

Constitutional Change Essential to Validate Social Security Laws

**Waldman in Radio Debate
Declares U. S. Supreme
Court Deal Stunning
Blows at Social Legisla-
tion—Program Outlined.**

SPEAKING in a debate with Mark Eisner, chairman of the Board of Higher Education, over Station WEVD Tuesday night, Louis Waldman, chairman of the Socialist Party of New York State, supported the affirmative on the question, "Shall We Amend Our Constitution to Validate Social Security Legislation?" Waldman declared that the employed and unemployed both are insecure, that "the dread of uncertainty" affects not only workers but farmers and many members of the middle and professional classes.

Three decisions of the U. S. Supreme Court, said Waldman, dealt a "stunning blow to legislation dealing with the problem of social security" and that a constitutional amendment is necessary to meet the constitutional problems raised by these decisions. He presented the Workers Rights Amendment as expanded by the Eastern States Socialist Conference as a basic solution of the barriers raised by court decisions against social legislation.

The speaker declared that the decision of the U. S. Supreme Court on May 8, 1935, on the Railroad Pension Act, forecasted its attitude on social security legislation. Continuing, Waldman said:

"In his dissenting opinion, Chief Justice Hughes saw the clear implications of this decision. He emphasized this warning as to the impending doom of social welfare legislation in the following words: 'The gravest aspect of the decision is that it does not rest simply upon a condemnation of particular features of the Railroad Retirement Act, but denies to Congress the power to pass any compulsory pension act for railroad employees. . . . the majority finally raise a barrier against all legislative action of this nature by declaring that the subject matter itself lies beyond the reach of congressional authority to regulate interstate commerce.'

"If pensions for railroad employees cannot be set up by national legislation because the court held that they concern social welfare of the workers rather than a regulation of interstate commerce, what chance is there for old-age pension, legislation, unemployment insurance, health insurance, maternity insurance, and other social legislation affecting industry and commerce generally in the United States?"

"How shall social welfare legislation be brought within the orbit of congressional power other than by a constitutional amendment? Any constitutional amendment proposed must give to the national government power effectively to cope with the economic and social problems of our time. The power the need.

"There is great danger in dis-

Trade Unions and Unemployed to Protest Relief Wages August 17

ENDORSEMENT of the August 17 demonstration of the Workers' Alliance of America and its New York City affiliate, the Workers' Unemployed Union, has been made by American Federation of Labor unions, with a total membership of more than 250,000, according to David Lasser, chairman of the city and national organizations.

Plans are being pushed to make the demonstration at Union Square a tremendous protest meeting against the scab wages on relief work, and a demand for payment of trade union wages.

The Workers' Alliance of America, said Lasser, is prepared to fight shoulder to shoulder with labor for trade union wages, and to strike the relief jobs if organized labor strikes.

Among the unions which have endorsed the demonstration are Joint Board of the Dress and Waist Makers, I.L.G.W.U.; Joint Board of the Cloakmakers, I.L.G.

Poverty Plea Made By Bosses Facing the Fire

**Restaurant and Hotel Em-
ployers Present Old
Thirty-Year Expenses in
Defense of Starvation
Wages.**

By Pauline M. Newman

FIVE hundred men and women—labor leaders, lawyers, waitresses, chambermaids, socially-minded citizens, etc.—crowded a large room at the State Department of Labor Building on Tuesday and urged Elmer F. Andrews, Industrial Commissioner, to adopt the report of the Hotel and Restaurant Minimum Wage Board which would establish minimum wages for 60,000 women and minors through the State.

The employers turned out in full force. They came with the same impudence which marked their appearances at every legislative hearing during the past thirty years. They pleaded poverty. They were certain their employees were earning good wages. They said their employees were getting from \$15 to \$18 a week in tips (ha-ha from this report were to go into effect the audience). They said that if (From the audience: "When and where did we hear that before?") Under questioning they admitted that they were paying from 11 to 13 cents an hour to the women, and as low as four cents to minors. When their estimates were questioned they admitted that the sources of their information were not their own.

The clash began when under the able leadership of George Meany, President of the New York State Federation of Labor, the proponents of the Minimum Wage Order told the Commissioner of the long standing exploitation at peon wages which will be outlawed if and when this order is enforced.

President Meany drew applause when he declared that "any industry which depends upon starvation wages for its existence has no right to exist." He said that he was in favor of the Minimum Wage Order "not because I am satisfied with the rates set, but because low as the rates are, they represent an improvement over the present earnings of the thousands of unorganized women employees in this industry."

Waldman Applauded
Louis Waldman received a thunder of applause when he said that "it is unfair on the part of the Hotel and Restaurant Employers to ask 60,000 unorganized and, therefore, helpless women and minors to subsidize a bankrupt industry; that is the sole issue at this hearing. The question of ability to pay wage increases comes with all grace from this industry. Facts on inability to meet taxes and pay profits mean nothing without

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Labor Internationals Denounce Italian War

**World Labor and Socialist Movements in Joint Manifesto Also
Condemn Inaction of League of Nations**

PPOINTING out the possible consequences of a war between fascist Italy and Abyssinia and the timid policies of the League of Nations in dealing with this dangerous conflict which may lead to a world conflict, the International Federation of Trade Unions and the Labor and Socialist International have sent a resolution to the affiliated organizations throughout the world. It declares that fascist Italy openly violates treaties "and the League's own covenant."

The two internationals of the working class declare that inaction while Mussolini gets all war materials he wants while shipments to

therefore utter a very urgent warning, laying particular emphasis on the consequences which would be bound to follow on such a war. The Peace of the World and particularly of Europe is an indivisible whole!

"It would be intolerable if the League of Nations' Council, after having violently condemned unilateral breaches of treaties, would now allow that fascist Italy openly violates the treaties and the League's own Covenant."

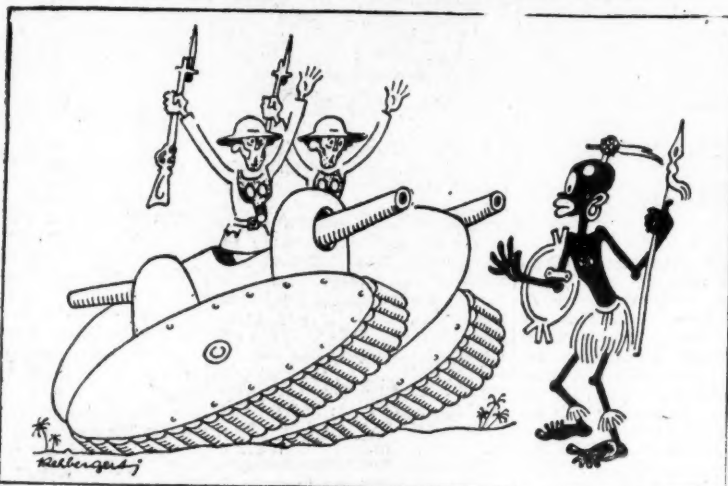
"It would be intolerable if the League of Nations, having appointed a Commission to inquire into the methods of applying sanc-

which the Covenant provides will be applied, this is the best peace guarantee.

"The two Internationals therefore declare with emphasis that all those must be branded as accomplices in the war who have not done everything in their power to prevent it."

"To give fascist Italy everything she needs for war, and to prevent any delivery of arms or war material to menaced Abyssinia making it impossible for this country to defend its own territory, means on the part of States adhering to the League of Nations an open support of the aggressor."

CIVILIZATION COMES TO ETHIOPIA



Abyssinia are prevented brands all who permit this as accomplices in the war. The full text of the resolution follows:

"The International Federation of Trade Unions and the Labor and Socialist International note with the greatest anxiety the alarming increase in the signs which make the outbreak of war in Abyssinia to be feared at any moment, and that the efforts made to find a peaceful solution of the dispute between Italy and Abyssinia have as yet produced no result."

"The two Internationals would

tions against unilateral breaches of treaties, would not immediately enforce upon Italy, the aggressor, the prescriptions of its Covenant."

"If in this case where right and wrong are so clear, the League of Nations fails to make use of methods which its Covenant foresees to assure security, and apply sanctions against the aggressor, its already so badly hit authority would receive a fatal blow and the foundation of a collective peace system would be definitely destroyed."

"If the aggressor knows with certainty that all the sanctions

"The two Internationals appeal to the whole world to join with one voice in the protest against fascist Italy, which is on the point of breaking the peace, and they call on the organizations of the Labor Movement, and the supporters of democracy and freedom, to use their combined influence on the governments of their own countries and to take all possible action in order to obtain a peaceful solution of the conflict between Italy and Abyssinia."

INT'L FED. OF TRADE UNIONS
LABOR AND SOCIALIST INT'L

11,000,000 Jobless Seek Employment in United States

WASHINGTON.—The United States is faced with the alarming fact that more than eleven million men and women, able and willing to work, are still kept in the jobless army by those who own and control American industry, declared William Green, president of the American Federation of Labor, in his statement on the current unemployment situation.

"The total number without work in industry in June," Mr. Green said, "exceeded 11,000,000. Of these 396,000 had worked on PWA, 389,000 on CCC, and an average of 1,504,000 had relief work on the FERA work program each week. The total of these three groups temporarily employed on Federal projects is 2,298,000."

All of them would be on the relief rolls if the Federal Government had not intervened and given them part-time employment.

Reduced Employment Gains
In addition the report points out that since last January industrial employers have discharged over half a million more employees than during the similar period last year.

"Employment gains," the report said, "in the first half of 1935 have been considerably below those of last year. From January to June, 1934, industry created jobs for 1,601,000 persons, while in the corresponding period this year only 767,000 new jobs were created—less than half last year's record. This contrast is particularly significant because in recent years employment gains have usually come in the first half of the year, while the last half has brought substantial losses."

On the extent of relief Mr. Green pointed out that relief rolls in May, the latest report, contained 5,165,000 cases, or 19,250,000 persons, including the 1,504,000 employed on the FERA work program, adding, "this is a decline of nearly

British Socialist Sends Letter of Appreciation To The New Leader

From England comes a fine letter from George Dallas, active Socialist and member of the Labor Party. He had seen some issues of The New Leader with the result that he wrote the following letter on July 11:

"Dear Comrade:
"Enclosed herewith is my subscription to The New Leader."

"I send this with very great pleasure and congratulate you all on the magnificent fight you are putting up for sane Socialist progress."

"With very best wishes,
"Yours sincerely,
"George Dallas."

200,000 cases, or nearly 800,000 individuals, since April and a decline of 300,000 cases since the all-time peak in January, 1935."

On the number of trade unionists who are jobless and the importance of union unemployment figures, Mr. Green said:

Trade Union Jobless
"Trade union reports for the first half of July indicate a considerable falling off of employment since June. This is normal in the summer season. Union records this year indicate a summer dull period of about last year's proportions. The usual summer increase in unemployment in the clothing industries, theaters and manufacturing is shown in the July figures, and street transportation trades and printing industries lay-off."

"Owing to the excellent reporting of more than 2,500 unions with a membership of 964,000, our trade union records indicate accurately the trend of unemployment one month in advance of the figures collected by the Federal Government. Trade union reports can be counted on to show employment and unemployment. Therefore, it is significant that the union records for July indicate no greater increase in unemployment this summer than last. This is particularly important since the first half year has made such a poor record in creating jobs for the unemployed."

Big Melons Cut By the Profiteers And They Mourn!

"Congress Proposes to Soak the Rich," "Business Is Being Bled White," "Manufacturers Are Deserting the Cities," these and many more headlines adorned the front pages of the capitalist press for the past few weeks in order to break the morale of the organized and unorganized workers in their demand for a living wage from industry.

While the front pages of the press have been carrying these mournful slogans, the financial sections of the same press have been printing more cheerful news about the earnings of some of the largest corporations in the country.

Here is some encouraging news for you, especially if you are unemployed: "Directors of the General Motors Corporation doubled the annual dividend rate on the common stock by declaring a quarterly dividend of 50 cents a share, equivalent to \$2 a year. At the same time an extra dividend of 25 cents a share was declared. The total disbursements of 75 cents a share amounts to more than \$32,000,000 on the 43,500,000 shares outstanding."

In commenting on the more "liberal dividend policy," Alfred P. Sloan, the gentle president of the corporation, who has repeatedly refused to recognize organized labor and always threatens to move his plants god knows where, has promised his stockholders that "there is some more coming in later on."

The Phillips Petroleum Co., reporting the largest gross income and total volume of business for any like period in its history, shows gross income of \$42,294,612, compared with \$38,265,473 for the first six months of 1934. Net profit for the period amounted to \$5,019,975 over expenses, interest, taxes and other charges. This is equivalent to \$1.21 a share on outstanding stock. (You better go after your dividends before it is too late!)

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A.F. of L. Calls Workers To Protest Fascism's Threat of World Peace

Green Brands Hitler Terror For Atrocities

**Urges Renewal of Boycott
and Declares Powers Can-
not Remain Indifferent to
Nazi Brutalities.**

WASHINGTON, D. C. — Denouncing the "brutality and fiendish persecution" which characterizes the policy of the Hitler regime in Germany against German trade unions, Catholics and Jews, William Green, president of the American Federation of Labor, declared the time had come for the Government of the United States to intervene with a demand for a cessation of the Nazi tyranny.

"The destruction of German trade unions, the persecution of the Jews, and the 'blood purge' inaugurated by the Hitler government," he said, "shocked the entire world. Now all of this horrible treatment accorded residents of Germany is being supplemented by further persecution and further drives against the Jews and Catholics residing in Germany."

"This all serves to vindicate the action of the American Federation of Labor in declaring a boycott against German goods and German service. Every man and woman who loves liberty, freedom and justice must protest against the brutal action of Hitler and the Hitler government against free democratic trade unions, the Jewish people and German Catholics."

"In behalf of the American Federation of Labor, I repeat its official protest against the most recent action of the Hitler government."

"Surely the governing nations which make up the civilized world cannot longer remain indifferent to the action of a tyrant such as Hitler, to his excelling in brutality and fiendish persecution the rulers of a bygone pagan age."

"The time has arrived when Germany ought to be boycotted, not only by labor and its friends but by all the people of the United States."

"Furthermore, in the light of historical events it would appear that the hour has arrived when our own Government ought to take appropriate action which the exigencies of the situation demand, providing for a cessation of the brutal, inhuman treatment being perpetrated upon the laboring people, who wish to preserve their democratic trade unions in Germany, and upon Jewish people and the Catholics."

"Labor in the United States will join with others in taking appropriate action which will enable it to voice its indignation and its protest against the tyrannical and inhuman policies pursued by Hitler and the Hitler government."

**Italy Denounced for Its In-
solence Toward Ethiopia;
Council Considers Union
Problems for Next Con-
vention.**

AT LANTIC CITY, N. J.—The executive council of the American Federation of Labor sees an imminent threat against world peace by the attitude of fascist Italy towards Abyssinia and adopted a resolution urging the working masses to protest against the war preparations of Italy. The council is also considering the problem of Communism in the Furriers Union, efforts to amalgamate foundry workers with the Molders Union, and a dispute between the Amalgamated Clothing Workers and the Tailors, while an official call has already gone out for the first convention of the United Automobile Workers of America to organize a national union in the industry.

The increasing interest taken by the A. F. of L. in international affairs that concern the workers of all countries is evident in the resolution on the danger of war between Italy and Ethiopia. An appeal will go to President Roosevelt to mediate between the two countries while at the same time fascist Italy is roundly denounced for its insolent conduct toward Ethiopia. After declaring that the Federation favors settlement of international controversies by peaceful methods, the resolution continues:

"From all the facts and information available, there seems no justification for a war of aggression on the part of Italy and for the invasion of Ethiopian territory. The council is of the opinion that Ethiopian sovereignty should be permitted to enjoy all their territorial rights and that under no circumstances should they be required to cede any part of their territory through threat of invasion or through resort to force."

"The executive council will appeal to the government of the United States to utilize all its influence at its command to prevent the threatened war between Italy and Ethiopia. Furthermore, the council directed that working people everywhere be called upon to protest against war preparations of Italy and its threat to invade Ethiopia."

"The council was influenced to express itself in this threatened war situation not only for humanitarian reasons but because of the grave international complications which might grow out of such conflict, all of which might seriously threaten the peace of the entire world."

Asked if he did not think that the action proposed in the resolution might involve the United States in a world war if it developed, President Green declared he did not think so. He added, "We certainly would not want to get involved in anything like the last

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Lansbury Demands Control of Raw Materials to Avert World War

LONDON.—Declaring that the rearming of the nations could be prevented with Labor in control of the government, George Lansbury, addressing a meeting of the Essex Labor Parties at Easton Lodge, Dunmow, also said that a new world economic conference to avert war by planning the sharing of raw materials of the world should be held. He believed that by international control of raw materials the production of armaments can be controlled and checked.

"If Mr. Henderson had remained at the Foreign Office," said Lansbury, "the world would not now be piling up armaments in preparation for another war."

"Three years ago the Labor Party warned the nation at by-elections of what was coming, through the policy of the Government. We were described as panic mongers and war mongers."

"Today the Government is proving by its action how true we were. The frantic preparation to increase our armed forces, and the blacking-out of great cities while mimic warfare takes place overhead,

prove conclusively that we are on the road to war."

"It is clear that no increase in armaments or mere talk about disarmament will save mankind," remarked Mr. Lansbury.

"The main causes of war are economic."

"Today it is a scramble for raw material; for markets, which Sir Samuel Hoare called expansion."

"Japan, Germany, Italy all clamor for a place in the sun."

"We Socialists declare there is room for everybody, and our demand is that before it is too late our nation shall give the lead to the world."

"We must summon a new world economic conference for one purpose only—to discuss and organize plans for a sharing out of raw material, for filling up the wide, open, uninhabited spaces of the world, and by cooperation to discover how best we can distribute the tremendous wealth which the world of man is able to produce."

"Once we have an economic League of Nations we should be able to control the distribution of raw materials needed for the production of armaments, and so prevent their manufacture."

Constitutional Change Essential To Validate Social Security Laws

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granted must be co-extensive with a wide-spread sentiment for a constitutional amendment giving power to congress to regulate the economic life of the nation by proposing an amendment which is entirely too narrow and inadequate to meet such needs.

"Social security embraces more than the acts known as social insurance. Its concept is far more fundamental.

"The right to social security of every man, woman and child in the land must become a constitutional right and must be deemed at least as sacred and inviolate as the right of ownership of private property has heretofore been. Among the rights making for social security is the one guaranteeing to every able and willing adult an opportunity to earn a livelihood for himself and his family in decency and comfort commensurate with his services and the productive capacity and wealth of the nation. All legislation necessary and proper to secure these ends should be validated by constitutional amendment. That presupposes the adoption of an amendment that would confer power upon congress to regulate production, industry, trade and commerce; to limit child labor; to regulate hours and conditions of labor and to establish minimum wages throughout the country; to establish a direct federal system of social insurance and other social welfare legislation; and to enable the government through its own agencies and instrumentalities to own, operate and manage business, manufacture, industry, commerce and banking. Heretofore we have sought to enact important national legislation dealing with social and economic problems by constitutional subterfuges and evasions.

"Direct legislation dealing with the regulation of the nation's economic life under the present constitution is impossible. The

T. V. A. experiment, a federal project designed to set up a public yardstick for the sale of electricity by exploiting the water power on the Tennessee river, has been set up under the incidental power of the federal government to improve navigation and regulate flood control. When one considers the enormous problem of public utilities, a problem which is definitely national in scope involving industries valued at about 80 billion dollars, it becomes evident that the solution of the problems raised by that industry through public ownership and administration even if deemed by congress and the people vital and necessary, could not be accomplished by such legal fictions as is being employed to justify the T. V. A. experiment.

"The unemployment insurance bill now pending in congress has been formulated to rest on the taxing power of the federal government. The crying need is for a direct system of federal social insurance. Yet, the enactment of such legislation is made difficult, if not impossible, because of the fear that it may contravene the constitution.

"The Wheeler-Rayburn bill to regulate holding companies has been framed to rest on the use of the mails. Examples without number could be cited of the frustration of the national will by the constitutional prohibitions formulated in the days of an agricultural economy.

"An economy of abundance in the power and electric age should not be fettered in the possibility of providing social security for our people by the dead hand of a by-gone age.

"An amendment to the constitution is not an attack on the Supreme Court nor on the constitution as some people suppose. It is merely the democratic way provided by the constitution itself for a great nation peaceably to bring about important social and economic changes."

Waterbury Strike Run by Out-of-Town Department

More than 400 workers of the Watertown Undergarment Co., Waterbury, Conn., are out on strike demanding union recognition. The strike is being conducted by the Eastern Out-of-Town department of the International Ladies' Garment Workers' Union.

The Out-of-Town department is also waging an intensive campaign for unionization in Newark and Elizabeth, N. J., where hundreds of workers are employed in the children's and cotton garment industry.

Since 1922, when the department came into existence, more than 27,000 workers have been organized in the women's apparel industry in parts of New Jersey, Connecticut, Long Island and Staten Island, according to Harry Wander, the department's manager.

"About 85 per cent of the workers under the jurisdiction of the Out-of-Town department are young American women of Italian, Polish and Hungarian descent, while 15 per cent are men," Wander said. They include about 3,000 cloak-makers, 70 per cent of whom are women.

Every local in the territory of the Out-of-Town district has its own educational committee and at the same time receive help from the general office in New York. The educational committee sponsors all kinds of recreational activities for its members. Scores of

speakers are being sent by the New York office to many out-of-town locals for the purpose of giving the workers a taste of workers' education, such as methods of conducting a union meeting, union and economic problems. Among the speakers sent out are August Claessens, labor secretary of the Socialist Party in New York, Henry Jager, Frank R. Crosswirth, Sam. Lefkowitz and Peter Kirk.

Most of the shops in the district are "closed shops." Whenever a manufacturer tries to lower wages or lengthen the hours of labor the workers have declared strikes in order to keep up their standards.

Packers Cited to Appear For Not Recognizing Union

MILWAUKEE, Wis.—The Regional Labor board here cited the Cudahy Meat Packing Co. to the National Labor Relations board in Washington for refusing to obey the law. The citation followed filing of a formal complaint by the Meat Cutters' Union, affiliated with the American Federation of Labor.

According to the charges, George A. Billings, vice-president of the company, notified officials of the union that the company would not recognize the union as the exclusive collective bargaining agency for all the firm's workers who had chosen the union by a vote of 595 to 270 to represent them.

Workers Rights Amendment Rapidly Becoming Big Issue

Trade Union Bodies, Farmer Organizations, Fraternal Societies, Youth Groups, and Organized Unemployed Support Proposal of Socialist Party to Vest Congress With Power to Control Economic Life.

CHICAGO.—Seven more delegate bodies of local unions have endorsed the campaign for the Workers' Rights Amendment during the past week. With the active support of Frank X. Martel and the approval of the executive committee, the Wayne County (Detroit) Federation of Labor got behind the Amendment. The same action was taken by the Grand Rapids (Mich.) Federation, the Massillon (Ohio) Trades and Labor Assembly, Ash-tabula Central Labor Union, and the joint boards of both the Amalgamated Clothing Workers and the I.L.G.W.U. of Baltimore, Md. The Wisconsin State Conference of Painters, representing 9,000 journeymen in that state held its convention in Madison and backed the Amendment. This followed its endorsement two weeks ago by the largest Painters' local in the United States, No. 147, Chicago. Painters No. 213, and No. 765, Cleveland, joined the campaign last week also.

Other organization endorsements, received by the Labor Committee, Moxley Bldg., Chicago, include: United Automobile Workers, No. 18336, St. Louis; Printing Pressmen, No. 61, Baltimore; Boot and Shoe Workers, Milwaukee; Gasoline, Pump and Tank Workers, No. 18439, Ft. Wayne; Bakery and Confectionery Workers, No. 100, Massillon; Barbers, Toledo; Bookkeepers and Stenographers, No. 12646, New York City, and I.L.G.W.U. No. 4, Baltimore.

Farmers Begin Drive
CHICAGO.—The Farmers' Committee for the Workers' Rights Amendment, through Chester A. Graham, secretary of the Farmers' union of Michigan, has launched a drive to secure endorsements for House Joint Resolution 327. Graham is joined by George A. Nelson, national board member of the Farmers' Union, who is chairman of the committee; James T. Phillips, master of the Missouri State Grange; Adam Allen, secretary, Agricultural Workers' Union, A. F. of L., No. 19724, and other farm leaders in a plea sent to all types of farm organizations for support of the bill. Graham has his head-

quarters in the Moxley Bldg., Chicago, Ill.

Fraternal Groups
The Workmen's Circle, for many years in the forefront of all labor struggles, through its General Secretary, Joseph Eskin, has swung behind the Amendment, 'rafted by Morris Hillquit, a member of the order for many years.

At a meeting of its General Executive Committee on July 26, the Jewish National Workers' Alliance, an organization of Labor-Zionists with hundreds of active branches, immediately adopted resolutions to be sent to members of the House Judiciary committee and in all other ways to support the campaign.

The Slovene National Benefit Society, the second largest workers' fraternal group in the country, has also joined the campaign for the Amendment. Its branches, largely concentrated in coal, steel, and other heavy industrial localities, have been requested to secure all possible support for the Amendment. Its president, Joseph Cankar, has joined the Fraternal Committee for the Workers' Rights Amendment.

Workmen's Circle
CLEVELAND.—Endorsement of H. J. Res. 327 has been carried by three local organizations of the Workmen's Circle, the Karl Marx, Branch 630, and the women's branch, 79b.

Petition Campaign Starts
CHICAGO.—Petition forms for individual signatures in support of the Hillquit Workers' Rights Amendment have begun to pour in to the Labor Committee for the Amendment. The Boot and Shoe Workers' Union of Milwaukee thus far has the record for the largest number gathered by any union.

The first forms to be filled out and returned came from the Socialist local at DuBois, Pa.; the most from Socialist organizations came from the Milwaukee local; and the most from an individual from Mrs. Mary M. Chase, an active Socialist of Chicago.

Forms for signatures may be obtained from the Labor Committee, Moxley Bldg., Chicago, Ill.

Young People's Pamphlet
CHICAGO.—"Make Freedom Constitutional!" a 12-page pam-

phlet by Aaron Levenstein and a sticker calling for passage of the Workers' Rights Amendment are among the contributions of the Young People's Socialist League to the promotion of H. J. R. 327. The pamphlet contains an introduction by Norman Thomas, a short history of the reactionary rulings of the Supreme Court, a summary of what its rulings have meant to young people, a plea for and the text of the Amendment. Copies may be secured from the Y.P.S.L., 549 Randolph St., Chicago, at five cents for one, by mail, and \$2.00 for a hundred, postpaid.

Whitney Urges Amendment
CLEVELAND.—A. F. Whitney, President, Brotherhood of Railroad Trainmen, urges the House Judiciary Committee to give H. J. Res. 327 a favorable report in a letter to all the members of the committee. In the letter he says in part:

"For many years, we, in the railroad industry, have endeavored to bring out desirable social legislation, and we have had to depend largely on the power of Congress to regulate interstate commerce. This, of course, is an indirect and unsatisfactory way of achieving such social reform as is greatly needed in this country. Modern industrial and economical developments have had the effect of wiping out state boundary lines, so far as a solution of these problems are concerned. Great social problems are no longer confined to the individual states, nor does their solution lie within state borders. Chain stores and huge corporations, with centralized financial control, know no state boundaries. 'Wall Street' operations transcend not only state lines, but national boundaries also."

IWA Endorses Amendment
SPRINGFIELD, Ill.—The convention of the Illinois Workers' Alliance, held last week, endorsed the Workers' Rights Amendment. Before the convention met, 30 locals of the IWA had endorsed it.

This action follows that of the Indiana Workers' Alliance convention two weeks ago in unanimously endorsing the amendment. The IWA in Illinois represents 268 local units, organized in 80 counties with 180,000 members.

Massachusetts Unions Favor Labor Party Action

By L. Arkin

Special to The New Leader
SPRINGFIELD, Mass.—Alfred Baker Lewis, state secretary of the Socialist Party addressed the 50th annual convention of the Massachusetts State Federation of Labor. He promised the cooperation of the Socialist Party in fighting side by side with the labor movement of the state.

This is the first time that a Socialist leader has ever addressed the state convention of labor and Lewis as received with great enthusiasm. At the same time the convention refused to invite the mayor of Springfield because of his anti-union policies.

The convention went on record urging the incoming state executive committee to raise funds to be used in freeing Tom Mooney.

Three Members Expelled From Socialist Party by N. Y. Central Committee

After many months of turmoil within Local New York of the Socialist Party over Communist influences in its ranks, the City Central Committee took disciplinary action against several members on Wednesday night. J. B. Matthews, who had been cooperating with various Communist groups, was expelled by a unanimous vote. David Etkins and Julius Bertman were also expelled by a unanimous vote.

Abe Kruger was the next case. The recommendation of the grievance committee was for expulsion. Kruger was known to have written a letter declaring himself a Communist and yet the recommendation for expulsion failed of the two-thirds vote that is required, "militant" delegates voting against expulsion. This decision will be appealed to the State Committee. A fuller report will be made next week.

Reading Jobless Protest Against F.E.R.A. Wages

READING, Pa.—Local unemployed workers on RERA projects are planning a huge mass protest meeting in Berks County this week in old City Hall to demand that local relief officials, under the supervision of William R. Killian, shall deliver emergency vouchers immediately when needed.

This demonstration of the unemployed will be followed by another which will be nation-wide in character where more than 500,000 unemployed workers from all over the country will protest against the Federal administration's \$19-to-\$94 per month wage scales for work relief.

In issuing the call for this week's demonstration, Harry Alexander, business agent of the Keystone Workers' Association, voiced a plea to all workers on relief projects and all persons on direct relief throughout the entire county to join in the movement.

"In every section of Berks are cases of families which have actually gone hungry as a result of the indifference or chiseling of the county relief authorities," declared Alexander. "If the workers from all sections of the Berks make it

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war, which I believe we were too ready to enter."

Before the council met A.F. of L. organizers had been informed in a communication of the plans of the Communist Party to carry on work in the trade unions. The unions are warned to be on their guard against disruptive methods to which is added the statement that "Moscow has issued other 'death sentences' to American unions, and still our movement has grown."

The increase in membership of the affiliated unions over a two-year period is over a million. In 1919 and 1920 the membership had reached its peak with 4,078,740 members. This was followed by the nation-wide open shop drive of anti-union employers' organizations and a short depression beginning in 1921. Then came the depression and the membership declined in 1933 to the lowest since 1916. During the period of the NRA the membership again increased and the affiliated organizations reported a membership in June of this year of 3,149,324, an increase of over a million in two years.

Representatives of the Amalgamated Clothing Workers of America and of the Journeymen Tailors of America appeared for a hearing on their differences. The latter organization, with a membership of about 6,000, charges that the Amalgamated, with a membership of more than 100,000, is encroaching on its territory in soliciting members.

The council learned that no conference had been held by the officers of the two organizations and directed that this be done in an effort to settle the differences.

Mr. Green said it was possible that both warring factions of the building trades, one recognized by the federation and the other outlawed, would hold conventions here the week before the annual federation meeting. Meanwhile the council members will continue their efforts to have both included in the building trades department of the federation.

Representatives of the International Molders Union and the International Brotherhood of Foundry Employees reported the jam which had resulted from negotiations to amalgamate the two organizations.

Electrical Workers of Local 19427 on Strike

A strike, involving more than 50 workers, is in progress against the United Metal Spinning Co., Adelphi St., Brooklyn. The strike was called by the Lighting Equipment Workers' Union Local No. 19427, affiliated with the American Federation of Labor.

"The conditions that were uncovered at the shop are unbelievable," said Mr. Nat Goldberg, financial secretary of the local. "About 40 men who have been in the employ of this company for many years were working for wages anywhere from \$12 to \$18 per week. In one department where 12 workers are employed, we found that a 'kick back' amounting from 50 cents to \$1.50 had to be returned every week in order that the workers remain in the employ of the company."

Men were compelled to come in as early as 6 a. m. but were not allowed to punch their cards until

plain that they mean to resist such inhuman injustices they can secure greater consideration for their rights and needs."

French Socialist Wins

PARIS.—French Socialists are pointing to the success of their

An agreement had been reached between the officials of the two unions to consolidate. When it went to a referendum the molders approved it and the foundry workers rejected it.

The council approved the proposed agreement and a report on the matter will be submitted to the next convention of the A.F. of L. The foundry workers are unskilled and have a membership of about 5,000 while the molders have 30,000 members.

The organization of the automobile workers into a national union will be a big five-day affair in Detroit, August 26-31. The call states that "the Federal Labor Unions established in the automobile manufacturing and automobile production industries will constitute the basis of the international union of automobile workers and will be merged into said international union. A constitution for the new international union of automobile workers will be adopted and officers will be elected and installed."

Each Federal Labor Union of Automobile Parts Workers with a membership of 100 or less will be entitled to one delegate with an additional delegate for each additional 100 members or fractional part thereof, based upon the per capita tax payment to the American Federation of Labor for June, 1935.

The Detroit office of the Workers Education Bureau of America is arranging a series of evening meetings for the benefit of delegates and visitors which will be addressed by outstanding educators and labor leaders.

Announcement was made on Thursday that the council would cooperate with Thomas E. Dewey who is probing racketeering in New York City, and David Dubinsky, president of the I.L.G.W.U., Joseph N. Weber of the Musicians and Matthew Woll will officially call on Mr. Dewey for this purpose.

In announcing the drive against racketeering, President Green of the A. F. of L. said:

"We will conduct a complete investigation into alleged racketeering among the ranks of organized labor in New York. The position of the Federation is well known. We want every racketeer who is connected with a union expelled and punished."

Workers were also compelled to work Saturdays and Sundays for which they received no additional pay.

After many weeks of picketing, a conference was finally arranged for at the home of Mr. E. Langert, 1618 Union St., Brooklyn, the employer, where pickets are on duty at present. An understanding was practically reached, but Langert refused to sign the agreement claiming he would first have to consult his attorney. Two weeks have passed without any inclination on his part to bargain collectively.

"This strike will be carried on regardless of how long it takes to settle it," Goldberg said. "The strikers are determined to stop the chiseling employer to underpay his workers and at the same time prevent him from competing with other employers who pay their workers a living wage."

The voting was for the replacement of a radical Socialist Deputy, the late Philippe Marcombes, former Minister of Education, who died of heart disease.

She Asked for Relief



IMPORTANT ANNOUNCEMENT

Turn to the theatrical page for the detailed announcement of the forthcoming symposium in THE NEW LEADER on the theatre as a social force.

Edward G. Robinson
Katherine Cornell
Arthur Hopkins
James Cagney
The Theatre Union
The Theatre Guild
The Group Theatre
The Theatre Alliance
Sam Jaffe

and many others prominent in and authoritative on the theatre will contribute their interpretations.

ATHENS.—Four thousand workers in the Crete raisin fields returned to work with a 15 per cent wage increase negotiated by General Bakopoulos after a brief strike. The strike was called when the workers were refused their demand for a wage increase. The question of restoration of the monarchy also entered into the situation.

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SPORTS WEEK... An annual celebration at Camp Tamiment during the first week in August, has drawn a record attendance. Athletic teams from Philadelphia, Baltimore, New York, Newark and other places are competing in the fourteen different events. Included in these events are baseball, basketball, handball, volleyball, tennis, quoits, and waterfront sports of all descriptions. Over fifty medals and trophies will be presented on Sunday afternoon to the winning individuals and teams.

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Social Control Demanded By Hosiery Union

Aim to Stabilize the Industry and Union to Promote Better Labor Conditions.

PHILADELPHIA.—The American Federation of Hosiery Workers has decided in favor of social control of the stocking industry. The National Executive Board of the union, headed by President Emil Rieve, authorized placing hosiery under the scope of the proposed National Textile Act, a companion measure of the Guffey Coal Bill. The board also instructed officers of the union to engage in an unlimited, intensive campaign of education and agitation to arouse public support of the bill and impress Congress with the necessity for its passage.

Rieve went to Washington to confer with Congressman Henry D. Ellenbogen, of Pittsburgh; and Isadore Katz, Philadelphia attorney, co-authors of the Textile Act, on provisions of the Act.

John W. Edelman, research director of the American Federation of Hosiery Workers, who will direct publicity for the bill, said the campaign on the latter's behalf would supplement the Federation's companion drive for enactment of a Constitutional Amendment permitting social legislation by Congress.

Under the terms of the Textile Act, a 35-hour week would be established throughout the industry; minimum wages near or at present union levels now prevailing in 85 per cent of the hosiery industry, would be set up; and collective bargaining guaranteed.

William Smith, secretary-treasurer of the Federation, said arbitration machinery now operating in the unionized section of the industry, would serve as the model for settlement of disputes under the Textile Act.

"Under this machinery," Smith said, "strikes have become non-existent in the union mills, comprising about 60 per cent of the industry. Just the extension of the collective bargaining and economic security now enjoyed by more than 60,000 hosiery workers, to the rest of the industry, would make enactment of the Textile Act worthwhile as an instrument and

Big Melons Cut by the Profiteers and they Mourn!

(Continued from Page One)

The Niagara Hudson River Corporation which together with the utility trust has been spending thousands of dollars fighting against utility legislation, reports gross revenue for the twelve months as \$74,569,912, compared with \$72,215,047 in 1933-34.

The Colgate-Palmolive-Peet Co. reported for the six months ended June 30 a "consolidated" income of \$1,924,810, above all charges, depreciation, taxes and a reserve of \$900,000 for a possible future decline in the market value of inventories. This is equal after preferred dividend requirements, to 54 cents a share on the 1,999,970.

The Cudahy Packing Co., which last week was cited to the National Labor Relations Board for refusing to recognize the Meat Cutters' Union as the representative agency for collective bargaining, also reports profits and at the same time is offering a \$25,000,000 bond issue.

We fail to see why big business is opposed to the Roosevelt administration when their earnings this year are greater than any since 1932. The administration has kept its promise to restore normalcy in business plus a fairly good profit.

If there is any grumbling to be heard it ought to come from labor which has been promised a living wage and shorter work-week and has not received them as yet.

Active Work in North Philadelphia

PHILADELPHIA.—The North Philadelphia Branch, through their Labor Committee chairman, Paul P. Hetzel, reports an active campaign in support of the bills introduced by Lilith Wilson and Darlington Hoopes, Socialist members of the Pennsylvania Legislature, guarantee of industrial peace and stability.

The Textile Act would function, Smith said, through control of work assignment, inventory control, and plant licensing. A commission of seven would administer the act.

The inventory control feature of the Act is something new in social legislation, but is regarded as essential in order to stabilize industrial conditions.

"Constitutionality of the Act," Smith declared, "is beyond question, we have been assured by Mr. Katz, who is our counsel, and Mr. Ellenbogen."

Labor Sports Olympics to Be Held Next Year

CLEVELAND.—Announcement was made at the tenth annual outdoor gymnastic exhibition of the D.T.J., Czechoslovak Socialist Gymnastic Union, that the first American Workers' Sports Olympics will be held here on July 4, 1936.

A full team of labor gymnasts will come from Czechoslovakia accompanied by Dr. Franz Soukup, Socialist President of the Czechoslovak Senate, Joseph Martinek, formerly editor of the American Labor News, Cleveland Bohemian Socialist weekly, and now active in party work in Prague, and other leaders of the working class movement in Czechoslovakia.

Teams are also expected from England, Belgium, France, England, and other European nations, as well as from various parts of the United States. The affair is expected to be an outstanding working class demonstration.

Mrs. Anna Rehner of Chicago, national chairman of the Czechoslovak Nationalist Federation; Wm. Hosik, director of the German Workers' Gymnastic and Sports Alliance of Pittsburgh; Henry Huefner, secretary of the Cleveland section of the newly formed Workers' Sports League of America, and the subdivisions of the Socialist Party have expressed their intention of giving the Olympics their full cooperation.

The gymnastic field in the co-operative village of the D.T.J. at Taborville, Ohio, where the Olympics will be held, is in a natural amphitheatre. Plans are already under way for making large additions to the grounds for next year, entailing the expenditure of several thousands of dollars. Committees are making plans for caring for the large number of athletes and spectators who are expected to participate. The Olympics will be one of the first major undertakings of the Workers' Gymnastic and Sports Alliance of America, which is affiliated with the International Socialist Association for Workers' Sport and Physical Education.

BUTCHERS UNION ON THE HIGH COST OF LIVING

The Hebrew Butcher Workers' Union says that its members have lost over \$60,000 in wages, and that shopkeepers were refusing to pay minimum wages on the grounds that business has fallen to a considerable extent. "However," had the efforts of the City Action Committee been in earnest, and had we felt that the lowering of prices and the reduction of the cost of living their object, the members of the union felt that they were ready and willing to suffer this loss."

Belsky pledged his union's full support in any consumers' strike conducted by the Women's Committee Against the High Cost of Living in address before that body on Tuesday.

PANIC IN THE COMINTERN

THE latest pontifical pronouncements from the Communists International sitting in Moscow is that while its followers are to fight for the preservation of "bourgeois democracy," this course is also pronounced a "strategic retreat" which is to be followed "when the time is ripe by a strong swing back to the Left." This swinging of the pseudo-revolutionaries from left to right, right to center, and center to right will leave the Communists dizzy.

This solemn bull was pronounced by Dimitroff, the Bulgarian Communist who was acquitted of the Reichstag fire. He admitted that the strategic retreat was also due to a desire to "find a way to end the isolation of the revolutionary vanguard from the proletarian masses." This is an open admission that the Communists "ave become isolated from the organized workers in all countries.

At the same time the retreat is made in the hope of getting the confidence of the working class so that they can "be guided by the Comintern" which is to "lead them to a proletarian revolution."

It is the old story of thinking of the working masses as incapable of directing their own organizations. They must be "led" just as one leads a pet animal with a string. Whether in isolation, retreat or on his death bed, the Communist thinks of himself in terms of a Napoleon who gives orders to conscripts.

Kahns Off to Europe

Alexander Kahn and Mrs. Kahn, New York Socialists, are leaving for Europe on August 10th to attend a meeting of the Council of the Jewish Agency for Palestine under the League of Nations. They will also visit England, Belgium and France to observe the Labor and Socialist Movements in these countries.

Sport Fans of Cutters, Local 10 In Contest at Stadium August 17

By Samuel Perlmutter

ONE of the greatest innovations introduced in the American Labor movement is the establishment of sport activities including baseball, basketball, soccer, swimming, etc.

The pioneer of these activities is the International Ladies' Garment Workers' Union, one of the largest organizations affiliated with the American Federation of Labor counting a membership of close to one quarter of a million. In the last two years this organization has grown from a mere shell into one of the most powerful unions in America.

Prior to the advent of the NRA in August 1933, the membership of the International Ladies' Garment Workers' Union did not exceed more than about fifty thousand. With the advent of the NRA tens of thousands of young men and women, most of American birth, ranging between the ages of about 18 and 25, have joined the International. This element manifested an urgent desire for athletic activities and it was during this period that baseball, basketball and swimming clubs were organized in which boys as well as girls participate. A league was formed in the International Ladies' Garment Workers' Union, comprising baseball and basketball teams of the many locals affiliated with the International throughout the United States and Canada. This league received its formation in the early fall of 1934.

The Cutters' Union Local No. 10, in fact, was the first organization

Woolen Workers' Pay Slashed \$2.37 Per Week

Employers Cut Weekly Earnings From an Average of \$17.50 in September, 1933, to \$15.13 in August, 1934.

WASHINGTON.—A heavy decrease in weekly wages which employers paid employees in the woolen and worsted goods industry during the year ending August, 1934, was shown in the third report by the Bureau of Labor Statistics on wages and hours in the textile industry.

Although there was some increase in weekly payrolls during the first few months following the adoption of the NRA code for the industry, the report showed that the average weekly earnings were decreased from \$17.50 during August and September, 1933, to \$15.13 in August, 1934. The report points out that this was about \$1 a week less than the average wages which the employers paid during the depression year of 1932 and \$4.75 less than in 1928.

Lowest Paid Suffer Most

President Roosevelt ordered the Bureau of Labor Statistics to make the reports when he approved the settlement of the general textile

strike last September. They are receiving the consideration of the National Recovery Administration and the Textile Labor Board.

The report emphasized the fact that employees who have the lowest wage rates imposed on them suffered most by the slash in weekly earnings during the period covered by the statistics.

Ten Dollars Per Week

Last August nearly 40 per cent of the women workers and 20 per cent of the men workers were paid less than \$10 a week.

In an interesting commentary the report pointed out that the woolen workers were paid the highest wages of any workers in the entire textile industry.

Women workers were especially hit by the wage slash imposed on them.

"The heavier loss by female workers," the report said, "was chiefly due to the fact that their hours of work were cut more severely than the hours for men."

The losses were "especially sharp" in Northern New England.

"In August, 1934," the report continued, "some groups of female workers, as for example yarn winders, twister tenders and burlers, were actually earning less per week in Northern New England than in the South."

Poverty Plea Made by Bosses Facing the Fire

(Continued from Page One)

discussion represent an increase over the NRA rates; but we know, and the opposition knows that the NRA provisions were paid in theory only. In practice, the NRA rates were being sweated down to little or nothing through deductions. It is the prohibition of these deductions provided for in this report which hurts these gentlemen more than the actual rates. Here is one trick which the board—to its everlasting credit be it said—has wiped out! This trick is familiar to me. It was practiced in other sweated industries before. It is a simple way by which to deprive the workers of their earnings and still remain—"honorable gentlemen!" The Hotel and Restaurant Employers are giving poverty as the reason for their opposition to this report. Too poor to pay these low rates, but not too poor to raise a fund to avoid payment of these rates!"

Elenore M. Herrick, Director, Regional Labor Board, read a letter from Mayor LaGuardia and a telegram from Frances Perkins, Secretary of Labor, both supporting the Minimum Wage Order.

Other speakers were Betty Wawley, Vice-President of the State Federation of Labor; Elenore Mishun, Organizer of the Women's Trade Union League; Paul Moss, Commissioner of License; Mary Tracy, a member of the Waitresses' Union; Paul Coulure of Local 16 of the Waiters' Union, and Morris L. Ernest, who made a splendid speech in behalf of the proposed Wage Order.

The hearing will be continued on Tuesday next at 10 A. M., and a lively time is expected by all.

Published every Saturday by The New Leader Publishing Association, 7 E. 15th St., New York City; Tel. ALexandria 4-4222. Entered as Second Class Matter, January 19, 1924, at the Post Office at New York, under the act of March 3, 1979.

SUBSCRIPTION RATES:
1 Year, New York City Edition.....\$2.00
1 Year, National Edition.....\$1.00
1 Year to Foreign Countries.....\$1.50
1 Year to Canada.....\$1.25

Timber Workers Win Pay Boost in 5 Oregon Mills

PORTLAND, Ore.—The Executive Board of the Timber Workers' Union here executed an agreement with the representatives of five large Portland sawmills by which 1,200 men who have been on strike for three months returned to work with higher wages, the 40-hour week and recognition of the principle of collective bargaining.

The agreement, which was ratified by members of the union, included the following mills: West Oregon, Clark, Wilson, Portland and the Jones Lumber Company.

In addition to the 1,200 men directly employed in the sawmills the settlement means the return to work of many men in logging camps and allied industries as soon as the mills get under way. The agreement is practically the same as the one which recently ended the strike in the Inman-Poulsen mill.

The Eastern and Western mill and the Southeast Portland mill, also hit by the strike, are still out of the union field. The former is closed, and the latter is operated by scabs.

The mill at Dee, Ore., and the Bridal Veil mill are also attempting to operate with non-union men. Union officials expressed the belief that within a short time these four mills will sign an agreement patterned after the one which settled the trouble in the five Portland mills.

N. E. LABOR COLLEGE AT ASHLAND, MASS.

BOSTON.—The New England Labor College announces that it will conduct a Week-end Institute August 22, 23 and 24 at the Workers' Circle Camp, Ashland, Mass.

The topics covered will be the problems confronted by Youth, unemployed and in industry, and their relations to the Trade Union movement.

The Institute will be attended by members of the Young People's Socialist League, the Young Circle League, students from various parts of Massachusetts, church groups and trade union groups.

Important speakers from the trade union movement, youth movement, and Socialist movement will attend.

The Way to Handle Communists

From the Federation News, Chicago Federation of Labor

Mr. Hearst is suffering from the delusions of senile decay, that is all the more reason why some of his good friends and high priced editorial writers should take the old boy in hand. They might show him the foolishness of his anti-red campaign. Because of the fact that an ultra-radical minority is seldom dangerous, and only becomes so when it is suppressed, Mr. Hearst seems to rant in sheer unreason.

If fellows like Hearst were actually sane, they would see that what few Communists we have are reactionary, rather than radical. Such radicalism as they have consists in throwing monkey-wrenches into the labor movement. Their crazy activities do more to hold progress back and to induce the plutocrats to resort to violent and fascist tactics than anything else.

It is foolishness to take Communists seriously and foolishness to pass laws for the suppression of the "red menace." To drive these human windbags underground gives them a better chance to make trouble and serve as a nest for spies.

Wise leaders of public welfare are interested in the promotion of social justice, not in promoting red scares in universities and elsewhere.

The best way to treat the Communists is the way we do the mudsits—let them alone.

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Women's Trade Union Week-End Conference—August 2-4

FRIDAY AFTERNOON: Esther Friedman lectures on "Our Change of Society"
FRIDAY NIGHT: Pine Grove Players under dir. of Michel Rechler "The Pot Boilers"
SATURDAY NIGHT: Gala Concert Festival:
Joshua Fishberg, violinist
Edwin Strawbridge and Leira Parnova, dancers
Eva Jessie, Negro choir
SUNDAY NIGHT: Drama Festival: Emperor Jones with Frank Wilson, star of the original production



BASEBALL

Championship Playoffs

for Amateur Baseball Championship of New York

Yankee Stadium

161st Street and River Ave., Bronx
Saturday, August 17, 1935
at 3:15 P. M.

I. L. G. W. U., Local 10

vs.
FRANKLIN SIMON
(Champs Dept. Store League)

PRELIMINARY GAME AT 1:30 P. M.

General Admission 35¢ — Reserved 75¢
Plus Tax

Get Tickets at Rand Book Shop, Locals of I.L.G.W.U. or 3 West 16th Street.

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Full of first rate propaganda.—Order your bundle.

In bundles over 100—1 cent a copy.

Social Power of Stage and Screen: New Leader Series

The Theatre Speaks

A Symposium of Experts on the Theatre (and the Motion Pictures) as a Social Force.

THE New Leader announces, beginning next week and running for a dozen issues, a series of articles on various aspects of the problem of the theatre and the motion picture today. Triviality of Broadway vs. the tremendous potentiality of stage and screen. The situation: the remedy: the hope. Joseph T. Shipley, dramatic editor of The New Leader, has endeavored to secure expression of every point of view and of every angle of the field.

Katharine Cornell will speak first, out of her recent experience on her successful tours, which have revitalized and re-established the road as welcoming good plays as well as spectacular movies. Arthur Hopkins will speak for the individual producers of Broadway, while the various groups—Theatre Guild, Theatre Union, The Group, and Theatre Alliance—will present their several aims and panaceas. Sam Joffe will talk of the point of view of the actor; James Cagney and Edward G. Robinson will represent the players of the screen, while Bertram Bloch (head of the Metro-Goldwyn-Mayer drama department) will voice another aspect of the problem. The contribution of stage design will be presented by Modeste Gorelik, and other aspects of the public arts—the dance, marionettes, etc.—will be represented by authorities. Oliver M. Saylor, Michael Strange, and others are expected to add their experienced word. In every case the ideas are those of a person who is not only a star but also a socially-minded human being, with high artistic standards and social ideals.

The New Leader is happy to announce this series on the theatre and the motion picture as a social force, and invites letters from its readers commenting (in support or disagreement) on any of the articles as they appear.

MUSICAL COMEDY REPUBLICANS

"THE GONDOLIERI." By W. S. Gilbert and Arthur Sullivan. At the Adelphi.

The good old kingdom of Barataria comes into its own again, as the veterans of the Civic Light Opera Company, with expert aim, laugh through the Sullivan music as they turn the Gilbert guns on the pretensions of aristocrats and the extensiveness of "democratic snobbery." The Duke of Plaza-Toro, who rents himself for parties and recommendations, is on a par with our "society" folk who tell us how mild some cigarette is on their nerves, or how to avoid the odors of perspiration. Screen stars and athletes join in, for we haven't yet reached the point "when every one is somebody, then no one's anybody!" But the songs, from "When a Merry Maiden Marries" to the closing gavotte, are among the most charming this pair have produced; another perennial delight to those that know them well, as to those that have the new pleasure of their discovery.

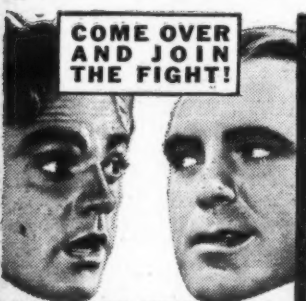


Helen Gahagan Makes Screen Debut

"She" at Albee Is Lavish Spectacle

"She," the picturization of H. Rider Haggard's imaginative novel, is at the RKO Albee Theatre with Helen Gahagan in the title role. Randolph Scott who distinguished himself in "Roberts" has the male lead opposite the noted star or stage and opera who, incidentally is making her screen debut in this picture.

"She" has sent many audiences into a high fever of intense excitement. There are thrills aplenty. There is electrifying adventure, brightly charged mystery, fierce conflict and exciting escapes. The story is about the fascinating woman of fiction, a pagan queen who has discovered a flaming life-giving fountain of youth.



AIR-COOLED STRAND • 25c

Broadway & 47th St.—Midnight Show—to 1 p.m.

Fabian's

3rd SMASH WEEK!!

GRACE MOORE

in the film triumph of 1935

"LOVE ME FOREVER"

PLUS USUAL BIG STAGE SHOW!

25c

105th & 4th Aves.

Dolores Del Rio



Starring in "In Caliente," at the majority of the Manhattan, Bronx and Westchester RKO theatres, four days, beginning Saturday, August 3rd.

Stadium Concert Programs

Philharmonic-Symphony Orchestra

Monday evening, August 12, at 8:30

Tuesday evening, August 13, at 8:30

THE AMERICAN BALLET

George Balanchine, Maître de Ballet

Edward M. M. Warburg, Director

Sandor Harmati, Musical Director

Overture to "Die Fledermaus"

Johann Strauss

(Orchestra)

"SERENADE"

Music by Tchaikovsky; Choreography by

Jean Lucet; Settings by Gaston

Longchamp.

Sonatina—Waltz—Elegy.

Little Caprice—Sandor Harmati

(Orchestra)

"ALMA MATER"

Music by Kay Swift; Choreography by

George Balanchine; Settings by Eugene

Dunkel; Arranged by Morton Gould;

Costumes by John Haring, Jr.; Book by

Edward M. M. Warburg.

Introduction: The Heroine, Giselle; the

Villain, William Dollar.

Entrance of the Hero-Snake Dance; The

Hero, Charles Lasky; The Photographer,

Waltz: Giselle, Charles Lasky and

William Dollar.

The Knock-Out Dream Wedding and

Nightmare: The Bride, Hedy Vossler;

The Groom, Charles Lasky.

Morning: Papeete, and the Duel: The

Janitor, William Dollar.

The entire cast.

Salvation Rhumba: Nell, Kathryn

Muldowney.

Finale: The entire cast.

Marche Joyeuse—Chabrier

"REMINISCENCE"

Classical ballet in one act by George

Balanchine. Costumes and designs by

Sergel Soukheine. Music by Benjamin

Godard. Arranged by Henry Brant.

Brigella, Eugene Loring; Valse Chrono-

logique, Leyda Anichutina; Barcarole,

Elena de Rivas; Canzonetta, Giselle;

Fragrant Poem, Anabelle Lyon;

Tarantella, Ruthanna Boris; Joseph

Levinoff; Pas de Trois, Holly Howard;

Reitman, William Dollar.

Finale—Entire company.

Wednesday evening, Aug. 14, at 8:30

Willerby, Honorary Conductor

Symphony in C major—Schubert

Overture to "A Midsummer Night's

Dream"—Händel

Chorale Prelude—"Herrlich tut mich

verlangen"—Bach-Gaillard

Dream Fantasia from "Hänsel und

Gretel"—Humperdinck

Tone Poem, "Finlandia"—Sibelius

Thursday evening, August 15, at 8:00

Friday evening, August 16, at 8:00

"CARMEN"

Opera in four acts by Bizet

Alexander Sallinen, Conductor

Don Jose—Armand Tokatyan

Escamillo—Joseph Royer

Zuniga—Louis D'Angelo

Morales—Ralph Magliessen

Garmen—Bruna Gastagna

Micaela—Alice Mock

Symphony No. 4 in F minor—A. S.

Frassulla—Thema Volkova

Mercedes—Philina Falco

El Remedio—Albert Mahler

Saturday evening, August 17, at 8:30

Willen Van Hoogstraten, Conductor

Conference for Youth Committee

The National Executive Committee has

granted the request of the National

Youth Committee to institute a separate

City Conference of the Workers' Circle

branches in New York City to elect

the ten adult members to the City Youth

Committee. The National Youth Com-

mittee expects that a separate confer-

ence will be very beneficial to the Work-

men's Circle. In the past the many im-

portant problems which were discussed

at the City Conference of necessity lim-

ited discussion of the Y.C.L. and its

problems to a bare minimum. By the

new device, there will be a full discus-

sion of the Y.C.L. and its problems by

representatives of Y.C.L. branches.

Calendar for August 11-17

Sunday, Aug. 11—Truck picnic to Camp

Elisnor (the Socialist Sport Camp in

Berkeley Heights, New Jersey). Buses

leave the Young Circle League Center

at 10 a.m. A full day of swimming,

games, and nature trail hikes. Round

trip, \$1.25.

Monday, Aug. 12—Meeting of the

Brooklyn Organizing Council.

Tuesday, Aug. 13—8:30 p.m., Organiza-

tion meeting of the Y.C.L.A. Orchestra

at the meeting of the Y.C.L.A. Center.

Thursday, Aug. 15—8:30 p.m., Evening

dancing at the Y.C.L.A. Center.

Friday, Aug. 16—8:30 p.m., Lecture on

"The National Youth Administration" at

the meeting of the Y.C.L.A. Center.

Saturday, Aug. 17—1 p.m., Boat Ride

of the League in conjunction with the

meeting of the Y.C.L.A. Center and the

Central School Committee. Outing to Bear

Mountain. Tickets sold at the League

Center and office.

German Boycott

The National Youth Committee has

issued a call for more strenuous efforts

on the part of the Y.C.L. to make the

German boycott more effective. Part of

the resolution follows:

"We urge our clubs and branches to

raise at once the question of extending

the movement where it has been started,

and help in initiating it where it hasn't.

"On to the task, members of the

Y.C.L.A.!"

"Stop the hand of the Brown pesti-

lence!"

"BOYCOTT NAZI GERMANY!"

"N.A.T. YOUTH COMM. W.C."

Various camp activities of the Y.C.L.

are increasing. Not only is this activity

reflected in the many camp outings but

also in the establishment of all-suburban

camp in New York City, Philadelphia

and Boston.

The first two weeks in August,

the Southeastern District has established

an excellent camp at Cleveland and

Chicago sections of the Y.C.L. will be

able to spend vacations with full facili-

ties at the rate of \$7.50 per week.

Chicago section of the Y.C.L. has ar-

ranged an encampment for members of

the Midwest for the weekend of Aug. 17,

and the Eastern District has arranged

for a camp at Cleveland, Ohio, besides

members from Chicago.

Philadelphia will have its Youth Day

at the Y.C.L. Colony established at the

Workers' Circle Camp in Pipersville,

Penn. Although a large percentage of the

Philadelphia membership goes each

weekend to the colony, a rich and varied

program has been planned to entertain

the many young guests who are ex-

pected.

New York City and Boston each con-

tinues their respective camp activities to

the satisfaction of both their member-

ship and the general public. The mem-

bers' children. Over 300 applications for

membership have been received as a re-

sult of the work in the New York Camp

alone.

Party Notes

United Socialist Drive

Maryland, Massachusetts and Ohio re-

port substantial progress during the

last half of July on their quotas in the

1935 United Socialist Drive. Maryland

has increased the percentage of its quota

raised from 25% to 44%; Massachusetts

from 25% to 44%; Ohio from 54.3%

to 63.4%.

Reflecting a general attitude of many

Socialists since the settlement of Party

disputes at the last meeting of the N.E.C.,

Alfred Baker, secretary of the N.E.C.,

Massachusetts, writes: "I am enclosing

a check to apply on the Massachusetts

quota in the United Socialist Drive. I am

glad that things within our organization

have been settled. Party affairs are

harmonious here, and we will be able

to raise our share in the Drive now

without being handicapped by the in-

terrupting struggle.

Besides the ten that have already

raised more than their quotas in the

Drive, the high-ranking states are

Tennessee, Vermont, Iowa, Texas, Wis-

consin, District of Columbia, Kansas

and California.

Arizona

O. B. McClaren, Winslow, has been

made organizer for Northern Arizona.

Special attention will be given to Hol-

brook, Flagstaff and Williams. Local

Allegan has just purchased a newly re-

modeled meeting hall.

Iowa

The Socialist state convention will be

held in Des Moines on August 24-25.

George W. Vandenkerk, former Sheriff

leader, will be the main speaker at a

mass meeting on Sunday.

New State Secretaries

Nebraska—J. Schwier, 2030 North 32nd

St. Lincoln.

North Carolina—Otis T. Slate, Box

1543, High Point.

Rhode Island—Dr. Eric Stone, 199

Thayer St., Providence.

Pennsylvania

Philadelphia—The Women's Commit-

tee of Local Philadelphia, in conjunction

with the West Philadelphia Jewish

Branch, will hold a picnic in Fairmont

Park Sunday, Aug. 11, near Sweetbriar

Mansion, 39th and Girard Aves. Refresh-

Taxation in Russia

Through Sales and Income Taxes and Inflation Soviet Power Accumulates Capital From the Exploited Workers and Peasants

By Mark Khinoy

EVERY time a worker of Ekaterinoslav, or Dnepro-Petrovsk, buys a quart of kerosene he pays 5 kopeks for the kerosene and 65 more as sales tax. Yes, sales tax! The Soviet Union has not only caught up with, but even surpassed, the United States in this field. For no American state has yet enacted a sales tax that would reach 1,300%—65 cents on an article which without it would retail for a nickel. Never before had I heard anything about this sales tax. I had not even suspected that the Union of Socialist Soviet Republics condescended to the fiscal pet of capitalistic and "reactionary" governments. My ignorance probably arose from the fact that this tax was well hidden and very few, even in the Soviet Union, knew of it until Commissar Grinku's address of last February.

Mark Khinoy

I first encountered the sales tax on necessities of life in Ekaterinoslav where I was thrown into the company of two leading members of the state organization which controls the distribution of oil and oil products in this part of the Ukraine, the oil trust. During our conversation they told me that the kerosene they sell in the "closed" stores at 70 kopeks a litre costs the trust, delivered in Ekaterinoslav, 2 kopeks a litre. This price embraces the cost of production and the transportation of the kerosene from the oil wells to Ekaterinoslav. Thus it would follow that if the local stores of the oil trust were to sell for 5 kopeks a litre, they would make a handsome profit of 150%—surely enough to cover all expenses of marketing and leave an ample net profit. However, the kerosene is sold, not at 5 kopeks a litre, but at 70!

The cause of this, I was told by the members of the oil trust, lies in the fact that the law obliges them to pay to the tax department of the Financial Commissariat 65 kopeks on every litre they sell. No worker can live without kerosene in the Soviet Union; everyone must have it and everyone consumes large quantities of it. Most of the wage-earners live in houses unprovided with gas or electricity; a kerosene lamp is their only illuminant. A kerosene burner is also the only stove in use in most city kitchens and it is almost impossible to find a house which uses coal or wood for cooking purposes. Workers buy kerosene by the litre. They buy it in two kinds of state-owned stores—in the so-called "closed" factory and office stores and in the ordinary, "open," trade stores (which are distinguished from the "closed" shops by the designation "commercial" stores). The price in the "closed" stores, where kerosene is sold on ration cards, is as mentioned, 70 kopeks a litre. In the "commercial" stores and the municipal markets the same kerosene costs not 70 kopeks but 2 roubles a litre. Most of the kerosene the Soviet Oil Trust sells in Ekaterinoslav is distributed through the "open" channels, and this means that the sales tax paid by the population for this indispensable commodity is in reality much more than the 65 kopeks mentioned above, in fact sometimes three times as much—65 kopeks in the form of a hidden federal tax paid by the establishment and 130 kopeks in the form of artificially increased profits which should go to the Oil Trust but in reality go to the federal government, which is the only owner of all industrial and commercial enterprises.

Since the central government is, in the final analysis, the only proprietor of all important establishments, it has complete power to determine both the price its agents pay to the workers, peasants and small artisans for their products and the prices it charges to customers of its stores for these same commodities. Because of this singular arrangement it is quite easy to hide the high imposts the Soviet Finance Commissariat levies on articles of mass consumption. The high price decreed by the Moscow centers hides all sales taxes and all imposts which the Soviet citizen pays. I said "all sales taxes" for kerosene is not the only article on which the Soviet masses pay open or hidden taxes of this variety.

When the purchasing agents of the state stores in Kharkov pay the peasant 2 roubles for a pound (16 kilograms) of potatoes and sell them the very same day to the workers of Kharkov at the price of 2 roubles for one kilogram, you have to look for the key to this strange enigma in the policies of the Soviet Finance Commissariat and, above all, in the hidden sales tax. When the same purchasing agents of the government stores pay the peasant 65 kopeks for each ten kilograms of rye flour and resell it for 5 roubles 25 kopeks in the "closed"

stores and for 35 roubles in the "commercial" stores, the sales tax again supplies the explanation.

Where a pound of salt costs 1 rouble 20 kopeks in the Don district and a few hundred miles away, in Rjov, for instance, 10 roubles, again the clue to this phenomenal increase in price is found in the fiscal policies of the Soviet Government—in the sales tax. This fiscal policy of the Finance Department is likewise responsible for the sky-high prices of a number of other necessities of life. Soviet economists assured me that according to the prices the peasant gets for his beets and the worker for his labor, the state stores could easily retail sugar at 5, 6, or at most 10 kopeks a pound. In reality it was being sold last February for 1 rouble 40 kopeks a pound in the "closed" stores and for 2 roubles 40 kopeks in the "commercial" stores.

No wonder Soviet sugar is so cheap—a few kopeks a pound—when exported to Persia, and so expensive—a few roubles a pound—in the center of the sugar industry in Kiev. Socialists all over the world are conducting a desperate fight against taxation, direct and indirect, on the necessities of life; against sales and excise taxes of every kind; while the Communist Government of Russia has not only revived this sort of taxation, but has pushed it to such an extreme that many loyal Communists in the Soviet Union have begun to doubt whether the Soviet State is still a workers' government.

The federal budget of the Soviet Union is at present the largest in the world and is based on an expected income for the current year of 67,700,000,000 roubles. Of this

mammoth figure it is estimated that 81.8% will be covered by sales taxes. Imagine an American budget, either city, state or federal, wherein more than 81 cents of every dollar would be derived from a sales tax. However, the word "sales tax" does not appear either in the Soviet budget or in the report of the People's Commissar of Finance, Grinko. There the reprehensible term blossoms forth as the "turnover excise," *nalog soborota*. But whatever the concealment, the thing is there in all its undemocratic charm.

With the Five Year Plan the sales tax appeared and its place in the budget has grown and grown with each succeeding year. The current year of 1935 sees a new sales tax—on bread. It came into effect with the abolition of bread cards last January and is expected to fetch the Federal Treasury the tidy sum of twenty-four billion roubles annually. (See official Report on the Soviet budget by Finance Commissar Grinko in the Moscow *Izvestia* of Feb. 9, 1935.) A like tax on alcoholic beverages is expected to bring in six billion roubles, and this despite the unceasing war the Soviet Government has ostensibly been waging on the consumption of alcohol. But apparently economic determinism has triumphed again and the Treasury Department has conquered the Propaganda Department to the greater glory of Russian finances.

Against this enormous revenue from sales taxation there stand the monies raised through direct levies, including the universal income tax, all of which will provide the Soviet strong-box with a paltry 2,200,000,000 of roubles out of a 67 billion budget.

What is the explanation of this evident contradiction between Communist theory and practice in the Soviet Union? Many a time did I ask this question of Soviet economists, and always with the same reply: "We need money; we

need billions for our construction program, and we are forced to get them wherever we can—even through excessive taxation, open or hidden, on the staple articles of our workers and peasants."

Behind this short explanation is

gold and foreign monies are now somewhat smaller—747 million roubles last May—the difference does not exceed one hundred million roubles. From its gold mines it received during these seven years a comparatively small sum—less

printing press, favorite of all hard-pressed governments, was the other one. The press was employed in the issue of millions and billions of new paper money. This money was used to pay workers for their labor, peasants for their produce and artisans for their wares. How many billions of these money-tokens were placed in circulation, it is impossible to determine. According to the Five Year Plan the Government was supposed to increase the amount of its paper money in circulation by not more than two hundred and fifty millions annually, but this injunction was promptly forgotten and the first twelve months of the Five Year Plan witnessed an increase of 670,000,000 roubles in paper circulation. The second year saw even deeper amnesia and some 1,621,000,000 paper roubles rolled off the press instead of the allotted 250,000,000. In the third year the forgetfulness embraced also the reports which the Government had hitherto issued on this subject thru the State Bank. Consequently the amount of paper placed in circulation since is still a mystery. It is over five years since the State Bank suddenly ceased issuing regular statements concerning the amount of money in circulation. However, even if we don't know with certainty how efficiently the printing press has worked during these last five years, its influence is felt at every step. Every new million of money-tokens the government has issued in order to pay wages to the ever-growing army of workers, has brought a decrease in the amount of goods any one of those roubles will buy.

Seven years ago the Soviet chervonetz (a ten-rouble bill) could be exchanged for more than five American dollars; no Soviet citizen of those days would ever offer you more than two roubles for a dollar. Today, October, 1934, on the other hand, this same citizen will offer for your dollar not two roubles, but forty-five or even fifty. He will offer you this high exchange although he knows that the gold base of the American dollar has meanwhile been cut by 41%. In other words, even your reduced, fifty-nine cent dollar commands today in Moscow a purchasing power—in comparison with the Soviet wage-rouble—that is many times higher than seven years ago. This is, of course, because the rouble has lost so much of its purchasing power since the commencement of the first Five Year Plan. In 1927 a Soviet rouble would buy at least forty times more goods than it will today. Hence it was easy for me to exchange in October, 1934, a Soviet gold rouble for forty or even forty-five ordinary wage roubles. The gold roubles, it is true, are not real roubles; they are only stamps or coupons with which one buys products in Torgsin stores where the prices still follow the 1926-1927 pattern.

One small piece of candy bought in an ordinary "commercial" store with wage roubles costs 25 kopeks; this is the price I paid on the evening of my arrival in Leningrad. The same evening, in another government store—but this time a Torgsin shop, where prices are still based on the 1927 rouble—I bought a whole pound of the same candy, forty-eight pieces in all, for 22 kopeks! In one store 22 kopeks for 48 pieces; in another store 25 kopeks for one piece! This is only one of the many manifestations of the enormous inflation in which the Soviet Union was indulging in order to build giant machine factories, electric power stations, tractors and other symbols of American industrialization. During these seven years the wages of the worker were increased about 100%; prices of the necessities of life, however, grew, as a result of this inflation, not by 100% but by many thousand per cent and hence arises the "ascetic" hunger diet.

Since the new factories produced an ever-greater number of machines and tractors but very little clothing, shoes and food, a time came when even with cheap and plentiful money it was hard to buy anything. There was a constant shortage of the most elementary and indispensable articles. The Government faced the danger that the population would have too many money-tokens. The peasants get new paper-money for their bread and the workers for their labor, but there are not enough products with the help of which the Government can get back the money it has issued. That is where the sales tax and the turn over levy prove Gods end, also the all-inclusive income tax on wages. However little one's wages may be, he must pay his income tax; there are no exceptions whatever. The poorest paid worker with an income which does not surpass 2 roubles per day pays this income assessment—in his case 7 roubles a month, 84 roubles per year. But even this is not always sufficient. The Government has invented a number of other methods whereby to entice back the billions it needs for its plans of rapid industrialization and militarization. Of these we shall speak on another occasion.

Vast Sums
are Spent
on Soviet
Arms and
Women are
Recruited
for Military
Service



RUSSIAN BOLSHEVIKS ELECTIONEERING



Communists Holding a Political Meeting in the Turkoman Republic

hidden the tragedy of the present generation in the Soviet Union, for this explanation epitomizes the gigantic attempt to transform overnight the backward, agricultural Russia into a great modern industrial state with modern factories, modern machinery and a modern, technically trained working class. This attempt, in its present form, was started seven years ago when the first Five Year Plan was announced. During these seven years the Soviet Government has invested in new machines and tractor factories, new coal and iron mines, new or technically modernized industrial establishments, about forty billion roubles; and not the almost worthless wage roubles of 1934, but the gold roubles of 1926 with 30 to 40 times more buying power. The whole of this enormous capital of forty billion gold roubles was squeezed by the Soviet Government from its already impoverished toilers. Not a single large foreign loan was able to float and the few small credits it obtained were for short terms only and have mostly been repaid already. Prior to the beginning of this intensive industrialization the Soviet Government possessed only a very moderate gold reserve and if its reserves in

than five hundred million roubles. If, then, there were no foreign loans, no new gold production of consequence and no important gold reserves in stock prior to the beginning of the first Five Year Plan on which to draw, where did the Soviet Government get the resources of thirty-nine to forty billions in gold which it invested in new factories and industrial districts which it built during those years? The answer has already been given—the money comes from the stomachs of the toiling millions exclusively. For more than seven years the Russian masses have been kept on a hunger diet. This term "hunger diet" is a forbidden one in Soviet literature. The Soviet economists and writers prefer a more euphemistic expression; they call it "ascetic diet." This "ascetic" diet has obtained not only as regards food but also in relation to shelter, clothing and other necessities of life. Thanks to it the Soviet Government succeeded in amassing the above-mentioned forty billions for its spree of rapid industrialization and still more rapid collectivization.

How was this accomplished? By different devices. One of them, the sales tax, we already spoke. The

PROPERTY

Further Consideration of Arguments Against Public Ownership—Anarchy in Production Inevitable So Long as Capitalism Survives

By Kirby Page

A Charge Refuted

ONE of the charges most frequently brought against government operation is that the railroads were returned to their owners in a broken down condition because the Railway Administration had failed to provide adequately for maintenance and repairs. After discussing the evidence in detail, Mr. Hines writes: "In conclusion it may be said that the Railroad Administration on the average maintained the railroad properties during Federal Control up to a point which, despite shortage of essential materials, came very close to the maintenance required by the contracts with the railroad companies... the average annual maintenance physically applied during Federal Control exceeded the maintenance in 1917 under private control and approximately close to the contract obligations without interfering with requirements for safety. The notion of a 'broken-down' condition of the railroad properties at the end of Federal Control never had any foundation and has been clearly disproved by subsequent events and analyses... the actual capital expenditures for the entire period of Federal Control were \$1,200,000,000 or at the rate of \$550,000,000 per year. In the six years preceding Federal Control capital expenditures for the railroad companies averaged about \$460,000,000 per year, and in the six years 1921 to 1926, both inclusive, capital expenditures averaged \$590,000,000 per year."

Objections Answered

The argument against public ownership that is usually regarded as conclusive is the charge that a net deficit of more than a billion dollars was incurred during the period of government control. After pointing out that the net cost of Federal Control was \$1,123,500,000, Mr. Hines points out that there

was surprisingly little criticism until after the Armistice. "But then there sprang up at once throughout the country the most pronounced reaction against government interference in business... Federal Control became the most obvious symbol of government participation in non-governmental affairs... It was also natural that the executives of the railroad corporations should feel a pronounced dislike for the conception of Federal Control... In these circumstances the Railroad Administration was subject to the working of the principle that the exception is more potent than the rule; that extreme cases make more publicity and sentiment than the general average condition... Things seemed to get to the point where no charge was too extreme to be believed... "As that period has receded and as a better perspective is obtained, it has become apparent that the general average performance of Federal Control, despite numerous extreme individual instances, was remarkably close to the general average performance prior to Federal Control and that subsequent highly creditable performance of the railroads, showing marked improvement over Federal Control and also over pre-war private control, has not been peculiar to the railroad situation but has found its counterpart in industry generally."

Thus the evidence is conclusive, as presented by the most authoritative individual available and one who does not believe in government ownership and operation, that wartime control of the railways by the Government was by no means a failure, as propagandists for vested interests have falsely maintained. That graft and corruption are found in governmental enterprises is a fact, but that they are more

prevalent there than in business cannot be demonstrated. On the other hand a competent investigator has amassed a huge volume of evidence showing that more graft may be found in business than in public enterprises. The postal service, for example, is extraordinarily free from graft and corruption. Where bribery is practiced in governmental circles, there is usually a briber from the ranks of private business seeking special privileges. Moreover, it is impossible effectively to curb graft so long as the assumption prevails that a man is entitled to all the money he can get, irrespective of the service rendered to the community, and so long as "honesty" is defined in a highly flexible manner in business and finance. Socialization does not offer a panacea for them under which graft can be greatly reduced through a series of social pressures.

Thus it is apparent that a strong case for socialization may be made on the ground that the abandonment of the anarchy of production through the competitive struggle will result in an enormous increase in efficiency in the utilization of the national equipment through national planning and by more dynamic motivations.

Increased Harmony in Industrial Relations

Socialization of the basic industries offers an effective escape from the strife of competition and from the exploitation of monopoly. A social order in which the maximum legal income is not more than tenfold the minimum—say \$20,000 and \$2,000, and in which competition for private profit has been eliminated, and in which social motivations are more dominant, is certain to be a more harmonious community than can ever be created by economic individualism. Cooperation and mutuality produce goodwill and harmony,

whereas competition for special privilege divides men into warring camps. The wastage from economic conflict is so titanic under individualism that even if gross productivity should be reduced somewhat under socialization of the basic industries, the mass of people would nevertheless be infinitely better off because of the diminished conflict and resultant devastation.

While one is not warranted in assuming that the emergence of socialized governments in the various countries would automatically end war, there is abundant reason to believe that the probability of war would thereby be greatly diminished. Imperialist war arises not merely because of bitter economic competition among industrialists and financiers of various nations, but because of the dominance of government by powerful vested interests who use the armed forces of the nation to increase their private gains in other lands. To the degree that the power of these groups is broken by socialism and equalization of economic privilege, the likelihood of war is thereby reduced.

Higher Expression of Individuality

Individualism has turned out to be a deadly foe of individuality. In a complex, urbanized, industrialized society, collectivism is the pathway to fullest self-expression for most individuals. Individualism offers individuality to a favored section of the population, but denies adequate self-realization to a vast proportion of the people. The paradox that freedom can be maintained only by throwing freedom away deserves further examination. Consider traffic on a congested highway. If every individual retains liberty to drive as he pleases, freedom for all travelers is thereby destroyed. (Continued next week)

The Workers Abroad

An International Review of the Socialist and Labor Movement of the World

By JOHN POWERS

Austrian Social Democracy Lives

IN Germany the Social Democracy has restored its network of local organizations and awaits the moment when it will take the field in the inevitable battle for the restoration of liberty, culture and civilization. Deeply rooted in the minds and souls of the working class, the German Social Democracy will assert itself with telling force as soon as circumstances change and make possible the return of the proletariat to the centre of the political arena.

All indications are that the moment may not be very far removed. Struggling in the grip of a severe economic and financial crisis, at war with all important political and religious elements in Germany, the Hitler regime, as cables and private advices from Germany reveal, is rapidly approaching a situation which may well prove fatal to its existence. Sooner or later the German workers will be called upon to throw themselves into the struggle and speak the final word that will spell the doom of the fascist order. Like the Austrian Social Democracy, the Social Democracy of Germany lives. Today it is still compelled to remain underground, but tomorrow it will emerge to take its rightful place in German political and social life in the great work of democratic reconstruction.

What is true of Germany is equally true of Austria. Added evidence of the stubborn loyalty of the Austrian working class to the ideals of Socialism and the party which fought so gallantly against the fascist oppressors is given in a cable by the Vienna correspondent of the New York Times, dated August 3.

Contrasting the official mourning on the day of the anniversary of the assassination of Chancellor Dollfuss, July 25, with the funeral of Gloeckel, Socialist city councillor, the correspondent wrote:

"The display of memorial candles and black flags in Vienna homes (for Dollfuss) cannot claim spontaneity, as members of the Fatherland Front went from door to door demanding that tributes be paid.

"In strong contrast with Nazi terrorist quiescence, which suggests that when their foreign source of strength (Hitler) feels it inadvisable to lend its support they are practically powerless, were the scenes that marked the cremation and burial of the ashes of Socialist City Councillor Gloeckel.

"Despite every obstacle placed in the way by the authorities, including the deliberate publication of the wrong hour for the ceremonies, and despite knowledge that strong police forces would be present and seeking opportunity to make arrests, many thousands of Socialists flocked out on both occasions, facing baton charges and mass arrests rather than miss one limited opportunity of showing their loyalty to their cause.

"Here, it was clear, was no new fangled political creed arousing temporary fanatic enthusiasm by foreign support, but a great and indelible movement, rooted in the soil, its roots firm as ever and ever ready to push up new shoots vigorously."

Despite continued arrests and the vigilance of the police, the Socialists are extending their propaganda activities in Vienna and throughout Austria. The Austrian workers have recovered from the bewilderment of the first six months after their defeat and are preparing systematically for the day when they will strike a death blow at the clerical-fascist government now in power.

While in the first few months after the triumph of Austrian fascism, the Communists fished with some success in the muddy waters of the situation, hoping to turn the workers against the Social Democracy, their efforts have failed miserably, so that today there is once more a united Social Democracy in Austria, with the Schutzbund incorporated in the New Revolutionary Socialist Party. While the Communists are active in a few industrial centres—they never played much of a role in Austria—they have no organizations worth speaking of in the country as a whole, while the Social Democracy maintains its local and provincial organizations throughout the country. The Socialist movement is being consolidated, while the few workers who after the defeat of the Social Democracy were inclined to listen to the slanders and misrepresentations of the Communists are turning their backs upon them and joining the Socialist Party.

Battle Continues in Germany

IN Germany, the Socialists are continuing their battle against the Hitler regime despite the increasing terror. Hardly a week passes without a new trial of Social Democrats accused of "high treason." Among the latest of these trials is the one recently concluded in Hamburg. The defendants numbered 150. First to be tried were a group of seven. They were accused of high treason because they engaged in party activity and in mobilizing financial assistance for inmates of concentration camps. The accused admitted the charges, saying that in collecting funds for concentration camp victims they did not discriminate as to the party affiliation of the prisoners.

Five of the accused—V. Schmiedeman, V. Ropert, H. Weidt, and A. Schumann—were sentenced to terms of hard labor, some as high as two and a half years. Shorter terms were imposed upon Dr. Dietrich Clara Hippe and Inga Dingler.

Of the second group placed on trial five were sentenced to two and a half years at hard labor. They were Emil Welke, Berthold Wilhe, D. Grill, and A. Schwartz.

Others were sentenced to various terms. Two of the accused were acquitted. They were immediately seized, however, and sent to concentration camps.

Speaking of the internal situation in Germany, the Neuer Vorwärts, organ of the German Social Democracy abroad, registers with justifiable hope and pride the progress being made by the Socialists in Germany in the extremely difficult work preparatory to the resumption of active struggle against the reaction.

"The forces of the German working class are slowly but surely being brought into action. The sentiment in plants and factories is changing. The influence of the Nazi party is disappearing and that of the opposition is growing. The opposition is animated, first and foremost, by the ideals of the Social Democracy. We regard development in Germany with sober realism. Our live contacts with the illegal movement throughout Germany guard us against building dogmatic castles and illusions. But precisely because of this, we may now say with increased justification: the German working class lives and moves. It is the hope of the German people's future and will never let up in its struggle against the Hitler regime.

Panic in the Stalin Camp

WE quote the following from a letter from Moscow appearing in the July 10th issue of The Socialist Messenger, official organ of the Russian Social Democratic delegation abroad, edited by Raphael Abramowitch, member of the executive of the Labor and Socialist International, and Theodore Dan, leader of the left wing of the Russian Social Democracy:

"Perhaps the most interesting phenomenon in our Soviet life is now the evolution of sentiments in party circles and among non-partisan specialists. Among Communists, particularly Communist veterans, there is confusion, bordering in some upon bitterness and in others upon panic. The Russian Communist Party has degenerated completely into a secret police organization. Everything that was supposed to recall the party's past, its heroic period, is now being liquidated as unnecessary. 'The Bolsheviks are now behind the bars,' said one old Bolshevik to me with sorrow when we discussed Stalin's campaign against the Bolshevik Old Guard. 'The Russian Communist Party must be rid of Bolsheviks—such is the meaning of Stalin's new policy.'

"Stalin's action against Erukidze reminded many of Hitler's treatment of Boehm. Whether the official accusations concerning Erukidze's moral degeneration and his misappropriation of government funds are true or not is not the question. Let us admit, as an old Communist said to me, that all this is true and that Erukidze was made to suffer not only for the leniency and protection he extended to Mensheviks and other oppositionists, but also for various vices. But did not Stalin know this all along? Of course, he knew, but closed his eyes to it and covered it up, until he finally decided to liquidate his old friend and comrade, just like Hitler did with Roehm under a mask of righteous indignation.

"Such utterances are now being heard not infrequently, as are expressions that 'Stalin has become another Paul I.' Since the assassination of Kiroff he does not trust anybody, not even those closest to him. In each case one of those around him he is ready to see a 'Count

By Elmer A. Beck

THE seventh day of this month marks the sixth anniversary of the death of Victor L. Berger.

In Milwaukee, where the shock was most intense, Berger's name was in the headlines for days; and for a week the local press was crowded with biographies, famous "Bergerisms" from his writings and sayings, and tributes from leading men and women of the city, state, and nation.

Victor Berger was born February 28, 1860, in Nieder-Rehbach, Austria. Sent to the Universities of Vienna and Budapest, he was graduated at an age when most boys are finishing high school today.

Early Days in America

Upon the completion of Victor's schooling, the Berger family decided to seek greener pastures in America. In New York their funds ran low while they were trying to learn the ways of the new country.

In his efforts to help, Victor tried one job after another. Unskilled greenhorn that he was, he took whatever work came to hand: He mended wash boilers, he became a metal polisher, he went on the road selling leather pocket-books . . . until one day he read an advertisement for a German teacher in Milwaukee, to which he responded. This was in 1880.

He was still struggling with the English language, but his strong, rolling, Teutonic accent was no handicap in Milwaukee, which was famed as the "Munich of America."

His accent he never really lost, naturally enough. In his first speech in the House of Representatives in 1911, Berger said: "Now, gentlemen, I just ask you kindly to overlook my Milwaukee accent, but to overlook nothing else."

A large number of the German immigrants who had settled in Milwaukee were schooled in the doctrines of Karl Marx and Ferdinand Lassalle. Their agitations were carried on in German, and their influence among the native Americans was nil. At heart, these Socialists were more concerned with the revolutionary movement in Germany, and less concerned with building up a Socialist movement in this country.

German Socialism

They were not concerned with immediate demands. The winning of immediate demands only tended to postpone the establishment of the Socialist state, they thought.

Novices in the American labor movement, they had small faith in the trade unions. They looked to the German Socialists in the fatherland, and like them expected to plunge into the political arena, to acquire influence, and by the state alone to set up the co-operative commonwealth.

Palen (leader of the conspiracy which led to the death of Emperor Paul I). Thus the Kremlin has become another Engineers' Castle (residence of Paul I). Stalin has ruled by means of fear and terror, and fear and terror are now beginning to rule Stalin.

And this, we may say, is the inevitable fate of all dictators and despots.

New Line of the Comintern

THE confusion and decay at work within the Russian Communist Party, emphasizing the process of degeneration eating at the very vitals of the party, finds its counterpart in what is happening to the Communist International, the tool and creature of the Communist dictatorship. This came sharply into relief in the resolutions and decisions of the seventh congress of the Comintern.

The problems confronting Stalin, as far as the Communist International is concerned differ in certain respects from those involved in the relation of the dictatorship to the Russian Communist Party. In Russia, Stalin has eliminated from power, in one way or another, the entire Bolshevik Old Guard. Every pretense of "democracy" embodied in the Soviet system and the Soviet constitution has disappeared. In their stead we have the unbridled absolutism of Stalin.

With the aid of draconic suppression and terrorism and the pressure of economic power concentrated in the hands of the dictator, it has been possible for Stalin to reduce the Communist Party to a mere shadow of what it was under Lenin. The Communist Party as such is no longer necessary to Stalin. It is rapidly going the way of all other political parties in Russia. In its place there is now the police and military apparatus completely under Stalin's control. That is what rules Russia today.

With respect to the Communist International the problems confronting the dictator are more subtle and difficult. Stalin still needs the Communist International for purposes of Russian national policy. Yet, Russian national policy and the interests of the Stalin dictatorship require certain modification in the conduct of the Comintern. Old Bolsheviks in Russia can be easily dealt with.

Expulsion from the party, jail, exile, slander and character assassination can be applied against them with the same ease with which they have been used against Socialists, liberals and all political opponents. In Russia all those who venture to question Stalin's wisdom are helpless. Not so in other countries, where Stalin and his henchmen cannot apply their classic methods of terrorism and political assassination. How to use the Communist International for purposes of Russian national policy and at the same time cover up the moral bankruptcy of Bolshevik policy abroad and of the Communist parties in other countries was the chief problem with which the Comintern congress had to deal.

An analysis of resolutions adopted by the congress will reveal how the task set before it by Stalin was handled.

Henceforward, one resolution declared, individual Communist parties are to enjoy more latitude in details of their work, with the Comintern retaining control over "essentials." The Comintern executive committee is directed "to concentrate its activities mainly in

drawing up basic political and tactical principles for the world workers' movement, basing its decisions in each case on the concrete conditions and peculiarities of each country, and as a rule to avoid direct interference in the internal work of the Communist parties."

The respective Communist parties are to be placed in a position enabling them "when events shift suddenly to find quickly and independently, on the basis of decisions of the congresses of the Comintern and the executive committee, correct solutions of the political and tactical tasks of the Communist movements."

On the surface, this resolution appears to be a step toward abandonment of the centralist principle of control of the Comintern from Moscow and a move in the direction of the democratic principle governing the functioning of the Labor and Socialist International. In reality, the resolution is intended to make it easier for Moscow and the respective Communist parties to pursue their dualistic policy on the basis of conditions prevailing in each individual country and the particular needs of the Stalin dictatorship in each country.

In France, for example, this resolution will facilitate Moscow's policy of the united front on a basis of mild immediate political demands and such other conditions as make the united front palatable to French Socialists. In France, Russia's military ally, this is now essential to the interests and purposes of the Stalin dictatorship. In other countries, the aforementioned resolution leaves Moscow and the Communist parties free to continue the old policy of uncannily disguised warfare on the Socialist and labor movement.

Since the policy of forming and maintaining dual labor organizations has proven a complete failure, the Communists are now told to abandon all such organizations and to concentrate entirely on boring from within in the Socialist parties the labor unions. The old work of destruction and fanning of internecine strife within the working class is to continue under the mask of united front appeals for the defense of "the remnants of bourgeois democracy." Insofar as the preservation of "the remnants of bourgeois democracy" is necessary to Moscow as a shield against the avowed hostility of the

Life and Labors of Victor L. Berger

Seventh Anniversary of Death of Pioneer Founder of Socialist Party Recalls Early Struggles of First Socialist Congressman and Anti-War Activities

Into this environment young Berger came as a teacher of German in the public schools on the south side. In addition, he was dramatic critic for the Herald, the leading German daily newspaper of that time. He conducted private classes in literature, and one of his pupils was Meta Schlichting, whom he later married.

Single Tax Days

All the time he was expounding radical ideas. It is interesting to note that Berger was at this time a follower of Henry George. Oddly enough, he became a Socialist through winning a debate from a Marxist shoemaker, in which Berger upheld the single tax. Berger said that he felt while he was speaking that he really lost the argument, and that then and there he decided to study Karl Marx.

Becoming a Socialist, he was soon expressing his views through journalism. He became a leader in the activities which centered about the Arbeiterzeitung, eventually, in 1893, becoming the editor of the paper which was rechristened The Wisconsin Daily Vorwärts.

When Berger took charge of the Vorwärts, he stood at a fork in the road. To the left was the old German way on which he might dash at once with a small group of intriguers towards the Socialist state, eschewing the aid of the trade unions. To the right lay the new American way on which he could with the trade unions, with greater numbers and power, push on more slowly but more surely to the Socialist brotherhood of man.

The Trade Unions

The latter way appeared to him the more practical, and he chose it. He reasoned: "We must have a two-armed labor movement—a labor movement with a political arm and with an economic arm. Each arm has its own work to do, and one arm ought not to interfere with the other, although they are parts of the same body. That is the 'Milwaukee idea.'"

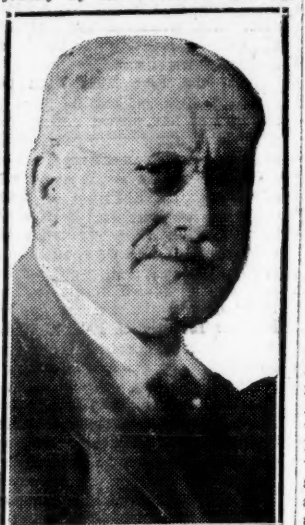
"In the personal union of the workers of both, that is, in having the same persons take an active interest in both the trade union and the political movement, we find the strongest connecting link between the Social Democratic Party and the trade union organization. This idea works successfully not only in Milwaukee, but everywhere wherever the true relationship between trade unionism and Socialism is rightly understood."

The Vorwärts Socialists thus in 1894 entered the municipal cam-

paign by joining the Cooperative Labor organization, which represented the populist-trade union element in Milwaukee. Berger was on the three-man executive committee of this coalition.

Convention of 1896

In 1896 Berger was a delegate to the national convention held jointly by the Socialists and the



Victor L. Berger

Populists, when he tried vainly to nominate Eugene V. Debs for President. When the Populists lined up with the Democrats and Bryan for free silver, and set aside essential Socialist planks in their platform, the Socialists withdrew from the alliance.

An instance of Berger's unswerving honesty and fidelity to principle is recalled by the free silver campaign of Bryan. Economics had taught him the viciousness of the double standard of coinage, and at the risk of seeming to go against the people he wrote editorials attacking the 16 to 1 ratio.

His editorials attracted a great deal of attention, naturally also from Republicans, according to a Milwaukee story of August 8, 1929. There was a large district in Iowa settled by Germans who were expected to vote for Bryan, and Berger was called over to the Pfister Hotel where the local party boss offered to buy several entire editions of the Wisconsin Vorwärts for circulation in Iowa. They offered an alluring price and were to take the papers just as they were printed. With financial difficulties weighing him down—possibly the money would even save the paper from suspending publication—the Social-

ist editor turned the proposal down flat.

Socialism vs. Populism

After the split, the Socialists started a bitter struggle with the Populists for supremacy in the Federated Trades Council. By the end of 1899 the fight was over with the Socialists in the saddle. The executive committee of the council chosen in December of that year was composed of all Socialists and Berger was one of them.

In the national arena, after the disappointing experience with the People's party, plans were made for the founding of a Socialist party—on more liberal lines than the existing Socialist Labor party. It was clear to Berger that the Socialist Labor leaders were getting nowhere, engaged as they were in wholesale vilification of non-Socialistic labor leaders and alienating workers whom they should have attracted.

Eugene V. Debs had been won to Socialism, and because of his superb labor leadership became the spearhead of the new political movement. Debs had founded the American Railway Union in 1893, which in its first year numbered 150,000 members. The union had won a signal victory over Jim Hill and his Great Northern railroad, and had lost a spectacular strike against the Pullman company. It was as a consequence of the latter strike that Debs was imprisoned for "contempt of court."

Berger and Debs

Berger was in the organization of the American Railway Union and the impetus behind it, the staff of a real American workers' party. He saw in the magnetic, idolized, martyred Debs the stuff of a man around whom the workers would rally. In this perception Berger unquestionably revealed a rare sense of politics.

The story of Debs' conversion to Socialism is well known by Socialists and students of the movement, how Berger visited Debs in Woodstock jail, and, pacing the corridor spouted Marx and Kautsky. Of his conversion Debs wrote:

"It was at this time, when the first glimmerings of Socialism were beginning to penetrate, that Victor L. Berger—and I have loved him ever since—came to Woodstock, as if a providential instrument, and delivered the first impassioned message of Socialism I had ever heard—the very first to set 'the wires humming in my system.' As a souvenir of that visit there is in my library a volume, Capital, by Karl Marx, inscribed with the compliments of Victor L. Berger, which I cherish as a token of priceless value."

The present Socialist party in America was born in Berger's rooms down on old Reed street, just north of Greenfield avenue. There, Berger, Frederic Heath, and a few others, laid the plans that resulted in the call for a meeting in Chicago which included the A. R. U. membership and independent Socialists.

The New Party

This meeting was held in 1897, and from it evolved the Social Democracy of America, the Debs movement, so-called. In reality it was a Berger movement.

A year later, 1898, the name was changed to the Social Democratic party. At a unity convention held in Indianapolis in 1901, the latter combined with the Rochester wing of the Socialist Labor party into what has since been known as the Socialist party. Berger became a member of the executive committee on which he served continuously until his death.

When the Social-Democratic Herald, the central organ of the Socialist party, was moved from Chicago to Milwaukee, Berger contributed signed editorials each week. This weekly, which became the daily Milwaukee Leader in 1911, was a powerful factor in making votes among the English-speaking workmen whom the Vorwärts was unable to reach. When the Vorwärts Socialists made their debut as independents in 1898 they were supported only in the purely German wards. The total vote in the city was 2,500. In the election of 1902, however, the vote jumped to 8,401.

Socialist Papers

Limitation of space does not permit a more extended account of Berger's life. But the story is pretty well known: How the Socialist movement picked up speed to finally win control of the Milwaukee city government in 1910; how Berger was elected alderman-at-large in the spring of 1910, and how he was elected to Congress from the Fifth District in the fall of the same year; how he was persecuted, following America's entrance into the war for denouncing the jingoists and the profiteers and for insisting upon the economic and commercial causes for the conflict in his Milwaukee Leader editorials.

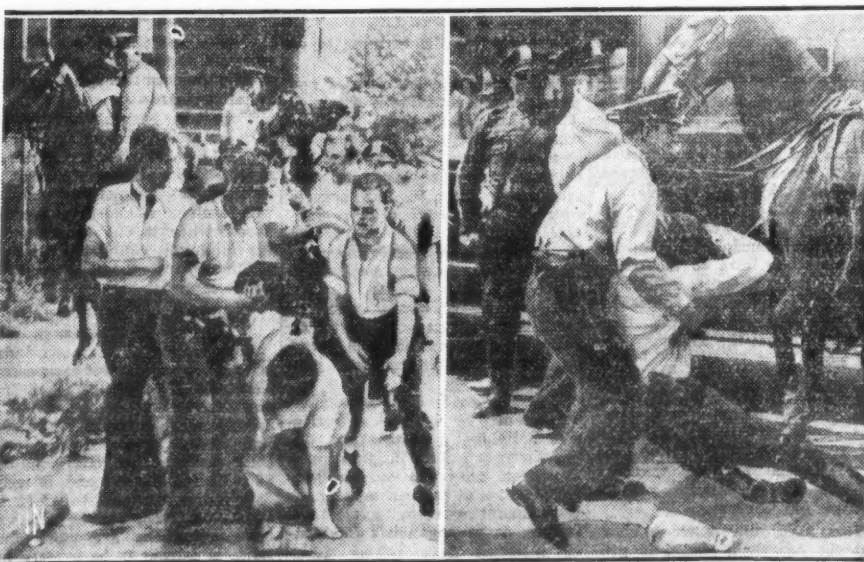
His vindication (and that of the Socialist party, of course) came eventually. The Milwaukee Leader, at the time of his death, recalled that "On his last day in the House of Representatives in March, 1929, singular recognition was given his intellectual attainments, his congressional record and his endearing personal qualities. . . . So it was that day congress' single Socialist made a farewell address at the request of his Democratic and Republican fellow members. . . . and they applauded roundly and publicly went on record regretting that he would not be with them the following session."

Hitler regime against Soviet Russia, "bourgeois democracy" is to be "saved." But insofar as "bourgeois democracy" is an obstacle to Communist dictatorship it is not to be unduly glorified and is to be regarded merely as a "remnant."

In France the Communists are ready to defend "the liberties without which the workers cannot exist," as Thorez, leader of the French Communists put it. The French Communists are ordered to speak of the defense of "the interests of the French people, of peace and liberty." In Poland, where the Stalin dictatorship also has special interests, the Communists are told to prate about "democratic rights as the most important conquest of the masses in capitalist society." But in the resolutions of the Comintern the reference is to "the remnants of bourgeois democracy," the words "remnants" and "bourgeois" being intended to reassure Communists who may feel slightly confused by the sudden change of the French and Polish Communists on the question of democracy and the Comintern's pronouncement that under fascism the workers are worse off than under a democratic regime. To strengthen this reassurance the Comintern declares that establishment of a Communist dictatorship in all countries remains the objective of international Communism. Such is the policy of playing both ends against the middle proclaimed by the seventh congress of the Comintern. Such is the new bogus democracy of international Communism.

It is not likely to deceive many. Organized workers throughout the world have long ceased to have any faith in the Communist parties. Outside France and Czechoslovakia, where the Communists have managed to preserve political organizations of some dimensions—by no means important—there is no Communist party anywhere commanding any serious support on the part of the workers. In all countries, outside of the two mentioned, the Communist parties have been reduced to the status of insignificant groups and sects. It is, therefore, ridiculous for the Comintern to be laying down policies for the "world workers' movement."

Labor Battle in "City of Brotherly Love"



Philadelphia streets in vicinity of Opal Hosiery Co. plant become a battleground as police try to disperse 5,000 strike pickets. At left an injured girl worker is assisted from the scene and at right is a policeman felled by a milk bottle thrown by a demonstrator.

Editor's Corner

Review of and Comment on Events Here and Abroad, Critical and Otherwise

By James O'Neal

A Question and Answer

MERLE A. WISLON, Binghamton, N. Y. We have received the following question from the above correspondent:

"Most textbooks on economics classify capital as wealth that has been produced which in turn produces other wealth. The question then is, Are not all radicals wrong when they condemn the capitalist system and capitalism? For example, would not the abolition of this system mean the abolition of all wealth or capital which in turn creates wealth, and wouldn't we then be turning the clock backward very rapidly, passing through the spinning wheel and tallow candle era, the feudal system era, the pyramids, even down through the stone age with its spears and crude tools and hunting implements until we finally got down to man himself without a tool, a war or hunting weapon, or anything which was capable of producing wealth?"

"This seems very logical to me, and I am wondering whether this is just another case of words being used in two senses, viz., (1) the academic sense and (2) the ordinary sense, in which case we have confusion and babble of tongues. As I see it, we are for socialization of the capitalist system. Am I right, wrong, or medium?"

The textbooks of what Marx called the "vulgar economists" generally confuse wealth and capital in the form presented in the first sentence of the above letter and from this basic confusion comes more confusion. The assumption that the wealth used to produce more wealth is capital is absurd on its face. A wage worker may have a patch of ground. He purchases a spade and some seeds to cultivate the ground. The spade is a tool and the seeds raw material. He owns both. Therefore, according to the bourgeois economists, this wage worker is an owner of capital and is a capitalist.

Another illustration. A housewife has a sewing machine. It is a tool of production. She buys cloth or is provided cloth by a customer. This cloth is raw material. She uses the tool of production to make a dress. She disposes of the dress and realizes an income from the ownership of the sewing machine. She owns capital and therefore is a capitalist.

On the basis of this reasoning the academic apologists of capitalism conclude that all such instances are parallel with the ownership of great plants, raw materials and machines by capitalists and corporations and conclude that we are all capitalists. They even go so far as to assert that the capitalist who gives a little time to looking over his investments is also a worker. Therefore, we are all capitalists and all workers, there is no conflict of interests, no class antagonism, no class struggle!

Some servile economists go so far as to assert that the savage who makes a canoe, a bow and arrow, and an animal trap, has capital and is therefore a capitalist. Therefore, capital and capitalists are typical of history in the whole period in which we have any knowledge of mankind.

Capital and Its Functions

THE forms of wealth mentioned above are not capital. Capital is a source of exploitation of wage workers who sell labor power to the capitalist class. It consists of machines, raw materials, plants and factories, money invested in these things, and ownerships of which is vested in capitalists while the only thing owned by the workers is their labor power. This they are compelled to sell to the capitalist owners. This relation between owners of capital and the wage workers is one of ruler and ruled, exploiter and exploited. It is a social relation growing out of the system of capitalist production.

The wage worker goes to the plant and sells his labor power for a definite sum. Let us say that he receives \$4 for working eight hours. Assume that he produces values equal to \$9 during the working day. The capitalist employer has a surplus of \$5. That means that the worker during part of the day works for the capitalist for nothing. He works to reproduce the value of his wage and then continues working surplus labor time for the capitalist.

Only when these conditions are fulfilled do we have wealth functioning as capital. We would advise readers to consult Marx's "Wage Labor and Capital" and his "Value, Price and Profit" for short explanations of wealth, price, profit and capital and an analysis of the real character of capital as distinguished from wealth.

Now what Socialism proposes is not to destroy capital but to strip the machines, plants and raw materials of their capitalist character as means of exploiting the labor of human beings. When they cease to be capital owned by a class to exploit another class they do not disappear; their function of exploitation is abolished and they become the collective possession of society to be used for social purposes.

In short, while capital is wealth all wealth is not capital. When we socialize capital we do not go back to the spinning wheel and to even lower forms of production. On the contrary, we can expand our socialized industries into greater and more efficient enterprises after they have lost their character as capital, that is, after they cease to be means of labor exploitation.

Bookbinders, Pressmen, Win 16 Weeks' Struggle

CAMBRIDGE, Mass.—The 16 weeks' strike of 270 bookbinders and pressmen employed by Ginn & Company, nationally known textbook publishers of this city, was settled by an agreement providing for the recognition of the unions concerned, the five-day, 40-hour week in place of the former 48-hour week and an increase in

wages estimated to run from 5 to 10 per cent.

The agreement was negotiated for Boston Printing Pressmen's Union No. 67, Printing Pressmen's Assistants' Union No. 18 and Cambridge Bookbinders' Union No. 204.

Under the terms of the pact there will be no discrimination against union members returning to work, with the provision that all of the striking employees will be reemployed before September 1 and that three-fourths of them shall be employed by August 15.

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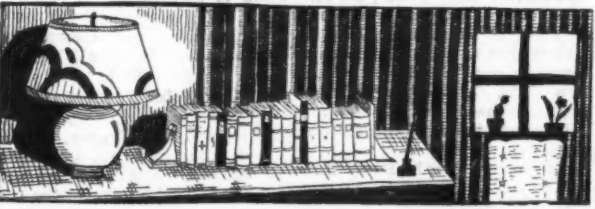
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Violence, Terror and Dictatorship

At the Boston meeting of the National Executive Committee of the Socialist Party last December, James O'Neal, Clarence Senior and Maynard Krueger were appointed to bring in a statement on violence, dictatorship and democracy. O'Neal was selected to provide the draft. It was written last January but due to the turmoil in the party it was overlooked in the national office. The O'Neal draft, which appears below, will be considered at the next meeting of the N.E.C. It is printed here for the consideration of party members.

Historical

THE Socialist movement is primarily a movement of the laboring masses, skilled and unskilled, manual and clerical, without distinction of color, race sex or nationality. The working class, especially those who work for wages, is the special product of the capitalist system of production and exchange. This system emerged out of an old aristocratic American order resting on investments in land, commercial and mercantile enterprises, and, in the South, in Negro slaves.

In the early period of the capitalist system the workers inherited the stigma of inferiority that had been their lot in all previous eras. They were deprived of the suffrage and the right of holding office. So a subjection required that their "superiors," the squire, the employer, public officials and the aristocracy in general. Their wages were often fixed by statute and even their clothing was regulated by early colonial authorities.

To these disabilities were added lack of education, imprisonment for debt, compulsory militia drill, long hours of labor and low wages, the common law against trade unions and strikes payment of wages in depreciated bank paper or store script, harsh terms of apprenticeship, exploitation of women and children, company schools and churches, lack of protection against dangerous machinery and unsanitary work places, and subjection to heartless administration of poor relief.

Democracy in the economic, social, political and educational life of society was unknown to the working masses. As capitalist enterprise developed the workers were herded into towns and cities. Thrown together in large masses, the working class became conscious of its inferior condition as a class. The workers organized into trade unions and exerted mass pressure upon the ruling classes to abolish these class disabilities. This struggle to achieve some measure of democracy and freedom of action was waged for decades and eventually the old abuses inherited from the colonial period were largely destroyed.

As a result of this long class struggle the workers have established their trade unions, press, political parties, cooperative and educational organizations. They have won adult suffrage, freedom of assembly, speech and the press. The old aristocratic barriers that formerly consigned the working class to the position of a caste were broken down.

However, democracy can never be complete so long as the system of capitalist production and exchange survives. Full social, political and economic democracy cannot exist in a society where the means of production and distribution are the property of the capitalist class. The enormous revenue obtained by this class enables it to more fully use the press, political campaigns, radio, education and meetings than can the workers. Nevertheless, the working class must strive to maintain these democratic rights and use them to the fullest extent in the struggle for complete economic social and political democracy.

In this period when reaction, bolshevism, capitalism and fascism in many countries turn against democracy in favor of despotism and dictatorship by a few, the Socialist movement is ranged in defense of the workers and the democracy won by their long sacrifices and struggles. Despotism and dictatorship are always the weapons of a minority; democracy is the ideal of the great majority of the toiling masses and all who desire a world of collective freedom in industry, government, education and society in general.

To yield to any philosophy or program that would limit the rights of suffrage, elections, freedom of speech, press and assembly is to yield to forces that will eventually establish a dictatorship over the masses. Democracy is incomplete but it is a marked departure from the despotic absolutism of the pre-capitalist age and will become complete when society is emancipated from class domination in all its forms. For this ideal the Socialist movement strives.

II

The Old Absolutist States

In the old agricultural regimes before the rise of capitalism small aristocratic cliques ruled the masses through control of Church

and State. Social life was much simpler, the masses were illiterate and generally lived and died in the parish or province in which they were born. The arbitrary rule of the nobility and clergy was sanctioned by generations of custom and belief. The social status of peasant, laborer, merchant, noble and priest was fixed by law and custom and submission to the absolute rule of a few became a matter of pious duty which was violated by the masses, as a rule, only in periods of extreme distress due to pestilence, drought and other natural calamities.

The breaking up of the old agricultural societies ruled by absolute monarch, the nobles and clergy, was affected by the commercial revolution and the rise of capitalism. The new mode of production awakened the workers from their torpor of hundreds of years. They migrated from the ancient parish to the towns and cities. The old feudal and semi-feudal conditions which had bound them to a fixed locality were destroyed. Transformed into wage workers, gathered together in large masses around factories, they yearned for enlightenment and freedom of action.

Capitalism with its new forms of production in factories with power-driven machinery, its new modes of transport, banking, exchange and widening markets destroyed the old parochial views of centuries and produced an industrial civilization that has become ever more and more complex in its organization and relationship. To impose upon this higher form of production the arbitrary and dictatorial rule of a small clique, a feature typical of pre-capitalist society, would be to arrest social and economic progress, to insure social stagnation, to foster intellectual fear and check the cultural progress of mankind.

III

Dictatorship and Terror

THE tendency of all dictatorships, whether military, clerical, fascist or bolshevist, is to concentrate ever more and more power into the hands of fewer and fewer men. Eventually it is concentrated into the hands of one unscrupulous person whose will becomes law for all. His immediate associates are transformed into sycophants. The spies, who are an inseparable part of the dictatorship, are eventually directed against lesser officials. After paralyzing the will of the masses through terror, the administrative regime in turn becomes paralyzed through fear and society becomes a nation of slaves. Human progress is halted because initiative is destroyed and independent thought is penalized by imprisonment, exile or death.

The dictatorship imprisons the whole population within the national frontiers, isolates it from the rest of the world, and assumes control of all agencies of information and education. It supplies not only the dissenting population but those who support the regime with only such information as will strengthen it. Science, education, art and culture in general become servile agents of the dictatorship. All social and intellectual life is compressed within the narrow views of the despots and variation from the prescribed views is punished as a diabolic sin. Knowledge of what is transpiring at home and abroad can only reach the masses through the organs of the dictatorship. The masses are sealed up in prison, culture stagnates into bigotry, and the fetters of a slave state are riveted upon the economic, social, political and cultural life of whole peoples.

Whatever the purposes of the dictatorship may be, its maintenance eventually becomes an end in itself and the despots are compelled to be ever more cruel in retaining their power over the enslaved masses. Society thus reverts to the

old despotic type of the absolute state, but the modern dictatorship becomes more absolute, more severe, and more cruel.

As the last tissues of human confidence, solidarity and democracy are destroyed by terror and dictatorship, suspicion runs rife in the dictatorial group. The terror turns against itself and bloody "purges" take their toll of victims. The dictatorship devours its own children. Arrests are made, trials are held before secret tribunals, and the accused are shot. Fear broods over and within the dictatorship. No official trusts another. Conspiracy becomes rife and official life becomes a duel of craft and cunning. Human life becomes cheap and is mercilessly sacrificed. Brutal excesses stimulate the lowest passions and intoxicate those who indulge in them. Savage grudges are fostered by the bloody "purges" and assassinations are plotted for revenge.

The delirium of fear, suspicion, hate and terror can only end in a wild orgy of savage revolt and general massacre because all other methods of ending it are closed by the dictatorship.

IV

Arms and Democracy

DEMOCRACY is not appreciated by many until it is crushed by dictatorship. Only those who fought for democracy will have the confidence of the masses in the struggle to destroy the dictatorship, to recover democracy, and to extend it into a Socialist democracy.

In a struggle against an impending dictatorship its leaders seek to enlist the police and armed forces to violate their oaths and support such reaction. In such a situation the Socialist and democratic masses must appeal to these forces to crush the dictatorial conspiracy. The police forces of society are generally recruited from the working masses. Education of those enlisted in these forces to support democracy is a prime duty of the trade unions, the Socialist Party, and all others who are opposed to violence, dictatorship and terror.

To the extent that the masses are taught to understand democracy and to appreciate liberty will they make sacrifices for it when it is attacked. Rather than surrender themselves to dictators, the masses must defend democracy in a general strike or by any other organized and disciplined movement representing their determined will.

The Socialist Party is also opposed to the advocacy of armed insurrection. It is folly to attempt to organize and arm the civilian masses for an attack on the government. It is sheer madness to invite the masses to a contest of power with the armed forces of the nation and it is doomed to defeat in advance. The advocacy of armed insurrection also inevitably involves secret conspiratorial organization. Such violence and such organization invite police spies and agents provocateurs; they encourage romantic illusions and attract irresponsible persons who are easily led to commit irresponsible acts. They give reaction an excuse for police raids, the extension of espionage into organizations of the workers, for arbitrary action against the press and meetings, and in general encourage the dictatorship of reaction.

V

The Socialist Ideal

HOWEVER limited democracy may be within the capitalist system, its industrial powers for human emancipation can only be transformed into the general welfare by a democratic collectivism such as Socialism stands for. The democracy of a Socialist society is essential to the further development and organization of the forces of production in the interests of the whole of humanity. Once power is won by democratic

Solomon Brands Moscow Change of Heart Belated

READING, Penn.—Speaking to about 12,000 Socialists and sympathizers in the Socialist Park last Sunday, Charles Solomon of New York City declared that the Communist International is bankrupt and that it was due to "the tactics of the German Communists, acting under the orders of Moscow, that the German republic was undermined."

Referring to the "tactical about face of the Communist International now meeting in Moscow, as evidenced by its reported intention to defend the 'remnants' of bourgeois democracy and parliamentarianism," Solomon said that the change of heart manifested by the Comintern was "tragically belated," and that "had the decision to defend democracy come sooner there might have been no Hitler in Germany."

The speaker warned against "this twelfth-hour conversion to 'bourgeois prejudices,'" and said that "past experience with Communism requires us to beware of the Greeks when they come bearing gifts."

Branding communism as a "feeder of fascism," Solomon defended democracy against attack from the left as well as the right and condemned dictatorship of all kinds.

Socialism it will also be its duty to use its popular mandate to suppress any clique attempts to establish any form of arbitrary or dictatorial rule over the masses. To insure the widest possible support for this popular mandate it will be the duty of democratic Socialism to invite into its administration all elements favorable to the basic social and economic changes that the Socialist movement has urged as essential to the emancipation of all useful workers from exploitation.

Thus Socialism does not seek to continue class distinctions and class privileges. It does not strive to reduce the upper privileged groups to pariahs and raise the workers to the position of a privileged class. Its aim is the abolition of classes, the establishment of equality of opportunity for all human beings, and the building of an industrial, social, political and cultural democracy from which no one will be excluded and in which all will share on terms of impartial equity.

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Philadelphia Party Local to Celebrate At Camp Hoffnunn

By Sonia Teitelman

PHILADELPHIA.—Socialists of the Quaker City have arranged an extensive program for "Socialist Day" at Camp Hoffnunn, the Workmen's Circle Camp, on Sunday, August 18. The camp is located in Pipersville, Pa. The Pennsylvania Socialist Summer School of which Dr. George Hartman of State College will be the director will be in session and it is expected that comrades from all over the State will attend.

Speakers include Dr. Charles Mazer, Philadelphia's Mayoralty candidate in the coming municipal elections; August Claessens, Local New York's labor secretary; Dr. Jesse H. Holmes of Swarthmore College and candidate for Governor in the last election, and James O'Neal, member of the National Executive Committee and editor of The New Leader. Harold Libros will speak for the Y.P.S.L. There will also be an appropriate musical.

A special program has been arranged for Saturday evening and many comrades are planning to spend the week-end of the 17th and 18th at the camp, which is located in a beautiful cool spot. Tickets for the week-end are on sale at the party office. The camp may be reached

By Auto: Broad St. York Road to Jenkintown, Willow Grove, continue on Route 611 to Doylestown and to Camp;

By Bus: Doylestown and Easton Motorcoach Co. round-trip rate \$1.25. Bus leaves Broad St. station 8:50 a. m., 10:05 a. m. and 1:45 p. m.;

By Truck: A truck will leave from the party office, 415 S. 19th St., on Sunday at 9:00 a. m. Fifty cents for the round-trip. Reservations made at party office in advance. Unemployed comrades free. James O'Neal will also lecture at two sessions of the Summer School on the history of the Labor Movement and the Socialist Movement in the United States.

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NEW LEADER

A Socialist Party Publication Devoted to the Interests of the Socialist and Labor Movement.

JAMES ONEAL, Editor

WM. M. FEIGENBAUM, Associate

Signed contributions do not necessarily represent the policy of The New Leader. On the other hand it welcomes a variety of opinions consistent with its declared purpose.

Published Every Saturday by The New Leader Publishing Association, 7 E. 15th St., New York City. Telephone No. ALgonquin 4-4622.

Entered as Second Class Matter, January 19, 1924, at the Post Office at New York, under the act of March 3, 1879.

SUBSCRIPTION RATES:

1 Year, New York City Edition \$2.00 1 Year, Nat'l Edition \$1.00
Year to Foreign Countries \$2.00 1 Year to Canada \$2.50

Vol. XVIII No. 32

SATURDAY, AUGUST 10th, 1935

BOMBAST vs. INTELLIGENCE

A QUESTION as old as the Socialist movement has again been raised by the various Communist "splinter" groups. They advise the Socialist Party to "break with reformism." It is assumed that the Socialists failed in Italy, Germany and Austria because of this "reformism." Running with this view is the glaring contradiction that all who urge it are themselves supporting this "reformism." They urge 30-hour legislation and various forms of social insurance and are eager to point out any organization that fails to fight for such measures!

It is not sufficient to point out this contradiction. It is necessary to ask why one course is urged and another one followed. The answer is that the conditions of the labor struggle leave no other course than to fight for the betterment of the conditions of the working class. To not carry on his fight would be to leave the workers to the tender mercies of the ruling agent of capital.

Then what is the logic of the course that is advised but not followed by these pseudo-revolutionaries? Assume that a few are sent into a legislative assembly. They are a tiny minority. If they are consistent, the only thing they will do is to introduce resolutions demanding the surrender of the opposing parties. To introduce or support any measure short of this aim would be "reformism." On this ground they would vote against measures of interest to the workers and thus become allies of their capitalist opponents!

He who wants bombast instead of intelligence may follow this "splinter" advice, but he should also be prepared to form a united front with all enemies of the workers if he ever lands in a legislative body.

THE TARIFF FAT BOYS

BIG meat packers and other corporations that for years have fattened by supping on a tariff bottle have mobilized their heavy artillery against processing taxes on farm products. Farmers are retaliating. Texas farmers taking the lead in applying for an injunction to restrain collection of tariffs on imports. The farmers insist that the processing taxes are taxes on consumers to protect agricultural products just as tariffs on imports are levied for the purpose of protecting products of industry. Each form of taxation is a subsidy, one paid to farmers and the other to capitalists.

Whether the analogy will be accepted by the courts remains to be seen but this counter-attack by the farmers is a fine piece of strategy. The main difference between the two forms of taxation is that one deals with foreign commerce and the other with internal commerce. With the fat boys of industry bloated with tariff milk while protesting against the farmers getting a few drops, we have an interesting example of "What's yours is mine and what's mine is my own."

REIGN OF THE CHISELERS

REPORTS continue to arrive in Washington of the "chiseling" in industries since the U. S. Supreme Court set aside the N.I.R.A. Despite defects in Section 7A and its administration, some millions of workers improved their labor standards and the organized workers developed a fighting spirit. Since the decision these standards are attacked by the exploiters all along the line.

A correspondent of the New York Times declares that wages in New England have dropped about 15 per cent and hours have increased 20 per cent. In the shoe industry where the minimum wage had been \$13 a week, the wage has dropped to \$6 and \$7 and even to a lower rate in some instances. Child labor is returning, especially in the southern States where exploiters are asking permission to employ children of school age.

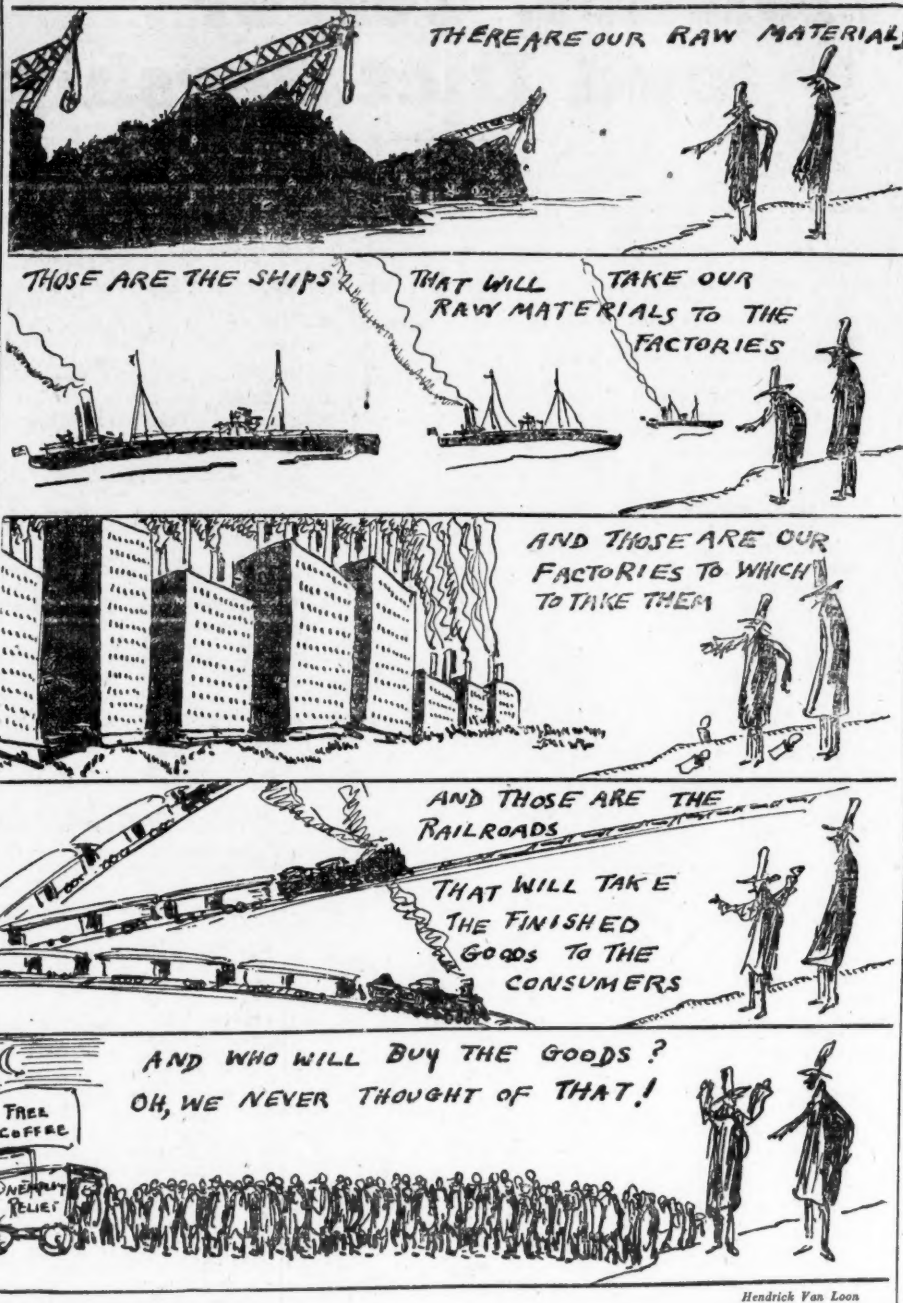
Here are grim facts that sweep aside all theories. The NRA increased the minimum wage in quite a number of industries and organized workers went to the front in a fight for improved standards. The court decision was a blow to the working class and a tonic for those who filch surplus values from labor.

SUBSISTENCE WAGE CHALLENGED

NEARLY 300 workers on Works Progress Administration jobs in New York City struck against the Federal relief wage program on Wednesday and more may follow. Discontent has been widespread against a government policy that brings a heavy pressure upon wage standards throughout the country and the policy was certain to be challenged by the workers.

Workers had been receiving the prevailing wage when a wage cut went into effect on Monday in accord with the idea of a "subsistence wage." General Johnson is now faced with the alternative of yielding to the organ-

History of Capitalism



Behind the Scenes in Washington

By Benjamin Meiman
Our Washington Correspondent

Hitler and the Mikado

INTERNATIONAL troubles took the center of the Washington stage the past week. Chiefly among these were the protests of Hitler and the Mikado—two governments all Americans love and admire, maybe!

It is safe to assume that no American would lose very much sleep over giving a bath to the Swastika (a sort of an American purge) or hitching up His Imperial Japanese Majesty to a jinrikisha—for a little exercise. President Roosevelt, and Secretary of State Cordell Hull, and Under-Secretary Phillips—all are "good and true Americans," but as long as they play the "Diplomatic Game" they can not laugh in the face of an ambassador when he lodges official protest about an insult to a son of a Sun Goddess, or an illegitimate atavistic hermaphrodite of a Woten devil. In privacy they may laugh up their sleeves, but publicly they must affect long faces and at least say: "Tche, tche, tche, it's too bad!" And that's about all the State Department said about the German flag incident, and that's about all the State Department can say about the insulting cartoon of the Japanese Emperor. For, as hard as it may be for those insulted governments to understand, we still have free press in this country. And a cartoonist can cartoon anyone he pleases of this or any other country, whether a son of a Sun Goddess or a son of something else.

Japanese Ambassador, Hiroshi Saito, is well acquainted with the American philosophy of government and certainly would not make a fool of himself if he had not been ordered by his government to suspend his vacation in Connecticut to come to the capital's heat to make representations.

Secretary Hull apparently appreciated the embarrassing position Nippon's Ambassador was in and he wanted to say something which would appease the jingoist element in Japan and close the incident without further ado. On the other hand, Hull could not concede that the Japanese government had the right to exercise an indirect censorship over the American press.

After the meeting, which took place in the privacy of Hull's office, the State Department informally described what took place, as follows:

"The Secretary of State in replying to the representations of the Ambassador to Japan relative to material which appeared in the current issue of an American pe-

riodical, referred to the reported statement of the publisher denying any purpose to give offense.

"The Secretary then said that he is always sorry when incidents occur or situations arise which are taken amiss and occasion misunderstanding between this and any other country."

A. F. of L. License Program

PART of the program of the American Federation of Labor, designed to replace the National Industrial Recovery Act, was embodied in a bill and introduced in the Senate by Sen. Joseph C. O'Mahoney, from Wyoming. Though he is a recognized "Administration Senator" most political observers think his licensing bill has but slight chance of being enacted at this session.

The measure proposes rigid regulation of national commerce by licensing business. Administration of the law would be placed in the hands of a Federal trade commission, increased in membership from five to nine. It creates a licensing system for business engaged in commerce among the states and provides a national incorporation law.

It would guarantee the right of collective bargaining, prohibit child labor and discrimination against women in industry. Another provision would make corporation directors trustees for stockholders and provide punitive damages for "unconscionable profits which such directors may secure by means of their power to control the capital of stockholders."

The measure would create a system of accredited corporation representatives, subject to civil service examination in corporation law and accounting, to be professional agents independent of the Government so that small holders may be represented by agents in whom they can have confidence.

Purpose of the bill is described as "to develop a general program for the co-ordination, stabilization and orderly development of basic industries in the United States in order to bring about a more equitable distribution of the earnings of commerce to those who are employed and to those who invest their capital therein."

Attack on Sedition Bill

NINE organizations have attacked the military disaffection bill, passed by the Senate and favorably reported by the House Military Affairs Committee. The measure provides severe penalties for critics of Army and Navy policy and regulations. Opponents charge the measure threatens freedom of speech and of the press.

Those attacking the measure include the United Textile Workers, American Association of University Women, American Civil Liberties Union, National Council of Jewish Women, National Council for Prevention of War, National Federation of Temple Sisterhoods, People's Lobby, Women's International League for Peace and Freedom and the Young Women's Christian Association.

The textile union charged the measure was "evidently the answer of southern textile mill owners and of Rep. John J. McSwain (D., S. C.) to the demand of the United Textile Workers and other union organizations that Federal equipment shall not be used by state militia against organized labor in time of strikes." The other organizations called upon President Roosevelt to veto the measure if it passes the House.

House Takes Up Guffey Coal Bill

CONGRESS may shape its verdict this week on the bitterly contested and much-revised Guffey-Snyder bill for regulation of soft-coal mining.

The Ways and Means Committee, after piloting its tax bill through the House by a vote of 282-96, took up deliberations on the next of the "must bills," which John L. Lewis describes as "a part of the New Deal" and the passage of which is being urged by President Roosevelt, and opposed by operators of "captive mines," Chambers of Commerce, National Association of Manufacturers, and railroad companies.

The coal bill is said to offer the first instance in American industrial history of capital and labor uniting in an appeal for governmental regulation of an industry. Back of this measure are the United Mine Workers, representing 95 per cent of soft-coal miners, and operators who profess to represent about half of the commercial production, excluding captive mines.

Government Mortgages

OF interest to the hundreds of thousands of HOLC borrowers is the fact that the largest real estate lending organization in the world will not assume the role of a Shylock—but neither will it wear the cap and bells of a "sucker."

Several hundred foreclosures already have been made by the Home Owners' Loan Corporation, says Chairman John H. Fahey, adding, "it is impossible to make any intelligent estimate as to the number of homes we will have to sell or rent, but it is inevitable that some thousands of homes

Bolshevists' Brag and Bluff Aids Shipping Capitalists

By Algernon Lee

ALL well informed persons in this country, when they read of the speech made by a certain American Communist at the Communist International Congress in Moscow a couple of weeks ago, knew that it was pure brag and bluff. If there comes a great strike of the marine and longshore workers on the Pacific Coast, it will not be because the Communist Party has so decided, nor will the Communists control and direct it. If it comes, it will be the act of the



Algernon Lee

organized workers, not one per cent of whom are Communists, and the great majority of whom rightly regard the Communists as dangerous enemies to Organized Labor—most dangerous of all when they try to pose as its friendly guides.

Why, then, was such a ridiculous claim put forth at Moscow, with care that it should be played up in dispatches to the American press?

One answer is obvious. The American Communist Party cannot live without Russian support, both "moral" and financial. It was necessary to make a bid for such support, to make Moscow believe that the Communist Party here is a very powerful body, wielding immense influence among American workingmen, able to call and lead gigantic strikes whenever it sees fit. Naturally, such fairy tales may be believed in Russia, if they are told with some skill and assurance, just as equally wild fairy tales about Russia find believers in this country. And if, according to Lenin, it is permissible to lie to the workers everywhere in the interest of the Communist movement as a whole, why should it not be permissible to deceive the Comintern in the interest of one of its affiliated parties?

But one cannot help suspecting another motive back of this.

No sane and fairly sensible man who sees the possibility of a great strike taking place in the near future and who wishes that, if it takes place, it shall be crowned with success—no such man maneuvers to fill the capitalist press in advance with stories to the effect that this strike is being prepared by the Communists and will

be led by them. Even if the facts were as stated, the Communists themselves, being neither maniacs nor idiots, would keep very quiet about them, at least until the strike was actually under way. They would not, weeks before the expected event, provide the employers' associations and the anti-labor press with the very best possible means for stirring up discussion among the prospective strikers and for inflaming public opinion against them.

The only effect which the publication of this story can have upon the labor situation on the Pacific Coast is to weaken the marine and longshore workers at a critical moment, either making it impossible for them to strike or diminishing their chances of success if they do.

The latest news indicates that just this effect is already being produced. The solidarity which has been developing among the various unions concerned seems to have been broken—whether fatally broken remains to be seen.

According to Bolshevik theory, this is a great achievement. Every defeat for American Organized Labor, every development of discord among American unions, every event which may discredit them in the eyes of some portion of the working class, is so much gained for Communism. Organized Labor and the Social Democracy are, according to the Communists, the two great "bulwarks of capitalism." They must be destroyed, in order that the Bolshevik revolution may begin.

But if the Communist adventurers have themselves something to gain by defeating the marine and longshore workers, the employers in the shipping industry have also a great deal to gain. Discussion and discouragement among the workers means many millions a year in added profits to the capitalists. It would have been good business for them to pay big money for that speech at Moscow. If they got the service gratis, that only shows that sincere Communists are just as dangerous to the labor movement and just as helpful to the capitalist class as are paid provocateurs, and disruptionists.

In such matters as this we care very little about men's motives. Whether the enemy is a fanatic or a mercenary makes no practical difference.

The New Leader Book Corner

By Larry S. Davidow
CHALLENGE TO DEATH. A Symposium against war. E. P. Dutton and Co., Inc.

IN the fall of 1933 two English writers met at the British Labor Conference at Hastings, where they discussed the possibility of getting a group of well-known writers, preferably those belonging to the war generation, better and clearer thinking on peace and war.

This discussion was inspired by a book written by a French writer who had made a very bitter attack upon present day thinkers for their failure to live up to their responsibility and allowing themselves, for material benefits, to represent evil as good. This book is the result of that conversation.

Profits in the making of war receives adequate attention. Those who are familiar with the disclosures of the Nye Senate Committee will find strong confirmation of the part that war supply makers play in the making for fear and hate among the peoples of the world. Some long accepted conceptions of war are thoroughly debunked. Soldiers do not have the exclusive monopoly of courage, whether it be physical, mental or moral. Poets and writers are not inspired by the alleged heroics of blood letting. There is no longer any clamor in personal combat or encounter because of the mechanization of modern war making.

Firing at enemies one cannot see or being blown to pieces by guns fired by unknown hands strips war of its heroism.

Considerable space is given to the machinery that can and must be used as an alternative for war. Emphasis is placed upon the need for creating a cooperative society.

A novel suggestion is offered especially for young people who are unable to withstand ridicule. The idleness and futility of war should be emphasized. Another significant idea is that reactionaries should not be permitted the exclusive exploitation of the sentiment known as patriotism. Love of country is a force that can be turned to the advantage of progressive causes and should be thoroughly explored.

"A living disorder is better than an ordered graveyard, to feel hunger and cold is less barren than dying in the death of society. Only the wilfully romantic imagine that war will open the door to a more healthful civilization. It will shut that door for generations after ours. Poverty and war grow in the same soil and have the same smell."

The contributors are Storm Jameson, G. E. G. Catlin, Vera Brittain, Philip Noel Baker, Guy Chapman, Winifred Holtby, Ivan Brown, Gerald Heard, Vernon Bartlett, Rebecca West, Mary Agnes Hamilton, Gerald Barry, Julian Huxley, J. B. Priestley, and Edmond Blunden.

must be acquired by the corporation in the normal course of its business."

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What will the HOLC do with the thousands of homes it will be forced to take over? Dump them on the real estate market?

On the contrary, says Mr. Fahey, "it would be shortsighted policy to stimulate a new depression of real estate values by indulging in a forced sale of properties. If such a policy were followed, not only would the corporation suffer unnecessary losses, but it would likewise depress the values of other homes."

The policy of the corporation in cases of continued "genuine" distress, Mr. Fahey disclosed, has permitted borrowers temporarily to postpone at least part of their

payments. Foreclosure, he declared, has taken place only in instances of abandonment, wilful delinquency, legal complications or death of borrower.

Senate Munitions Committee Influenced by "Left-Wing Socialists"

SENATOR DICKINSON, Republican of Iowa, on the floor of the Senate, last Monday, accused the Senate Munitions Committee of exposing the nation's vital military and naval secrets to the prying eyes of "left-wing Socialists," by having Stephen Raushenbush as investigator. He claimed that Raushenbush became a "prober" through the influence of another "left-wing Socialist," Dorothy Detzer, of the Women's International League for Peace and Freedom.

Dickinson's assertions brought a sharp retort from Senator Vandenberg of Michigan, a fellow Republican.

"I give him credit for not knowing what he is talking about," Vandenberg declared.