

At First Glance

By Jay Lovestone

WE would be most surprised if Hitler did not receive another big concession very soon. The economic situation in Germany is grave. Opposition sentiment is growing. Defeatist moods are multiplying, tho it is still too early to speak of serious organized resistance to the regime.

Time and again when Hitler was in acute difficulties, the so-called democratic powers rushed to his rescue. Last January, when Hitler had his conflict with the Reichswehr, last February when he made his initial major assault on Austria, and a few weeks ago when the anti-Semitic outrages stirred the wrath of the world, the British and French governments hastened to help Hitler with handsome concessions.

In this connection, the visit of Schacht to London assumes first-line importance. Schacht is one of the slimiest figures that has come out of the whole Nazi mess. For some time, he sold the wealthier Jewry the notion that he was going to be some sort of secret savior of the persecuted by making Hitler more responsible. All he did was to vitalize the untold misery of the German Jews for Hitler's consolidation. Today, Herr Schacht is playing the same game. Germany's exports are in bad shape. At the expense of the Jews in Germany, this "great financier" hopes to give a lift to Nazi foreign trade. We would rather be wrong than right in this case but we fear that the Chamberlain "appeasement" policy will be applied again—to help Hitler in distress.

When we point out this danger, we don't, for even a split second, want to leave the impression that British and German imperialism are not in sharp collision with each other. A mighty trade war is now in full swing—as a prelude to a clash of arms on land, sea and in the air—between these two titans of imperialist plunder. Just now, however, the British imperialist game is to seek time for better preparation by making concessions to their Nazi competitors—at the expense of others, the weaker peoples, smaller nations and colonial masses.

PAUSE IN RECOVERY

THE swift and sharp recovery from the steep industrial decline of last year has come to a pause. In the auto industry the ball is losing its momentum. Steel production has slackened. The apparel trade has had shabby months even during the upward trend. Rural economy is facing new aggravations of old difficulties. In summary, the economic situation continues sick and for many millions sickening, despite the "pump-primed prosperity."

We have a hunch that the President is aware of all this, tho the Federal Reserve indices and Roper's rosy reports may give a glowing picture. That is why we think that Roosevelt's next message will put much faith in super-armament as a stimulus to private industry and economic recovery. Here we cannot be too energetic in our reminding the President that, in 1936, at Buenos Aires, he very correctly

(Continued on Page 2)

Workers Age

A PAPER DEFENDING THE INTERESTS OF WORKERS AND FARMERS

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CIO-AFL Hit Oregon Law

United Action Is Taken Against Anti-Union Drive On Coast

By EARL LANE

Portland, Oregon.

Two identical suits filed by the C.I.O. and the A.F. of L. in Circuit Court on December 13 marked the beginning of organized labor's fight against the Oregon anti-union law.

The suits were filed following a state-wide conference of C.I.O. unions, at which a resolution was passed declaring for cooperation with the A.F. of L. on this issue and urging Attorneys Padway of the A.F. of L. and Lee Pressman of the C.I.O. to come into this case together.

Both suits are directed against District Attorney James R. Bain, Sheriff Martin T. Pratt, Chief of Police Harry M. Niles and Attorney-General I. H. Van Winkle.

The suits demand injunctions against enforcement of the law and point out that the law violates both the Oregon and United States constitutions by denying free speech, free assembly and free press, and in addition conflicts with the Norris-La Guardia injunction law, the Wagner National Labor Relations Act, the Clayton Anti-

(Continued on Page 2)

THAT MIGHT BE IT



NEWS ITEM:-

SOVIET SCIENTISTS CONCLUDE THAT WORLD IS GROWING WARMER

Elderman in The Washington Post

Elderman in The Washington Post

Students Against War!

I.L.L.A. Youth Statement Urges Support of Columbus Anti-War Meet

(We publish below a statement recently issued by the Youth Section of the Independent Labor League of America.—Editor.)

AS the world crisis deepens and the imminence of war assumes greater proportions, the need for a militant anti-war movement among students becomes more and more acute. The dangerous situation of the past months served as a test to divide the pro-war from the anti-war forces. The jingoistic role of the American Student Union in this crisis made it without question of doubt the leader in the ranks of the pro-war elements on the campus. This came as no surprise to those who understood the forces behind the A.S.U. and the direction in which it was moving.

What Has Happened to A.S.U.?

In November 1937, one month before the last convention of the A.S.U., our organization published a statement in which we analyzed the nefarious role of the Young Communist League in reversing the anti-war position of the A.S.U. and anticipated the consequences of this betrayal unfolding themselves today. To understand what has happened in the A.S.U. we

must, in the first place, realize that it has become a camouflaged front for the Y.C.L., whose members or close sympathizers occupy all of the leading positions in the A.S.U. These individuals serve as political commissars, who apply the Stalinist political "line" energetically and guard against the possibility of popular expression of dissent among the A.S.U. rank and file.

A comparison of the A.S.U. and the Y.C.L. programs at once reveals the close similarity between the two. When, in 1935, the Oxford Pledge was consistent with the Y.C.L. political line, it was included in the A.S.U. program. With the change of Y.C.L. line to "collective security," it was necessary to line up the A.S.U. behind the foreign policy of the "democratic" nations. After crushing the opposition of the genuine anti-war forces in the 1937 convention, the hurdle was cleared and the A.S.U. burst forth as a champion of Rooseveltian anti-Japanism, and as opponent of the now-"fascist" Oxford Pledge. Some vague objections to the huge military budget were included in the program as a concession. The Ludlow Amendment for a popular referendum on war was deliberately sabotaged after the adjournment of the convention. The same tactics were used with regard to

the point in the platform demanding the withdrawal of American armed forces from foreign countries.

The case is clear. As the Y.C.L. turns, so turns the A.S.U. Today, the A.S.U. is an openly pro-war organization, still chanting the "collective-security" war cry for "unity of the democratic nations" against the fascists, even after the imperialist betrayal of Czechoslovakia by France and Britain. Bewildered by this turn of events, the A.S.U. has currently sought relief from political frustration in the profound arts of jitterbuggery.

The Eight-Point Program

The drive towards war has crystallized militant anti-war sentiment among sections of American youth, particularly on the campus. Anti-war clubs have sprung up thruout the country to take up the traditional struggle against war abandoned by the A.S.U. and other Y.C.L. "innocents" organizations in the youth movement, for example, the American Youth Congress. This new development resulted in the formation of the Youth Committee Against War—a united front of liberal, pacifist, labor and socialist youth organizations, cooperating on the following program:

(Continued on Page 2)

Lima Parley In Stalemate

Meeting Ends With Big Issues Shelved; Adopts Argentine Draft

The deadlock at the Eighth Pan-American Conference between the group of Latin American nations led by Argentina and those following the lead of the United States, continued last week as the sessions were reaching their end at Lima. As a result, most of the important issues were sidestepped and others "settled" by means of ambiguous "compromise" formulas that left matters very much as before.

The proposal advanced by Mexico, Chile and Argentina to forbid governmental intervention on behalf of the foreign owners of expropriated property, was shelved "for study" until 1943 as a result of American opposition. The same fate, tho for different reasons, met the plan for the creation of an Inter-American Economic and Financial Institute. Action on the proposed formation of an American League of Nations was also postponed for another five years. Postponed also was final decision on the "coordination" of inter-American peace treaties and conventions. The Cuban proposal for mediation by the American nations in the Spanish civil war was dropped after some dispute. In fact, most of the time of the conference was taken up with long speeches and the unanimous adoption of unimportant resolutions.

The big issue at Lima was the so-called "continental solidarity" declaration of the conference. The United States sponsored a resolution referring specifically to a non-American aggressor and providing for joint action virtually amounting to a military alliance. Argentina, on the other hand, circulated a statement among the delegates that did not specify the direction of the menace and refused to go beyond the mutual consultations already agreed upon in 1936.

The sharp conflict at Lima reflected the hostility of the ruling groups in Argentina and other Latin American countries to the efforts of United States imperialism to extend and consolidate its economic, political and military grip over the western hemisphere. This opposition was rooted in a number of factors, among the most important being the influence of Wall Street's imperialist rivals in Latin America, the old-established British interests as well as the rapidly growing interests of Germany and Japan. Nor should the widespread anti-imperialistic sentiment among the Latin American masses be ignored, even tho the delegations at Lima represented only the ruling groups of the various countries.

As the sessions drew to a close, it was apparent that the United States had suffered a definite setback in its plans of imperialist consolidation. The real balance-sheet of the Lima conference, taking into account what went on behind the scenes as well, will not, however, be clear for some time to come.

THE NEW WORKERS AGE IS COMING!!

Next Week—Bigger Size

Next Week—New Features

New Trends of Industrial Growth

By ALBERT EASTON

EXTREMELY concentration is so characteristic of America that one Broadway columnist defined the United States as a wilderness between New York and Hollywood. Theatrical America merely represents the ultimate in the mad centralization of American business enterprise. But even madness must be studied with method. In a recent study on the subject,* Glenn E. McLaughlin has dug deep into that mine of information to be found in Census reports and has compressed the vast store of raw material into a meaningful pattern of industrial America, past and present. He has sought to point out the economic, geographic and historical, as well as the causal and accidental factors responsible for industrial growth and for variations in growth among manufacturing centers.

The industrial unit under discussion is an "industrial area," defined by the Bureau of the Census as "an area having as its nucleus an important manufacturing city and comprising the county in which the city is located, together with any adjoining county or counties in which there is great concentration of manufacturing industry. The number of wage-earners employed in each area is at least 40,000."

All but three of the 33 industrial areas are located in the north-eastern quarter of the country. None of these major manufacturing districts are situated south of Potomac or the lower Ohio, except for a minor part of the Cincinnati area in Kentucky. The remaining three areas are Seattle, San Francisco and Los Angeles, industrial areas on the Pacific Coast. Southern New England, the Middle Atlantic and Ohio contain all or part of 22 of the 33 areas. From Boston to Baltimore stretches an almost continuous belt of manufacturing territory. About half the areas are located on deep water, and many of the remainder have access to navigable rivers. These 33 areas are not only the great centers of manufacturing activity in the United States but also the great centers of population, trade and most forms of economic activity, excepting the extractive industries.

Taken as a group, these areas in 1929 accounted for 56.2% of the total number of manufacturing wage-earners in the United States and for 63.4% of the total value added by manufacture.

The rapid industrialization of the United States since the Civil War is expressed in the rise of the urban population from 28.6% in 1880 to 55.9% in 1930. But this growth of population and number of manufacturing wage-earners was not even among the industrial areas under discussion. The older industrial areas had reached a peak in the trend in manufacturing employment by the end of the World War. In only four of the areas did the trend in manufacturing employment continue to rise thru 1935. These were the Los Angeles, Detroit, Cleveland, and Chicago areas in the order named.

The author gives as the most widely held explanation for differences in rate of industrial growth, the shift in population, including the accompanying changes in the relative consuming importance of the areas most affected. But population movements are a result, as well as a cause, of differential rates of growth in industrial activity. The more fundamental reason, it appears, lies in

* Growth of American Manufacturing Areas, by Glenn E. McLaughlin. Bureau of Business Research, University of Pittsburgh, Pittsburgh, Pa. 1938.

differences among areas in costs of production for given products and in changes in these differentials. A related consideration is the great variation in natural advantages for industrial production. Cost of production is determined as much by labor costs and proximity to markets as by advantages in transportation and availability of raw materials. As examples, we may cite the textile industry in the South which moved away from New England in search of cheap labor rather than because of any desire to be closer to the cotton fields, since the market for textiles still remained in the populated East.

Some of the exaggerated notions that have grown up about decentralization, are dispelled by the author when he points out that "most geographical shifts in industrial activity do not represent a general spreading out over the country; they are primarily in one direction rather than dispersive—the boot-and-shoe industry shifted from New England to Cincinnati and then to the St. Louis region. The decentralization of industry refers to a variety of movements, which may be characterized as suburbanization, ruralization, or intercity shifts. It has also given rise to satellite cities—a belt of small industrial towns around a large city."

Of new industries arising in the past three or four decades, localization has been far more char-

acteristic than dispersion. Motion-picture and airplane production in Los Angeles are to be explained by favorable climate; Detroit and Akron owe their prominence in their fields to the impetus of an early start. The extent of localization can be seen in Detroit, where the motor-vehicle industry employed 54% of all manufacturing wage-earners in the Detroit area in 1929. Since that date, there have been renewed efforts to decentralize automobile production as well as successful shifts of the rubber industry from Akron.

It is interesting to compare the time required to build heavy industry in the United States with the attempt to rush thru a similar program in the Soviet Union. From the Civil War to 1900, the greatest percentage increases in industrial activity occurred in capital-goods areas. Thus, between thirty and forty years were required to build a heavy industry capable of the mass production of consumers goods, for it has been only in the past three decades that the increase in the production of consumers goods has been greater than the growth in production goods.

Those who are deluded into thinking that war might bring prosperity should ponder over the fate of the war-boom-baby—the shipbuilding industry, in which wage employment increased by 347,000 from 1909 to 1919 and declined as rapidly from 387,000 in 1919 to 55,000 in 1929.

Wages and Hours in Auto

(Continued from Page 3)

the whole year as compared with production. Thus, it should be observed from the table that, while production in 1929 stood at a level 57% over 1927, wages paid thru-out 1929 were only 12% over the amount paid in 1927. When the index of production is divided into the wages index, the result for 1929 shows a decline in the labor cost per unit of output of almost 29%.

Let us assume that the 1927 base of 100 for production and wages paid represents 100 units of output and \$100 paid in wages for labor producing the product. Dividing 100 units of the product into \$100 paid for wages, we obtain a labor cost of \$1 per unit of output. Consequently, the indices for 1929 represent 157 units of output and \$112 paid in wages. Dividing the number of units into wages paid, we secure a labor cost of \$0.71 per unit of output.

Reduced To Absurdity

Further, observing the figures in Table II, one will note that in 1931 the decline in wages paid exceeded the decrease in production in relation to 1927, resulting in a further decrease in labor cost. In 1933, further cuts in the labor cost per unit of output were effected by the auto magnates at the expense of labor.

The boast of the auto magnate of his ability to reduce prices in the face of higher wage rates is reduced to absurdity by a comparison of the following index numbers:

TABLE III.

	Prices	Labor-Cost	Wage-Rate
1925	103.0	89.5	96.8
1927	100.0	100.0	100.0
1929	86.3	71.2	102.8
1931	78.5	68.4	100.8
1933	64.5	55.1	90.1
1935	67.4	62.5	111.8

It should be observed that, in the face of a rise in wage rates of almost 3% from 1927 to 1929 and a fall in the price of the automo-

bile of about 14%, a decline of approximately 29% in the labor-cost per unit of output was obtained, and that even the wage rates in 1935 exceeded the wage rates of 1927 by about 12% and prices of motor cars stood 33% below the 1927 level, the laborer's stamina was sapped for a 38.5% reduction in the labor-cost per unit of output.

Eloquent evidence of the heartlessness of the speed-up system over which the U.A.W. has obtained some control in most automobile plants and the humanization of which is the prime objective of the U.A.W. in the Ford organization drive.

(The above article first appeared in the October 16 issue of the United Automobile Worker, official paper of the U.W.A.—Editor.)

Martin Wins First Round In Battle to Control UAW

Membership Resents Sabotage Of Vice-Presidents

PRESIDENT Homer Martin apparently won the first round in the new battle for control of the United Automobile Workers of America, when Vice-Presidents Frankenstein, Mortimer and Hall found themselves unable to reverse Martin's appointments even after an appeal to the Coordinating Committee of the C.I.O., which in the past had backed them.

Since the C.I.O. forced the International Executive Board to reinstate the five suspended officers of the U.A.W., the latter had energetically applied themselves to the task of rebuilding their faction machine while religiously abstain-

ing from engaging in any useful union activities. The climax came last week when President Martin made specific assignments for each of the vice-presidents and ordered them to immediately take their posts in the field. Richard Frankenstein was ordered to California to assist in the aircraft organization drive; Wyndham Mortimer was given the same task on the East Coast and Edward Hall was assigned to assist in handling General Motors relations. R. J. Thomas was made administrative assistant to President Martin and Mr. Wells was given the tool-and-die field as well as parts-plants organization.

Frankenstein, Mortimer and Hall refused to accept their appointments and dashed off to complain to John L. Lewis and to Sidney Hillman and Phil Murray, who had helped put them back on top some time ago. This time Hillman and Murray declined to take a hand and the appointments of President Martin stand, unless the International Board which is slated to convene on February 1, should reverse them.

The appointed officers, however, did not assume their posts. Instead, they showed a desire of taking this fight into the ranks, and a number of their followers proposed in local union meetings to reject President Martin's appointments. This attempt was everywhere defeated. Even in the former "unity" caucus stronghold—the West Side local—the Joint Council overwhelmingly defeated their motion and in turn passed a motion ordering the officers to get to work on the positions to which President Martin had assigned them.

Can We Copy Fascism?

(The question raised in the following letter will be discussed in a coming issue of this paper.—Editor.)

IN its rise to power, fascism has used the methods which revolutionists have always rejected, namely, demagoguery, opportunism, false promises, race prejudice and nationalism. Upon gaining power, the fascists have repudiated their fine-sounding promises and have instituted their real program, the preservation of the capitalist system, using terror and dictatorship to maintain their power.

Don't you think it possible for a revolutionary party to counteract the methods of fascism by using those same methods, hiding, for the time being, the real aim of socialism, only to institute a system of socialism once it has gained the power?

Do you think the Communist Party has arrived at this conclusion and that its present program is a result?

If a revolutionary power gained mass support by using the methods of fascism, do you think it would be possible for it to retain its revo-

lutionary aims, or do you think that it would have created something that would prevent the carrying out of those aims—a Frankenstein monster, so to speak, which would become the master of its creator?

We are not all made of the stuff of martyrs. At the risk of seeming to beg the question, do you not think that we should, as certain cynics advise, ride with the current and "heil" whatever group or party gains the power; or do you believe that we should continue the battle for what we know to be right; that Truth finally will be the victor?

C. C.

"RELIEF funds in the amount of \$94,870,853 have been allotted to the Navy Department, the annual report of Rear Admiral Ben Moreel, made public recently, states."—News item.

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I.L.L.A. At Work

(Continued from Page 5)
pects of labor unity; the general strike in France; the results of the elections.

BRONX FORUM

On Sunday morning, January 8, the New York Dressmakers Branch of the I.L.L.A. will inaugurate a regular bi-weekly forum in Jewish for the workers living in the Bronx. Ben Lifshitz will speak on "The A.F.L. and C.I.O. Conventions—What Next?" On Sunday, January 22, George Halpern will be the speaker on "The Pogroms in Germany and the Plans to Solve the Jewish Question." These forums should certainly arouse a great deal of interest and be the means of carrying on important educational work in that section of the city.

MEETING IN DETROIT

The dance and lecture arranged by the Detroit branch for December 10 was attended by over 150 workers. George F. Miles, labor editor of the Workers Age, spoke on the big problems facing organized labor.