of an attack by the local sheriff and his agents on the strikers' headquarters.

Attorneys J. L. Emanuel of Raleigh, N. C. and Louis Waldman of New York expressed the hope that he would receive a parole. Beal has already served almost two years. Readers of Workers Age are urged to send letters and post cards to Governor Hoey of North Carolina urging the parole of Fred Beal.

Barden Bill Threat To Wage-Hour Law

Labor Must Guard Against Reintroduction

By JOSEPH ELWOOD

DESPITE congressional sniping at some of the provisions of the Fair Labor Standards Act, passed by the 75th Congress, it appears to have run the gauntlet of the present session without any emasculatory amendments. The situation, therefore, remains as it was, until the next session in January. Amending bills must be reintroduced to face bitter congressional debate. It is the purpose of this article to analyze some of these amendments which will most probably be considered when Congress reconvenes.

The most reactionary proposal (H.R. 7133) was introduced in the House July 11 by Rep. Graham A. Barden (Dem. N. C.) as a "compromise" between amendments which were desired and sponsored by Administration leaders (known as the Norton amendments) due to pressure of certain business groups and those sought by another business group, particularly canners and processors of farm and range products.

Major differences between the Barden bill and the administration-sponsored bill are:

1. The Barden bill would exempt from wage and hour regulation those companies engaged in preparation for market of agricultural, horticultural, dairy and other farm products and in the handling or transportation in connection with or incidental to such operations.

2. The Barden bill would grant exemptions to employers for all persons receiving a guaranteed monthly salary of \$150 or a guaranteed annual salary of \$1800. The Norton bill would begin the salary exemption at \$200 a month, in spite of numerous protests of organized labor.

3. The Barden bill would exempt from the hour and overtime provisions of the Act all grain elevators, wholesalers of seasonal fruits and vegetables, warehouses where perishable agricultural or horticultural commodities are stored, companies engaged in lumbering operations, meat packers, any canneries not exempted from both wage and hour regulation and companies engaged in handling or transporting incidental to such operations. Since all agricultural commodities are "seasonal" this exemption applies to anything produced on a farm and since all fruits and vegetables are "seasonal" the words "seasonal" or "perishable" provide no limitation; thus this exemption would appear to include all fruits and vegetables.

4. The Barden bill provides that before civil action may be instituted by the Administrator, five days advance notice of the existence of the regulation or order must be given the employer. According to this provision, if the employer ceased to violate upon notice, some courts might refuse an injunction on the ground that there was no showing of a continuing or threatened violation.

5. The Barden bill would place a section 4 of the Bill provides that regulations and orders must be published in the Federal Register, and shall not be effective until at least 10 days after such publication. This is ample notice, and is sufficient for the regulations and orders of other departments of the Federal Government. The requirement of giving notice to individual employers is an unnecessary hindrance upon the enforcement work of the Wage and Hour Division.

6. The Barden bill would place a

time limitation of six months on the bringing of suits by employees for back wages due under the Act. This provision would impair the remedy of employees covered by the Act and would increase the cost of enforcement of the Act by several million dollars a year.

The Administrator's estimate as to the number of employees that would be affected by the Barden exemptions are: dairy industry, including milk distribution, ice cream and cheese, 250,000; fresh fruits and vegetables, 120,000; canneries, 160,000; pecan shellers, 13,000; storage warehousing, 30,000; drivers of meats, grain, livestock handlers, 75,000; tobacco stemming and handling, 68,000; cotton 125,000; sugar, molasses, 70,000; lumber, 100,000; nursery, 6,000; poultry 30,000; stockyards, 30,000; grain elevators, 55,000; and meatpackers, 128,000. This means that if these emasculatory amendments are passed next January some two million of the most sweated workers in this country would be deprived of the benefits of the Act.

Altho the attack on the Fair Labor Standards Act failed at this session, it will certainly be renewed during the next session unless the reactionary minded Congressmen, when they get home, find that the principle of minimum pay for a maximum number of hours has become so firmly entrenched in the conscience of the people that no man will dare challenge it.

Wage-Law Has Appeals Machinery

(This is the fourth of a series of informative articles on the wage-hour bill. The fifth will appear in the next issue. —Editor.)

WASHINGTON, D.C. DURING the first eight months of the Fair Labor Standards Act has been the law of the land, approximately 17,000 complaints of non-compliance were received.

Most of these had been filed by workers against their employers. Some were filed by employers against business competitors. Naturally an employer complains if he believes that some competitor down the street is disobeying the law and reaping an unfair advantage by underpaying his workers.

Some of the complaints are duplicates—two or more persons complaining about the same circumstances. Some mistakenly are filed against concerns not in interstate commerce and therefore not subject to the act.

Any one may file a complaint. All complaints are held in strictest confidence by the Wage and Hour Division and its employees. Complaint blanks may be obtained at any regional office, or by writing to the Division in Washington.

All complaints, whether filed in a district office or not, go first to the Cooperation and Inspection Branch of the Division in Washington for study. Complaints have to be disregarded if the concerns complained against are obviously not subject to the law. When the complaint seems to be meritorious and valid, field inspectors are sent out to make a searching investigation. They go over the employer's payroll records and talk to the employees. Also they check up to see if the goods produced later move in interstate commerce.

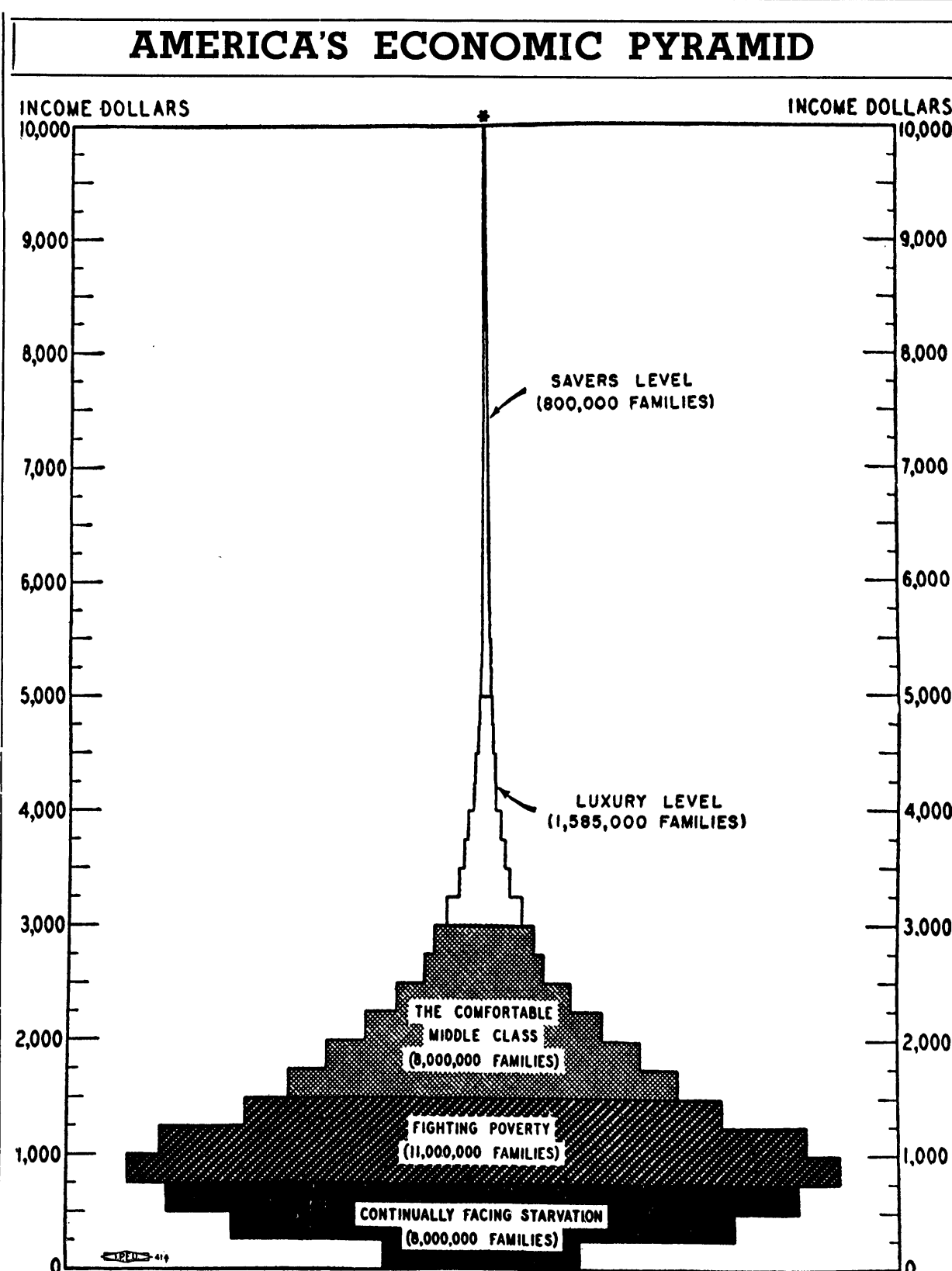
Thoroughly to investigate a single establishment may require several weeks. When this work has been completed, the information obtained is turned over to the Cooperation and Inspection Branch for action. Sometimes, if the violation has not been flagrant, it is possible to obtain an adjustment whereby the employer pays to his employees back wages that have been unlawfully withheld and promises future compliance. Many thousands of dollars in back wages have been paid to employees in this manner.

If the violation is flagrant, and especially if payroll records have been falsified, the case is turned over to the Legal Branch for appropriate action. Some of the more aggravated cases are referred to the Department of Justice for criminal prosecution. In other instances, injunctions are sought to restrain violations or to tie up goods from the stream of interstate commerce, and in every case of this sort the payment of back wages due has been obtained. So far, court action has been invoked in some 35 or 40 cases, and in every instance in which action has been completed the Wage and Hour Division has been upheld.

Knitgoods Union In Health Drive

The Knitgoods Workers' Union, Local 155, I.L.G.W.U., has completed arrangements to provide free chest X-ray examinations for its entire membership. The workers will be X-rayed during the two-week period, from August 16th to 30th, at the main office of the Union, 1023 Broadway, Brooklyn.

The Union expects to set a record with 100% examination of its membership. In order to facilitate this work, the Union will call the workers to report in shop units, according to a definite time schedule. Louis Nelson, manager of the Union, pointed out that this is a further step in the fight waged by the Union to safeguard the health of the workers. The knitgoods industry has contributed its share of victims of tuberculosis. At present, there are young girls, eighteen and nineteen years of age, who have been sent to a sanatorium by the Union.



THE above chart was put in the record at the O'Mahoney Monopoly Committee's last hearing. It made a deep impression. It provides a shocking answer to the question: "What is wrong with America?"

The chart is doubly convincing because it comes from a source which could not possibly be charged with "radicalism." It was reproduced from "Social Education," a book prepared by the Stanford Educational Conference, under the auspices of the conservative Stanford University, and was published on August 1 by the conservative McMillan Company.

The tapering diagram represents America's approximately 30,000,000 families. The width of the diagram opposite any "income dollars" figure, is in proportion to the number of families who receive that income, up to \$10,000 a year.

The chart is cut off at \$10,000, because it would have to be several hundred feet high to reach the highest incomes, running into millions of dollars per family.

"THE 283,000 FAMILIES WITH INCOMES ABOVE \$10,000 A YEAR," THE COMMITTEE WAS TOLD. "GET AS LARGE A SHARE OF THE TOTAL INCOME AS NEARLY 11,000,000 FAMILIES AT THE BOTTOM."

As a matter of fact, the chart leans over backward to be conservative in interpreting its figures. It says that only the families receiving less than \$1,500 a year are "facing starvation" or "fighting poverty," and that those between \$1,500 and \$3,000 are in "the comfortable middle class." Government studies have repeatedly shown that at least \$2,000 a year is necessary for a decent family standard of living.

But, taking the chart as it is, it provides graphic proof that 19,000,000 families, including about 76,000,000 men, women and children, or nearly two-thirds of the entire population, live below the poverty and starvation lines. That is what is wrong with America.

Wisconsin Workers Honor Victims of Kohler Terror

By PAUL PORTER

SEVEN-year old Jacquelyn Ann Engelmann last Sunday trudged manfully at the head of the picket line before the Kohler plant near Sheboygan.

Behind her in silent, solemn procession marched some 150 men and women who had walked in another picket line with Henry Engelmann, her father, on July 27, 1934, the day he was shot and killed by Walter J. Kohler's special deputies.

Jaquelyn Ann's second birthday came the week he was buried. Every working day since mid-summer of that year undaunted strikers have carried their banners in front of the Kohler gates.

Sunday's line of march was marked with unusual solemnity, for it was a part of the fifth annual memorial services conducted by the Kohler strikers for Engelmann and for Lee Wakefield, another Kohler worker who fell in the blast of gunfire on that fateful day.

Jaquelyn Ann Carries a Wreath

Jaquelyn Ann beamed proudly as she carried a wreath of roses later laid on her father's grave. Engelmann's parents and the parents of Lee Wakefield, slightly bowed, marched too.

They marched past the sprawling plumbing fixtures plant and past Kohler village—the touted "model village" which former Governor Kohler, the "Bathtub King," rules like a feudal baron—to the Kreademann farm in the open country. The small factory that he had inherited from his father had been developed into one of the two great plumbing fixtures companies of the United States. The nation's press praised him for his benevolent paternalism, especially for the building of the company village of Kohler, with its neat houses, well-trimmed lawns, and gently curving streets.

A recreation club, a baseball diamond, tennis courts, and Monday afternoon band concerts—these were gifts from the company to its workers. Walter Kohler's reputed generosity reached beyond his workers. Tales were told of country parsons receiving, with his compliments, a new bathtub for their drab parish homes. This was the Kohler the public

knew, but Kohler workers saw him differently.

Low Wages at Kohler

Sheboygan wages, industrial commission figures show, are among the lowest in the state. Men working in the Kohler pottery department were paid 10 cents for each toilet bowl. Working fast, they could average 22 bowls in an eight-hour day.

There were frequent complaints of silicosis hazards. Most of the homes in the famed model village were occupied by company officials and office employees. Only about 200 workers, about 10 per cent of the production force, were able to live in them.

Dissatisfaction came to a head in the summer of 1933, when over 1,800 employees joined the A. F. of L. Federal Labor Union No. 18545. The company responded by sponsoring the Kohler Workers' Association. There followed months of fruitless attempts on the part of the A. F. of L. union to bargain with the company.

On July 16, 1934, about 1,000 workers struck. Anton Brotz, chief engineer for the company, was the mayor of the village. He swore in other company officials, non-strikers, and some citizens from Sheboygan and Sheboygan Falls as deputy police. Some were given black shirts to distinguish them. All were given guns or "billy" clubs.

Two Dead, 47 Wounded

The armed deputies cruised the village streets in four new trucks bought by the village for that purpose. Deputies raided and destroyed a strikers' tent. On the evening of July 27, more than 2,000 strikers, their wives, and sympathizers, angered by a long series of provocations by the armed deputies, gathered at the plant. Where the picketing was taking place everything was peaceful, but on another side of the plant several youngsters, not strikers, threw several rocks and broke two windows. This was the incident sought by the Kohler guards, whom witnesses had described as "itching for trouble."

The guards opened fire. Henry Engelmann and Lee Wakefield fell dead. Forty-seven others were wounded. All received their shots in the back. The Milwaukee Journal's ace correspondent, Richard S. Davis, reported the story thus: "And then without warning it came—the angry answer of the waiting deputies. . . . It was so sudden, so completely overwhelming that no one out there could do more than gasp and run. The strategy of the deputies had been well planned. The plan was not to forestall the costly attack, but to annihilate the attackers at the height of their destructive fury."

Father J. W. Maguire, then a representative of the old national labor relations board, described the massacre:

"I have been in many strikes, but I never saw such needless and ruthless killing by supporters of the law."

Two months later a labor board election was held. Though the board had termed the company union an illegal organization, it was placed on the ballot. Two hundred and fifty strikers, fired by the company for striking, were not permitted to vote. But permitted to vote were the office force, supervisors, Kohler family chauffeurs and aviators, Kohler's gardener and game warden, employees and foremen on the Kohler farms.

The A. F. of L. union lost the election by a small margin.

Strike Enters Sixth Year

But it has never abandoned the strike, Kohler products remain on its unfair list and that of the American Federation of Labor. Charles Heymanns, onetime Kohler foreman, and president of the union, has told the story from one corner of the country to another. The boycott goes on, and gets results. Heymanns has a large folder of letters reporting school boards, county boards, city purchasing agents, etc., rejecting Kohler plumbing bids because of the vigilance of some union man in a distant city. The pickets that march before the Kohler plant each working day are not fighting a lost battle. There are blood stains on Kohler bathtubs that won't scrub off, Heymanns says, and loyal unionist throughout the nation support his view.

Trade Union Notes

by George F. Miles

WHERE IS HILLMAN?

EVERYONE is asking—Where is Hillman? What has he to say on the present situation in the C.I.O. It is of Hillman that The Kenosha Labor was thinking when it concluded a very penetrating editorial on the C.I.O.'s invasion of the building trades with the following paragraph:

"We ask as we did a few weeks ago: Is there not a Dan Tobin in the C.I.O., who, like the Teamster's leader at the A.F.L. convention in Houston last October, can rally a C.I.O. army for unity?"

Apparently there is not, if the August issue of The Advance, official organ of the Amalgamated Clothing Workers, is any indication. True, it is said that editor J. B. S. Hardman and President Hillman do not see eye to eye on the question of unity, but in the absence of any other pronouncement the editorial opinion must stand as the position of the A.C.W. and of President Hillman.

The editorial in question not only hails the decision of the C.I.O. on the building trades but goes even further. "If successful in a real big way," it says, "this drive would mark perhaps even a greater measure of advance in the fortunes of American labor and the American people . . . than did in their day the successful organizing drives in the steel, auto, rubber and radio industries."

What can one say of an editorial which compares in significance, campaigns which brought to their knees such open shop giants as the steel and auto industries, which brought self-respect and improved conditions to hundreds of thousands of workers over whom company police and gunmen wielded the knout of oppression for decades, with the present attempt at "organizing" an industry already organized in the main, the unions of which Mr. Lewis himself commended for "their efficiency for decades of time." Such editorials insult the reader and demonstrate the subservience of even the powerful divisions of the C.I.O. to the "central will" of the C.I.O.

All's Well

ANOTHER editorial in the same issue of Advance, discusses the prospects for the coming C.I.O. convention in San Francisco and finds that everything is jake. "That the lately forgotten very 'vigorous' auto workers' Fletcher Homer Martin will be absent from the platform of the C.I.O. convention and that the never-remembered once-upon-a-time president of the

Steel Labor, official organ of the Steel Workers Organizing Committee, printed two items of considerable interest to which we here call attention. The first item, set up double column to give it greater importance, is headed "Steel Workers and Communism" and is sub-headed "SWOC Will Not Subscribe to Any 'isms', Declares McDonald In Address to Priests' School." The story runs as follows:

"Pittsburgh, July 28.—Steel workers of America 'reject Communism in the same breath with which they reject Fascism or Nazism,' declared David J. McDonald, secretary-treasurer of the Steel Workers Organizing Committee, in a speech delivered at the Priests' School of Social Science here recently.

"In a sweeping denunciation of all foreign political doctrines, Mr. McDonald stated that steel workers and their union—the SWOC—will not subscribe to any political or economic theory which is anti-union or anti-American."

"He asserted that 'there are people who would like to use the steel workers' union to build a classless society,' and revealed that 'agents of the Communist party quite naturally would like to turn the SWOC into an instrument for their own use.'"

"The steel workers do not want to join the Communist party, nor to be guided by it. They will not subscribe to any political or economic theory which is anti-union or anti-American. They are not deceived by purveyors of false doctrines.

"They are not going to stand for racketeering of any sort and they are not going to permit outside domination of their union affairs. Any agency which thinks otherwise has no knowledge of the fundamental, decent aspirations and ideals of the American steel workers."

The second item in the same issue appeared on the editorial page as a reprint from The Youngstown Vindicator. It is entitled "Communism and the SWOC":

"Those who know the mill workers here know that the valley can take at face value David J. McDonald's statement that steel workers 'reject Communism in the same breath as they reject Nazism and Fascism.'"

"This regards the very great majority of the SWOC, of which Mr. McDonald is secretary-treasurer, his assertion is true. Some Communists did make their way into some unions, and as Mr. McDonald says, 'tried to use the SWOC's fight for recognition for their own purposes.'"

"It was a mistake to admit these men, but their numbers were relatively few, and those who sought to give the impression that the union movement as a whole was communistic were wrong. The great bulk of union membership is made up of sturdy Americans, and if they know it they will not, as Mr. McDonald says, 'subscribe to any political or economic theory which is anti-union or anti-American.'"

"This is probably the sharpest attack on the Communist Party since it injected itself as an issue in the split among the auto workers. The speech is even of greater significance coming from the steel industry, a field in which the Communist Party wielded considerable influence for some time. When similar attacks were made in the auto industry the Communist Party and its multitudinous satellites split the very heavens with their shrieks of red baiting. We'll wait and see what happens now.

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Factional Crisis Continues In French Socialist Party

Issues Dividing Blum and Faure Not Fundamental

By CHARLES VINCENT

Paris, France. IT is significant that at the recent congress of the Socialist Party of France held in Nantes, none of the speakers was able to make a serious analysis of the basic causes of the conflagration now threatening the world. On the surface, the congress appeared to be dominated by the fight between Blum and Paul Faure, between the partisans of a "firmness" and those of further negotiations. But these two tendencies express not differences in tactics or in principles, but divergence in interests between the two leading groups of the party. Also the parliamentary group and the Administrative Commission are exactly divided on the questions of war and peace. Blum and his friends represent the interests of the parliamentary deputies of the party. The latter, after having put Daladier in power, find themselves thrown out into the opposition, and are even running the risk of being put "beyond the law" if Daladier should continue to lean on the Right, governing without parliament, and if he should decide to do what he has already threatened—to postpone the 1940 elections. They can find no other way of safeguarding democracy, that is, their parliamentary privileges and their ministerial ambitions, than to show the bourgeoisie that they are necessary to it, in order to make the working class support the coming war. Therefore they are busy exalting the idea of a war economy of a "People's Government of National Defense, which would include everybody but the interior and exterior fascists." This would allow the leaders of the working-class organizations a limited amount of power, not to be dislodged in these days when capitalist profits depend almost entirely on the state's armament orders. They are also trying to reach an understanding with the Communist Party, whose support they are hoping to secure for the next elections, and who are scrambling in the same manner to get places in a "Government of Public Safety." For the same reasons, they carefully avoid taking any action that might compromise the existence of the Daladier government, altho this regime is the precursor of dictatorship in France.

ATTITUDE OF PARTY BUREAUCRACY

Paul Faure, the general secretary of the party, on the contrary, represents the bureaucracy of the party. The latter is naturally interested in maintaining the "independence" of the party, in keeping it separate from other groups thru a specifically socialist propaganda and thru "purity of principles." It is opposed to all measures that might combine socialist policy with that of the Radical or Communist parties. The officialdom is particularly worried about the Stalinists, who have been carrying on a fierce campaign for organic unity, and who are continually maneuvering for the "united front." If the fusion of the two parties ever occurred, the dynamic qualities and the technical superiority of the Stalinist bureaucracy would undoubtedly result in the rapid elimination of the old social-democratic officialdom. That is why the latter is counterposing the Socialist Party, party of peace, to the Communist Party, party of war. In this fight against the C.P., they have found a natural ally in the reformist officialdom of the trade unions, who, also menaced by Stalinist penetration, have likewise adopted a "pacifist" policy.

Furthermore, Paul Faure and his friends have to pay attention to the opinions of the rank and file of the party. During Blum's government, Paul Faure had to use his influence as general secretary to hold back the impetuosity of the membership, to

Franco Gets U.S.A. Credits

(Continued from Page 1) The concession is a definite victory for the United States over Italy and Germany, who have both been striving for an agreement with the King. "This vast concession" says the New York Times of August 8, "is of the utmost political significance, especially in view of the present international situation." It was this concession, says the Times, "that precipitated the recognition of Saudi Arabia by the United States, with the result that the American Minister to Cairo, Bert Fish, was accredited as Minister to Saudi Arabia also."

persuade them to accept the capitulations of the socialist ministers and to prevent them from rushing into direct action. In order to carry on an effective struggle against the group of the Revolutionary Left, he was obliged to interfere with the freedom of discussion, which was until then fairly well developed within the party, altho there was no practical utilization of such freedom, as the parliamentary group rarely carried out congress decisions. After Pivert's departure and the formation of the P.S.O.P., the party officials were forced to take up themselves those slogans expressing working-class hostility to war and to the "sacred union."

AGREEMENT ON BASIC ISSUES

Today, therefore, they are protesting vigorously against the decree laws and against chauvinism. But on basic essentials they are in agreement with the supporters of Blum: super-armament, national and imperial defense, advocacy of the workers accepting sacrifices (taxes, lower real wages and longer hours of work), system of military alliances to prevent the expansion of the fascist powers by a "barrier of securi-

ty." For both factions the problem is that of holding back the totalitarian states thru the threat of blockade and encirclement and of the creation, under the leadership of Roosevelt and American capitalism, of a consortium to divide raw materials and territory among the imperialist powers, a consortium naturally controlled by the big capitalists. Both factions are determined to take the risk of war, but the position of Paul Faure is a cleverer one, because it insists less on the use of force and underscores the necessity for negotiations. This tends to give France the appearance of playing a peaceful role, of winning allies for itself, and in case of war, it gives it an opportunity to throw responsibility for aggression on the fascist powers.

A reconciliation between Blum and Paul Faure is indispensable to maintain the unity of a party that is numerically large but reduced to impotence thru internal dissension. The split has completed the ruin of the already shaky political prestige of its leaders. If the tendency of Paul Faure has made the most concessions, it is because the antagonism between the great powers is becoming sharper and because the men of

(Continued on Page 4)

Books of the Age

by Jim Cork

INSIDE ASIA, by John Gunther. Harper & Bros., New York, 1939. \$3.50.

IT is easy to see why Gunther's book received such hosannas of praise in almost all quarters. It is breezy, picturesque, interesting. It abounds in numerous portraits, some of them quite cleverly done, of outstanding world figures. It is full of all sorts of facts relatively little known to most westerners, thus giving definitely a sense of being "educative." For this, obviously the result of reading and study, as well as travel, the author deserves credit. The book, however, can hardly be considered an important addition to serious works of political analysis, or for that matter as one which contributes much to a fundamental understanding of events in the eastern hemisphere. It remains reportage, even tho talented above the average, of a tremendous number of isolated facts, which achieve no organic and integrated historical pattern, because it stems from a mind as completely and empty empiric as is imaginable. Where Gunther does essay political analysis his lack of competence is immediately evident. At times, furthermore, he embraces some downright reactionary ideas.

Those who seem to excite his greatest admiration are the bourgeois nationalists, Chiang Kai-shek, Quezon, Ataturk, Ibn Saud, Gandhi. What these puppets of western imperialism mean in terms of class oppression of their own nationals doesn't quite come into our author's ken of vision. Of Gandhi and the Indian people especially, he writes plenty of mystic nonsense:

"It was as if his teaching struck deep thru the skin of India, and touched a sensitive nerve long concealed. The people were on the brink of revolution; the Mahatma showed them the way. The call of non-violence, of self-mastery thru abnegation, of self-mastery thru abnegation was something that the majority of Hindus,—who are inclined to masochism—instinctively understood. It appealed directly to their religious nature, it made lions out of Hindus."

At other times, however, he is forced to recognize Gandhi's service to the British Empire as a moderating influence against extremism at home: "Gandhi is almost the best friend the British have in India." Too true, and a fact sufficiently damning to the Mahatma's claim to leadership of the Indian Masses. As an admirer of bourgeois nationalism Gunther would quite naturally favor the capitulation of the C.P. of China to the bourgeois aims of Chiang-Kai-shek and his clique. He has nothing but praise for what he calls the C.P.'s "realism" and damns any opposition to the C.P. line by the usual epithet of Trotskyism, indicating thereby his own ignorance as well as his inability or disinclination to do any independent thinking of his own. It is much easier to sling the same mud around that everybody else is using.

Gunther's liberal pretensions do not prevent his neat attempt at a whitewash of his own master class ("American imperialism has never been as tenacious or grasping as

European imperialism, the United States is not a one hundred per cent imperialist power") and constitute no bar to his doing his bit in buttressing the old threadbare white man's-burden theory, cornerstone of imperialist apologetics:

"The case of the foreigner in China may be briefly put. It is that he brings wealth to China, and needs protection while doing so; it is that he is developing China commercially and industrially, not throttling it, and rightfully asks security in return for his services; it is that a prosperous, stable, efficient China is a better ornament to civilization than a corrupt, prostrate, and decadent Manchu empire. In the wake of the foreign merchant come mission schools, universities, modern medicine, sanitation, roads, railroads, bridges, electrification, movies, higher standards of living. What the foreigner is bringing to China is the civilization of the west; all he asks is modest profit plus security."

Gunther's idea of fascism reflects a popular misconception: "The conventional Marxist definition of fascism" he says, "is that it is the last stand of private monopoly capitalism against social revolution. I do not find this definition very satisfactory, since it ignores the considerable revolutionary element in Fascism. It ignores the fact that fascism borrows heavily from Marxism, and makes a pretense at least of establishing a social order in which some of the extravagances of capitalism are curtailed. Under Fascism both capital and labor are at the mercy of the state. . . ."

Such an attitude is pretty sedulously cultivated in certain quarters. Subjectively it has the purpose of attacking Marxism and socialism, objectively it serves to dull the criticism and hatred of Fascism, which is here presented as achieving something desirable and progressive,—viz. the subordination of capital. The supposed impartiality of Fascism towards capital and labor is the dirty joker in the scheme.

There are a few minor errors of fact, Gunther is wrong in estimating England's investments in China as greater than in India. And where does he get the idea that Trotskyism is getting popular in India. The latter has no organized expression of its viewpoint in India at all.

I have purposely stressed and illustrated by quoting scripture, the weaknesses of Gunther's book as an antidote to the uncritical and full-some praise it has received, even in some quarters which should know better.

JIM CORK

Labor Men See Trend to Reaction

(Continued from Page 1) the state. This represents an increase of 128 over the previous year. More than \$50,000 were received from locals and over \$40,000 expended for organizational activities.

A special sub-committee which had made a study of the question is bringing a proposal that the State Federation of Labor "oppose any future hidden, punitive and discriminatory taxes on City, State and Federal Governments may desire to levy." The report states that every worker in New York State is now paying \$1 a day in taxes, or \$365 annually.

Mr. Meany expressed great satisfaction with the parade of New York's trade unionists last Saturday. "After watching that parade," he said, "I don't think we need fear any movement threatening our structure, whether it comes from so-called labor leaders outside the federation or from employers."

A WAR PRAYER

by Mark Twain

O Lord, our God, help us to tear their soldiers to bloody shreds with our shells; help us to cover their smiling fields with the pale forms of patriot dead; help us to drown the thunder of the guns with the cries of the wounded, writhing in pain; help us to lay waste their humble homes with a hurricane of fire; help us to wring the hearts of their unoffending widows with unavailing grief; help us to turn them out ruthlessly with their little children and hunger and thirst, sport of the sun flames of summer and the icy winds of winter, broken in spirit, worn with travail, imploring Thee for the refuge of the grave and denied it—for our sakes, who adore Thee, Lord, blast their hopes, blight their lives, protract their bitter pilgrimages, make heavy their steps, water their way with tears, stain the white snow with the blood of their wounded feet! We ask of one who is the "spirit of love" and who is the "ever faithful refuge and friend of all that are sore beset," and seek His aid with humble and contrite hearts. Grant our prayer, O Lord, and Thine the praise and honor and glory now and forever, Amen.

KAOW Presents Its Program of Action

Differs Widely With Other Committees

The Keep America Out of War Congress has just issued a statement with the aim of clarifying its position as distinct from two existing organizations with somewhat similar names. The two in question are the National Committee to Keep America Out of Foreign Wars, headed by Representative Hamilton Fish, and the Citizens' National Keep America Out of War Committee, headed by former Representative John J. O'Connor, who was purged by Roosevelt in the primaries of the last Congressional elections.

The statement, which follows, was signed by John A. Lapp, National Chairman; Alice L. Dodge, Acting Secretary; Frederick J. Libby, Chairman of the Governing Committee; and by Norman Thomas and Dorothy Detzer.

To Hon. Hamilton Fish, National Committee to Keep America Out of Foreign Wars:

Hon. John J. O'Connor, Citizen's National Keep America Out of War Committee:

Gentlemen: The organization which we represent, the Keep America Out of War Congress, was organized in May, 1938, in Washington, D. C., at a national anti-war congress attended by over twelve hundred delegates from national and local peace, labor, farm, civic, women's, and youth organizations.

Recently, your organizations, the National Committee to Keep America Out of Foreign Wars and the Citizen's National Keep America Out of War Committee, were formed. Already the similarity of your names to ours has resulted in some confusion. While our organization and yours have one desire in common—to keep America out of war—there are points of difference in our program and in our approach to the problem which are of very genuine importance.

Our organization is internationalist, not isolationist. While we are strongly opposed to military alliances with any nation and to concerted action, in the name of "collective security," which might easily involve us in a war, we do believe in joining with other nations in economic and disarmament conferences, to be based on a clear recognition of the evils and injustices of the status quo. We believe in world economic cooperation and in increased world trade. We believe in cooperation with the people of all nations in the fight to abolish economic injustice and colonial oppression and to remove the causes of dictatorial militarism.

We are opposed to imperialism in

all its forms, including that of the United States. We believe in liquidation of the whole colonial system, starting with the earliest possible liberation of the Philippines, on a basis of economic justice. We believe in a constructive, democratic program to improve cultural and economic relations between the United States and the Latin-American countries, but we are opposed to political, economic, and military domination of those countries by the United States or by any other power.

We are opposed to increases in what we are convinced is an already excessive military machine, believing that a super-armaments program is unnecessary for defense of our shores. Such a program points toward aggressive warfare, encourages the international armaments race, and will lead the United States far down the road toward a system of armament economics, at the expense of national well-being.

We favor a return to our traditional American policy of offering asylum to political and religious refugees, and we especially urge passage of the Wagner-Rogers bill providing immediate entrance for refugee children.

Above all, we believe that this country's best service, to herself, to the world, and to the cause of democracy, will be performed by making democracy work here. We are unalterably opposed to fascism and to all forces tending toward fascism, whether of domestic or of foreign origin. We believe that an America at war would be a totalitarian America, with unemployment and insecurity wiped out, would be the rest of the world which would be of tremendous influence in breaking down the most potent arguments of the advocates of fascism.

For this reason, we favor adequate relief for the unemployed, jobs or work projects for the unemployed, higher wages, better housing, social insurance of all types, and preservation of civil liberties and the rights of labor and minorities. We enthusiastically support all social and labor legislation which is helping to attain these ends.

Because of these differences in our programs, and in order to prevent further confusion and embarrassment to each of us, caused by the similarity in our names, we are writing to you to suggest that you change your name to something which does not contain the phrase, "Keep America Out of War," to which we have a prior claim.

Pivert Appeals For Joint Fight on War

Says Only International Action Can Halt It

A letter has been received by the Keep America Out of War Congress from the Front Ouvrier International Centre la Guerre (International Workers Front Against War), whose international headquarters are London, England, written by its secretary, Marceau Pivert, who is also secretary of the Socialist Workers & Peasants Party of France.

The letter contained a leaflet describing the Centre de Liaison Centre la Guerre, the French equivalent of the Keep America Out of War Congress, which includes among its affiliated organizations the Typographers, Proof-Readers, Gas Workers, Revolutionary Students, Trade Union Committee Against War, Socialist Workers & Peasants Party, Syndicalists, Anti-Fascist Intellectuals Vigilance Committee, Anarchist Union, International League of Fighters for Peace, Women's League for Peace, and seven newspapers and periodicals having their own publishing groups, together with a number of individual endorsers, including such prominent writers as Jean Giono, Victor Marguerite, and Henri Poulaille.

The letter, translated from the French, follows: July 3, 1939

To the Keep America Out of War Congress: Dear Friends:

We are well aware of all the worthy efforts which you have undertaken to resist the current of madness which is carrying humanity toward war. The role which you are

playing in your great country, with the object of keeping it out of war, has considerable importance, for all the European governments are obliged to take into account this determining factor in their plans for war.

But it is also the vastness of destruction which the intensive preparation for war accumulates and the sum of terrifying losses which it would engender which furnish us with a certain base for resistance to war. It is impossible to remain indifferent to the veritable collective suicide which such a crime against civilized humanity would constitute, and that for the sole purpose of profits for the economic and financial oligarchies. That is why we have taken the initiative in calling upon all the pacifists of good will in the world to come together in common action with the end in view of lessening the danger of war.

By encouraging news which we have received, particularly from Germany, Italy, and France, we know that the common people do not want war, that they do not understand why they should be made to undergo this absurd sacrifice at a period of history in which all the resources of science and technology could bring well-being and freedom to all men.

We know that these sentiments are also yours, and that is why we take the liberty of writing to you, in order to find out how far your efforts and ours may lend each other mutual support. We congratulate

British Health Plan Has Lessons for USA

Almost 18,000,000 Workers Under Law

By D. DAVIS

WITH the increasing demand in the United States for socialized medicine, it is relevant to survey the British system of health insurance that has been in existence for more than a quarter of a century.

At present, the British health-insurance laws cover approximately 17.5 million workers. All employed persons between the ages of 14 to 65 are required by law to be insured under this system. The only exemptions under the law are non-manual workers who earn more than \$1,250 per year, ministers of religion, professional men and those persons employed in agriculture who don't receive money payments or those employed by their parents as apprentices without compensation.

SOURCES OF FUNDS

The funds for the health-insurance system are obtained from contributions and payments made by workers, employers and the government. Workers and employers are required to make regular specified weekly payments. The government makes a lump-sum contribution according to a definite proportion of the cost of all the benefits and their administration. This proportion, since 1926 when the law was amended, has averaged one-seventh in the case of men and one-fifth in the case of women.

The weekly contribution to the insurance fund, since 1926, has been about 18 cents for men and about 17 cents for women. Half of this money is contributed by the employer, and the other half is contributed by the worker.

The payments to the fund are made by the employer, who deducts the worker's share from the worker's weekly earnings. Each worker has a special card, and the payments are registered by health-insurance stamps that are then affixed to the card.

Workers who are unable to work because of disease or other disability are excused from making payments, upon presentation of a medical certificate. Workers who have become unemployed are entitled to certain privileges with regard to their payments to the fund. In 1935, the law was amended to the effect that workers who had been insured for 10 years and had become unemployed could remain insured as long as they could continue to prove unemployment.

During the first quarter of a century that the law was in existence, benefits paid out under the system totaled approximately: \$1,010,000,000 in sickness benefits; \$970,000,000 for medical treatments; \$470,000,000 in disability benefits; and \$200,000,000 for dental and other miscellaneous treatments.

Workers covered by the National Health Insurance Act are entitled

you on all that you are doing to raise the level of consciousness of your people and to enlist them in the struggle to better their level of existence. For our part, we act everywhere we can, within the framework of narrow limits at our disposal, to make articulate the profound resistance of the masses to militarization and to war.

We refuse to allow the workers and the lovers of peace to be dragged into any imperialist camp whatsoever; we are well aware of the fact that behind the diplomatic and political maneuverings there are questions of markets, of colonies, of profits, which may plunge the world into bloodshed, and we will not have the people massacred for such reasons.

Moreover, far from blocking the advance of fascist barbarism, we believe that preparations for war actually create a sort of irresistible contagion which is a powerful encouragement to the victory of totalitarian methods in all countries that are still democratic.

From all the reports that come to us from those of our comrades who work in misery under the yoke of German and Italian fascism, the fact stands out strikingly that the best aid we can give to these heroic fighters in our common cause is the conviction that other peoples do not want war, any more than they.

Our International Workers Front was made up in the beginning of workers' organizations, but its aim being to struggle against war, it is ready to collaborate with all organizations and all persons who have definitely decided to oppose war for the purpose of maintaining and developing well-being and freedom among all peoples. Within these limits, our comrades of the Independent Labour Party in England are participating in a powerful movement to oppose conscription, in collaboration with important trade-union forces; likewise in France the Socialist Workers & Peasants Party is participating in a Coalition Against War (Centre de Liaison Centre la Guerre), organized by syndicalist and pacifist organizations.

We hope also that you will be interested in our work and we will receive your publications with great pleasure.

Please believe, dear friends, in our strongest fraternal sympathy and in our absolute devotion to the cause of the well-being of humanity and of peace.

For the secretariat of the International Workers Front. MARCEAU PIVERT

to receive treatment by qualified doctors and also to receive adequate drugs, medicines and other pharmaceutical products. If, upon reaching the age of 65, the person is still insured, his right to receive medical benefits does not cease.

CHOOSING THE DOCTORS

Insured persons have the right to select any doctor whose name appears on the panel of the local insurance committee within the community. Any qualified doctor, upon registering with the committee, may have his name included on the panel. When an insured person desires medical attention, he merely presents his insurance card to the doctor that he has selected. The doctor then forwards the worker's card to the committee to be recorded.

The Minister of Health determines the rate of remuneration to the doctors. Not more than 2500 insured workers may be on any one doctor's list. The doctors are required to keep a record of the sicknesses treated by them for administrative and statistical purposes.

Insured workers have the right to change doctors when they wish to, and their medical records are passed on to the new doctor chosen by the worker.

CASH SICKNESS BENEFITS

The British health-insurance system not only provides medical services for workers but also gives them financial aid during the period of their inability to work. The cash benefits depend largely on the contribution records of the insured person. A worker must be insured for at least 26 weeks and must have made at least 26 payments to the fund to be eligible to receive cash sickness payments. Higher sickness payments are given to those persons who have been insured for 104 weeks and have made 104 contributions to the insurance fund.

The weekly sickness payment to workers who have made 26 or more contributions to the fund but less than 104 contributions are very low. They are approximately: \$2.16 for men; \$1.80 for single women and widows; and \$1.80 for married women.

To workers who have made 104 or more contributions to the fund, the payments are slightly higher but still very inadequate: \$3.60 for men; \$2.88 for single women and widows; and \$2.40 for married women.

All sickness benefit payments are payable after four days of illness for a maximum of 26 weeks.

If the insured worker has made 104 or more contributions to the fund, and if the disability to work lasts for more than 26 weeks, he is entitled to receive cash disability benefits as long as the disability lasts. The weekly rate of disability payments is about \$1.80 for men; \$1.44 for single women and widows; and \$1.20 for married women.

In the case of the confinement of an insured woman or the wife of an insured worker, the family receives maternity benefit payments. If the husband alone is insured, a benefit of \$10 is paid by the husband's committee, and if the wife is also insured, an additional \$10 is paid by the wife's committee. If the wife alone is insured, a benefit payment of \$20 is paid by the wife's committee.

VOLUNTARY SOCIETIES

Prior to the passage of the first health-insurance law in 1912, there had existed numerous workers' clubs, medical-aid societies, and trade unions which provided their members with various medical services and benefit payments. After the passage of the British National Health Insurance Act, these organizations were brought under the provisions of the law as insurance carriers and became known as "approved societies."

Insured workers were urged to join an "approved society" in order to obtain the fullest benefits permitted by law. At present, additional cash sickness benefits or services in the form of dental, eye, and convalescent treatments are available to the members of those societies which have a surplus fund. Additional payments vary among the societies and are available only to workers who have been paying for at least two and one-half years. During 1937, about \$19,000,000 was paid out in ditional benefits. The largest expenditure was for dental treatment and amounted to nearly \$12,500,000.

Persons who are not required to be insured by law may become insured on a voluntary basis. These voluntary contributors are required to pay the full weekly amount specified. If a voluntary contributor earns more than \$1,250 per year, he is not entitled to medical benefits.

In all cases, the system covers only insured workers and does not cover their dependent wives or children.

Such, in brief outline, are the main provisions of the British health-insurance law. For the United States, which as yet has no real legislation of this character, it probably seems to be a broad and all-embracing program. So it is, but it also has a number of serious weaknesses and shortcomings, revealed by years of experience, from which we can learn a great deal. These will be discussed in a future article in this paper.

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Organ of the National Council, Independent Labor League of America, 131 West 33rd St., New York City. Published every Saturday by the Workers Age Pub. Ass'n. Subscription Rates: \$1.50 per year; \$5 for six months; 5c a copy. Foreign Rates: \$2.50; Canada \$1.75 per year.

Entered as second class matter Nov. 5, 1934, at the Post Office New York, N. Y. under the act of March 3, 1879. Phone: LACKAWANNA 4-5282.

WILL HERBERG, Editor

Editorial Board: Lyman Fraser, Jay Lovestone, M. S. Mautner, George F. Miles, Bertram D. Wolfe, Charles S. Zimmerman.

VOL. 8. SATURDAY, AUGUST 19, 1939. No. 33

NEARING THE PRECIPICE

The armies of Europe are already mobilized for the next war. Piecing together the available estimates, guesses and boasts, one arrives at a total of about 9,000,000 who are or soon will be under arms—a mass mobilization surpassing that of the first weeks of the world war. This does not include the Russian mobilization, East and West, or the millions fighting in China. They are, moreover, equipped with a wealth of complicated murderous weapons unknown in 1914; they could probably spread destruction in greater volume than the armies which fought the vast opening battles a quarter of a century ago; while in the rear there are mobilized civil populations, industrial machines, financial systems and propaganda controls capable of feeding the fires of "total" war at a rate undreamed of by the general staffs of August, 1914.

Though they are still diplomatically referred to as "autumn manoeuvres," they are not mere training exercises; they are moves in the "white war"—the war of diplomacy and economics, of nerves, threats and propaganda. Whether it is "white war" or black and bloody war, peace is today only a word to be found in the dictionary. Already Europe has reached the strange situation in which a sudden "outbreak of peace" would be almost as difficult as, and economically even more dislocating than, an outbreak of war. The whole economic system, the whole life of a nation today rests upon armament economics. If we have spoken only of Europe it is because there these events are more evident, the antagonisms more acute than in the United States. But let us not forget for one moment that in this country, too, the largest mobilizations since the war are taking place; that American industry is also dependent upon munition orders not only from its own government but from "democratic" and not so democratic countries as well.

In this ominous dress-rehearsal the fascist and democratic countries are co-starred—each in the role of an imperialist villain. War preparation serves a definite economic purpose in all the capitalist countries of the world. The conscription of 9,000,000 men in itself nominally reduces unemployment by that much. It is on this basis that the fascist countries have been able to boast of "full employment" as the singular success of their brand of capitalist economics. The "democracies" were quick to copy the fascists in this respect. The same democracies have also not hesitated in the name liberty to "modify the principles of democratic government and liberalistic economy in favor of incipient war regimes, just as the totalitarian powers built up from the beginning," as Otto D. Tolischus puts it so sweetly in the New York Times.

No nation or group of nations, no matter how wealthy, can indulge in this war-spending orgy without curtailing civilian consumption, destroying the standard of living of the masses and exploiting them mercilessly. Some \$20,000,000,000 is being spent for war purposes by the leading powers of the world in 1939. In this country the two billion dollar war budget has caused the merciless slashing of W.P.A. in the name of economy. While the housing program was destroyed, the largest American arms contracts since the World War are being prepared by the war department.

All this strain and stress under which the people of Europe are laboring makes it clear that it cannot last indefinitely and that the final showdown between the "democratic" powers and their fascist satellites on the one hand and the fascist powers on the other, is fast approaching.

IT IS NOT TOO LATE

"IASK THE CONSIDERATION OF THE AMERICAN FEDERATION OF LABOR, AND IN SO DOING I PROTEST TO THE CONVENTION THAT UPON THE PART OF THOSE WHO PRESENTED THIS MINORITY REPORT THERE IS NO ATTEMPT OR EVEN THOUGHT TO TAKE ADVANTAGE OR DESTROY ANY SATISFACTORILY EXISTING FORM OF CRAFT ORGANIZATION WHEREVER THEY HAVE BEEN ABLE TO ESTABLISH THEMSELVES IN ACCORDANCE WITH THEIR POLICY. THE BUILDING TRADES ORGANIZATIONS—AND I KNOW THIS HAS BEEN DISCUSSED IN THE COUNCIL—NEED HAVE NO FEAR OF THIS POLICY, BECAUSE THERE IS NO LOGICAL PROPONENT OF THIS PHILOSOPHY OR AN OPPONENT OF IT WHO WOULD ATTEMPT TO APPLY SUCH A POLICY WHERE THE CRAFT ORGANIZATIONS HAVE DEMONSTRATED THEIR EFFICIENCY FOR DECADES OF TIME."

These are the words of none other than John L. Lewis, spoken at the 1935 convention of the American Federation of Labor. These words constituted a pledge to the building trades unions and to the labor movement as a whole that John L. Lewis and his supporters in the A. F. of L. proposed the formula of industrial unionism not as a cure-all for the numerous and varied ills that plagued the body of labor but as a specific plan for the organization of the mass production industries which had not been organized before and, they correctly maintained, could not be organized except on the basis of industrial unionism.

This pledge to labor that organized industries "where craft organizations have (had) demonstrated their efficiency for decades of time" was observed in the main. It was not until quite recently that Mr. Lewis and his co-leaders in the Congress of Industrial Organizations saw fit to violate their own pledges, to deny the very reason for the birth of the C.I.O. and to now insist that its mission at all times was one of organizing the unorganized into progressive industrial unions. The above words out of the mouth of Lewis himself completely belie the present actions of Mr. Lewis.

The only basis upon which Mr. Lewis might reasonably justify his invasion of the organized building trades field, after he had specifically exempted this industry from the application of the principle of industrial unionism, is to declare now that sudden technological changes in the industry in the preceding four years had, in his opinion, antiquated the present organization forms, or that during the preceding four years the organizations in this field had lost that efficiency which they had demonstrated "for decades of time." Mr. Lewis has raised neither of these issues, for he knows full well that the last four years have wrought no such fundamental changes as to warrant further splits and divisions: an already too-divided labor movement. Mr. Lewis has made much of the jurisdictional disputes which infest the building trades and has promised to abolish these in his new utopia for building trades workers. Is the problem of jurisdictional disputes so new that Mr. Lewis was not aware of it when he exempted the building trades while making that moving and memorable appeal for industrial unionism?

It is clear that reasons other than those arising out of the needs and requirements of the building trades workers are dictating the course for the C.I.O. If this were not the case, the excellently informed Lewis would not give voice to so thoroughly inaccurate estimates of the situation in the building trades industry. No one should know better than Mr. Lewis and his lieutenant that of the two and a half millions of workers in the building trades, less than one million remain unorganized, and these are scattered far and wide in the rural and suburban areas of our country where the C.I.O. will find it much more difficult to bring the message of unionism than does the A. F. of L. Furthermore,

PROFIT AND LOSS IN WAR

What We Paid

DEATHS	
Soldiers known dead	10 million
Soldiers missing	3 million
Civilians dead	13 million
Total Dead	26 million
WOUNDED	
ORPHANED	20 million
WIDOWED	9 million
REFUGEES	10 million

Why We Went To War

Here is what Walter H. Page, United States Ambassador to Great Britain, cabled Woodrow Wilson on March 5, 1917 (one month before we entered the war):

"The pressure of this approaching crisis has gone beyond ability of the Morgan financial agency. The only way of maintaining our preeminent trade position ... is by declaring war on Germany."

What They Made

WAR PROFITS	
U. S. Steel Corp. (Morgan)	\$1,478,844,000
duPont Companies	255,000,000
United Metals Co. (Baruch)	103,038,000

Just a few of the 181 individuals who made more than a million dollars during the last war (Senate Munitions Committee's report):

Henry Ford, James B. Duke, Andrew Mellon, Henry C. Frick, Arthur Curtis James, Cleveland H. Dodge, George F. Baker, etc.

What They Told Us

Here is President Woodrow Wilson's war message to Congress, April 2, 1917 (twenty-nine days after Page's cable):

"The world must be made safe for democracy . . . We have no selfish ends to serve . . . America is privileged to spend her blood . . . for the principles that gave her birth."

Imperialist Giants in Death Struggle

Preparations for War Bring Growing Dictatorship

By JAY LOVESTONE

(Concluded from last issue)

If the impending war were really one of democracy against fascism, then the "democratic" powers have already lost it—thru the very preparations for victory. These war preparations, as we have seen, have been wiping out every vestige of democratic rights even in the metropolis—the homeland. These preparations have been aggravating the maltreatment and imperialist enslavement of the colonial millions.

Furthermore, it is very far from true that all the countries in the "Grand Peace Alliance" have democratic regimes. This is not so, even in the widest stretch of the imagination, even in the most limited sense. Poland, Greece and Rumania are not sparking gems of democracy. Smigly-Rydz, Metaxas and King Carol are no better democrats than are Franco, Hitler, Hirohito and Mussolini. They are smaller dictators only because they terrorize smaller countries and not because they are less terrible fascist tyrants. These petty gents of the "democratic" fold are only little partners in the same big plunder.

TWO OF A KIND

Let none forget the bestial role played by Polish imperialism in the ravaging of Czechoslovakia. It was the same Polish imperialism that thwarted the conclusion of Barthou's eastern pact and thus facilitated Hitler's breaking his isolation. None other than Colonel Beck signed a pact with Hitler when he heeded such help most. These tiny "democrats" thus made it easier for Hitler to make the first breach in the West, to militarize the Rhineland, grab Austria, gobble up the Sudeten, and wipe out Czechoslovakia.

In imperialist sordidness it is impossible to choose between the opposing camps in the second world war. At best, Great Britain's moral indignation against Italy's seizure of Ethiopia is muddy. England's own record in this sphere could not stand moral scrutiny. Back in 1915, Great Britain promised to deliver to Italian imperialism—as a bribe—Ethiopia's port and railroad of Djibouti. In 1925, Britain offered Mussolini, whose hold on Italy was then none too firm, the greater part of Ethiopia in return for England's annexation of the Lake Tsana section in what was once the domain of the Lion of Judaea. Who can forget the Hoare-Laval offer to Mussolini at the darkest moment of his bloody adventure in Ethiopia? Not being able to come to an agreement with the French and British imperialist brigands in this part of the world, Italy became merely Germany's challenger in the Mediterranean.

SINISTER INTERESTS AND A SORDID MESS

It is hardly necessary, at this date, to debunk the theory of "good and bad," or the "less bad and worse," in regard to the imperialist line-ups—satiated and unsatiated, aggressor and defender. All of this has nothing to do with democracy, justice, idealism or ideology. Here are involved only questions of military strategy and economic necessity in the conflict for position and prey amongst the imperialist powers. In a fundamental sense, even American imperialism is unsatiated and the hungriest power of them all. In proportion to its industrial capacities

and resources, Wall Street imperialism certainly does not have a commensurate share of the world market.

Should German imperialism devour the Balkan lands, it would be no more satiated, no less unsatiated. Hitler would then be still more hungry for loot and in a better position to attack other countries. And all the "democratic" powers, today satiated and on the defensive, would, if defeated, tomorrow become unsatiated and set to work on preparing a war of vengeance, a war in which they would be the aggressors, for recovering lost colonies, markets and spheres of influence. The foreign policies of the "democratic" and fascist imperialist powers have an identical, a common, mainspring. All of their policies are actuated by the same sinister and sordid motive—the profit motive underlying all imperialist interests.

This alone explains why it is that, while preparing for war against their fascist competitors, the biggest and wealthiest "democratic" powers continue to arm Hitler, Mussolini, Franco and Nippon's Hirohito to the teeth. Thus, from 40% to 75% of Germany's basic imports vital to the Nazis' enormous war equipment come from the so-called "encircling" ("democratic") powers. Last year, Germany imported more raw materials than in 1913. Hitler imperialism has been concentrating on importing metals and ores.

And it has been authoritatively estimated that the "democracies" are providing Japan with at least 86% of her essential war supplies. According to the study made by the Chinese Council of Economic Research in Washington, the U. S. A. ranks first among these culprits, with 56%. So hungry for business and profits are the American, British and Dutch capitalist interests that in 1938 they provided Japan with more than 77% of its aircraft, 99.09% of its petroleum supplies, 99.95% of its copper, 99.21% of its ores, 99.23% of its scrap iron, 99.86% of its lead and 100% of its mica, nickel and asbestos. Without this aid from the "great democracies" and without the generous credit facilities afforded Tokyo in London, Nipponese imperialism would never have been able to wage its present war on China.

In fact, "the greatest democracy of them all," the United States, has been called the war warehouse of the world. Materials especially useful for war purposes registered an export value of \$2,481,000,000 in the last three years. This marks a gain of 90% in comparison with the export value of \$1,299,000,000 for such materials in the preceding three years. The significance of this increase assumes new proportions when one realizes that the total value of all American exports in these comparative periods rose by only 40%—less than half as much. Here we have the basic reason for America's 1938 "favorable balance of trade" being greater than that of any year since 1921. American "democracy's" role as the world's biggest merchant of death accounts, in no small measure, for the U. S. gold hoard of over sixteen billion dollars.

THE STRATEGY OF DISASTER

What more tragic folly could one embrace than do those who take seriously the talk about the impending

the C.I.O. and its leaders should know that recent studies of the Bureau of Labor Statistics of the Department of Labor show that almost 80% of all workers in the building trades industry are working under contracts secured by unions affiliated with the American Federation of Labor.

Does the C.I.O. know these facts? Why then does it now gird itself for war against a living and well-organized section of American labor? Why does it thus endanger the living standards of one and a half million organized workers while flying the false banner of improvement of their conditions? Why does it mouth sweet words of unity while preparing to inflict new and deeper wounds upon the scarred and bleeding body of labor?

The Congress of Industrial Organizations has not gone too far to make it impossible to retreat. Its own interests and the interests of labor at large demand that Mr. Lewis honor and observe the pledge he made before the representatives of the entire organized labor movement that he would not invade the building trades industry. It is not too late yet.

world conflagration being a war for "democracy and against fascism." Somewhere Hegel has said that tragedy is the conflict between right and right. But deeper and darker is the tragedy when it is a conflict between wrong and wrong—at the expense of millions of human beings. Sordid motives and sinister interests dominate both imperialist camps. There is nothing right and there is everything wrong about the war now being prepared. The imperialist monsters about to lock horns are doing nothing else but preparing the world's worst tragedy. The blackest crime against humanity is now being mapped by the combined general staffs of the armies of the fascist and "democratic" imperialist governments.

Crisis In French Socialist Party

(Continued from Page 3)

Munich, Chamberlain and Daladier, are no longer drawing back from the threat of war.

OTHER PARTY TENDENCIES

However, unity does not mean unanimity. Zimonsky, the agent of Stalinist penetration within the Socialist party, has refused to reach any compromise with Paul Faure simply because he wanted to push him out from his post of general secretary. Also in addition to a handful of pure pacifists, partisans of non-violence, a new left-wing opposition has sprung up, based on former members of the Revolutionary Left who would not accept the split. This new left-wing defends with greater vigor Paul Faure's pacifist position, and denounces with greater energy the danger of the internal fascistization of France and the fact that the heaviest burdens and sacrifices have been put on the backs of the working class. But it also shows great ideological confusion. For example, it declares that Hitler's economic control of south-east Europe must be recognized, but it is opposed to his political hegemony, a position which has no meaning. It also speaks of a planned economy without, however, tying up these questions with the necessity of socialism.

Since the split with the Revolutionary Left, there has been inside the Socialist Party no tendency capable of expressing effectively the opposition of the socialist workers to increasing suffering, to dictatorship and to war. How, indeed, could it be otherwise, in an organization where the idea of international working-class solidarity is just about dead. The transformation of the party into an agency of French imperialism has been accomplished in the name of the struggle for democracy against fascism. Blum and his friends have the audacity to present the support of the war policy of the bourgeoisie as an international working-class duty, claiming that workers of the fascist countries are incapable of showing any resistance to their exploiters. These gentlemen see only one aspect, the suppression of all parliamentary activity; they have entirely forgotten the heroic underground struggle carried on by the vanguard of the German and Italian workers, the general discontent of the populations and the deepening economic contradictions that even an iron dictatorship cannot eliminate.

Fearing complete removal from politics if they should resist the introduction of dictatorship in France, Blum and Paul Faure strive to maintain a "legitimate existence" by appealing to the workers to accept such sacrifices that will reduce their standard of living and their political rights to the same level as the workers in fascist countries.

At the same time, as the Socialist Party, under the sway of senile decay, follows the identical path taken by all the Left parties of the Third Republic, the new young revolutionary groups, like the P.S.O.F., are going thru a complicated period of growth, of which we will speak in a future article.

Four Families Rule Niagara Water Power

Federal Probe Reveals Huge Monopoly

By ALBERT H. JENKINS

(This article is from the July, 1939, issue of the *Machinists Monthly Journal*, official publication of the International Association of Machinists—Editor.)

When a stone is thrown into water, ripples spread out in circles which get wider and wider. Something like that happened at recent hearings where the Federal Power Commission probed the Niagara Falls Power Company, to determine whether it should be granted a monopoly of all the water power available on the American side of the Falls.

That company long ago got an ironclad grip on 19,725 "cubic feet per second" of the Niagara water, and is now asking for 275 more, the last little bit of the 20,000 allowed the United States under a treaty with Canada.

Caso March, the F.P.C. attorney, insisted that the commission should not give the company the additional water, for two reasons:

1. The company has abused in many ways its present hold on America's most valuable water power resource. It has violated the anti-trust laws and the Federal Waterpower Act, under which it got its license. It is giving almost free electric power to a few favored industrial companies, while charging household power and light users rates "three to seven times" higher than the rates charged in Canada by the publicly owned Ontario Hydro-Electric System, which also gets its power from Niagara Falls.

2. The company is controlled by "four big, happy families"—the Morgans, Mellons, Carlises and Schoellkopf's—and is connected by corporate ties and "interlocking directorates" with almost all the large financial, utility, industrial, railroad, insurance and other corporations throughout the United States and Canada.

This gigantic combine already has too much power, March set out to prove. Instead of giving it more, he declared, Uncle Sam should take away some of the power it already has.

What March did was to take the Niagara Falls Power Company and cast it like a "stone" into the smooth-surfaced "pool" of big business and high finance. Then he traced the ever-widening circles of control spreading out from that company.

He did it by means of a huge 15-foot chart, showing the names of 900 big corporations and 1,100 directors, all connected by lines representing control and "influence." There were more than 10,000 of these "interlocking connections."

It was an almost terrifying picture of the massed might of organized capital, and its power to rule and ruin America—economic and political power based largely on monopoly of water power—which is a strategic stronghold in this "electric age."

March traced the "Morgan sphere of influence" down thru the Electric Bond and Share Company, American Superpower Company, United Corporation and Niagara-Hudson Company to the Niagara Falls Power Company.

The latter's fabulously valuable Niagara "rights" were acquired before 1890 by the Schoellkopf family, which is still powerful in the combine. Floyd L. Carlisle, utility magnate, is Morgan's ally in the United Corporation and other concerns. The Mellon family, formerly headed by "Uncle Andy," has a big share in control of Niagara-Hudson, Niagara Falls Power Company, the Aluminum Company of America and other industrial plants which get cheap power from the Falls.

Moreover, March explained, "these persons who control the Niagara Falls Power Company also control practically every other major privately owned hydro-electric project in the United States and eastern Canada. These groups all work together. They are all one big happy family, dominating water power."

Among the Canadian connections of this "Waterpower Trust," March named the Aluminum Company of Canada. This Mellon Corporation of Canada, he said, "owns 53% of the Saguenay Power Company, Ltd., associated with Price Brother and Company, which holds other hydro-electric developments in Canada."

He also said that the Sun Life Insurance Company of Canada is "a great holding company in these American enterprises," and "has interlocking directorates with American Superpower." Among these interlocking directors he named L. A. Taschereau, former Liberal Premier of Quebec.

However, March added, "most of the directors of these big public-utility companies are recruited from the boards of big New York banks, which interlock with the industrial customers of the Niagara Falls Power Company."

Tracing still wider circles of control, March showed the connections of the water-power trust with the Pennsylvania, Washash, Erie and other railroads; with big steel, automobile, aircraft, metallurgical, mining, meat-packing, oil, cement, food, finance, insurance and other corporations. For example, he said that James H. Rand, of the Remington-Rand Company, "is interlocked directly with Niagara Falls Power, and one of its favored customers."

Then March made a new and significant disclosure. He named sixteen New York, Pittsburgh, Buffalo and Niagara Falls law firms, and said they "act as holding companies and are otherwise interlocked with the water power trust centering around the falls."

The industrial and power company combine employs these influential law firms as holding companies in order to evade government regulation, March said. "The law firms claim immunity from investigation on the legal ground of 'confidential relations between lawyer and client,' but they actually have become great holding companies instrumental in creating illegal monopoly of cheap water power. They fit into this picture like parts of a crossword puzzle."

Among the sixteen was listed Davis, Polk, Wardwell, Gardiner and Reed, "the law firm of J. P. Morgan."

Another was named as Franchot, Runals, Cohen, Taylor and Rickett, of Niagara Falls. Of it, March said:

"Members of this law firm are interlocking directors of the Morgan-Mellon-Schoellkopf power companies, and of their favored industrial customers. This law firm is counsel for both the Niagara Falls Power Co. and its customers and it is one of the instrumentalities through which these family groups control this air-tight combine and bar out competition."

March then turned to the companies which, he said, "so up" the cheap power from Niagara Falls and other hydroelectric plants, and monopolize this cheap power for industrial purposes.

These favored customers also are controlled by the Morgans, Mellons, the other "happy families," their allies and law firms, March declared.

He named the industrial companies which get the lion's share of the Niagara power. Among them are the Aluminum Company, duPont, Carborundum Company, Acheson Graphite, U. S. L. Battery Company, Vanadium Corporation, International Paper & Power, Kimberly-Clark and Hooker Electrochemical Company.

The Bethlehem Steel Corporation is the largest customer of the Niagara, Lockport and Ontario Power Company, and Republic Steel is the largest customer of the Buffalo-Niagara Electric Company, March said. Thus, these two notoriously anti-union steel concerns "so up" huge amounts of cheap Niagara power through subsidiaries of the combine.

Now, someone might ask: "What of it? What if these industrial companies do get water power almost free? That may be an injustice to household consumers of electricity, but won't the public get the benefit in lower prices of products made by means of this cheap power?"

The answer, according to March, is that the public does not get the benefit, because this monopoly of cheap power is used to create a monopoly in manufacture of the products made with that power.

As the same interests control both the industrial concerns and the power companies, he said, the latter refuse to sell power to any manufacturer who would compete with the favored customers.

He presented 500 "contracts in restraint of trade," signed by the power companies and their customers, to show how "this system dictates who shall use hydroelectric power and for what purposes they shall use it."

Some of these contracts forbid the Niagara Falls Power Company to sell power to anyone but the one "favored customer" in each of various industries—such as aluminum, calcium carbide, carborundum, chlorate of potash and titanium alloys, March showed.

Other contracts, between Niagara-Hudson and industrial customers outside the combine, forbid them to use the power to make the products monopolized by the favored customers, or to distribute the power to the general public.

The ordinary industrial customers "can make only those products definitely named in their contracts," and the power company "is the sole judge," March declared.

This monopoly contract system, he pointed out, explains why "nobody but Mellon's Aluminum Company is able to get any power to make aluminum in the United States, and the same situation exists in Canada. It also explains the liquid chlorine and other monopolies which have been denounced by the Federal Trade Commission."

Finally, March turned to violations of the Federal Waterpower Act. Thru testimony of John L. Murrie, a Federal Power Commission engineer, he showed that the Niagara Falls Power Company, since 1920, has made 1,435 "alterations and additions" in its power-plant and system, without reporting them to the Commission or getting its approval, as is required by the law.

As a result of these charges of monopoly and law violation, the commission may revoke the Niagara Falls Power Company's license, which otherwise will not expire until 1971. But this is priceless water-power resource can be taken back by the public which gave it away, the government will have to make a long fight against the "four big happy families" and their allies, the most powerful financial and industrial group in this country.