

WORKERS
OF THE
WORLD
UNITE

THE MILITANT



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ILD Mooney Meet Ousts Left

Opposition Delegates Unseated by Bureaucratic Machine

Once more the International Labor Defense has carried out its classical united front policy. This time the Tom Mooney case is made to suffer the incalculable stupidity of Stalinism. Tom Mooney, through his appeal to all working class organizations gave a tremendous impetus to the struggle for the liberation of all class war prisoners. The party at first hesitated to take up the proposal made by Mooney, and then it paved the way for the reformists to seize the hegemony and split the movement, by the incomprehensible Stalinist policy of the "united front from below". The I. L. D. having been thrown out of the "Mooney-Molders Defense Conference by the labor skates, learned nothing but a few A. F. L. tactics, which they proceeded to apply in their own conference held October 11th at the Irving Plaza Hall.

In order to avoid a meeting which would show the results of a policy of appealing to the "rank and file members of the Amalgamated Clothing Workers and the other unions, independent of the A. F. L. . . . and the local unions of the A. F. L." the party call invites all organizations to send one delegate for every five members. By this very subtle method the conference was packed with party delegates, I. L. D. delegates, and the inevitable fraternal organizations. The credentials report was an incredible hash of figures for which the reporter kept apologizing and promised just as many times to send a "complete" report to the organizations represented following (!) the conference. The party wasted no time. From the very beginning the hand of the teachers (Mr Green and Sam Gompers) was as clear as day. The chairman and the credentials committee were proposed by the Dist. Comm. of the I. L. D. No further proposals were accepted and the well known steam roller method applied. A delegate from a W. C. branch protested, but Carl Hacker not to be hindered by some "naive" rank and file, muttering an vague words about facilitating the work of the conference, poo-pooed such anti-deluvian democratic notions. Then came a rain of banalities about why we unite with the rank and file and not the leadership of the reactionary organizations and other rot about the new "third period" tactics of the bolshevik I. L. D. This was known as the report of the I. L. D. district committee. Following the intermission for lunch, the delegates representing the Communist League of America (Opposition) Geo. Saul and Geo. Clarke were called before the Credentials Committee. Seigel "the leader" of the Comm. coaxed us to withdraw from the conference, explaining to us that since we were "old timers" he knew for what purpose we came to the conference. "Communists", he said, "go to the A. F. of L. conferences to disrupt them (!) and the Opposition (being enemies of Communism) therefore came to the I. L. D. conference with the same idea in mind." These were literally his words. Explain as we might that our real intentions were unity and not split, there was no swerving the infallibility of his bureaucratic decisions. The Credentials Committee was to propose the rejection of the Opposition as delegates to the conference. Comrades Saul and Clarke nevertheless informed the Committee that they would fight the report from the floor.

Using a quotation from the Militant which even the hysterically whipped-up Stalinists could find little to boast, Seigel moved the non-acceptance of the delegates of the C. L. A. and the Welshard group. Discussion was automatically closed and the former Lovestonete, Nemer, in the chair proceeded to take the proposal of the credentials committee to a vote which passed not with out opposition however. At this point, the delegates of the Opposition, who were demanding a discussion on the report all along, were joined by several other delegates, and the Stalinists were compelled to allow discussion. Discussion which was not to influence the vote on the report but was to sanction it. Del. Hermann of the Carpenters' Union spoke against this exclusion, saying that his local had elected delegates to a united front conference and not a splitting party. Delegate Berlin of the Workmen's Circle arose to express similar sentiments, but he was howled down by the chairman and the faithful from below. Then the big guns were brought into play. Maurice Malkin, well known in Right wing circles, stepped upon the stage to recite his little piece. One lie followed another from the mouth of this unequalled convert to the Stalinist camp. Taking the cue from Hacker, Malkin said that in 1925 and for many years following, the I. L. D. was a lawyers' defense organization and that Shachtman had pleaded guilty when arrested in 1927 in a "Hands Off Nicaragua" demonstration in Washington, proving the depths of the Opposition's renegacy. That the party had instructed Shachtman to act in this manner and had never condemned him or the others who were responsible for it, meant nothing to Malkin.

But that was the mildest of his fabrications. About this time, the comrades representing the C. L. A. protested aloud. That was a signal for the pogrom gang to get to work. In a hysterical, half-crazed voice, a party member arose and demanded our exclusion from the hall,

to which the chorus did not fail to join in. Carl Hacker, who has learned a few lessons from John L. Lewis, proposed a motion asking the Opposition delegates to withdraw from the hall. The terrified party members voted for it. When the Opposition refused to leave without making a statement, a pack of hoodlums approached us with the threat to beat up on us. Unwilling to turn the meeting into a riot, we withdrew from the meeting under threat of violence.

We read the next day in the Daily Worker that "someone" overheard one of the Opposition delegates phoning Cannon to the effect that "we tried to disrupt the conference but were unsuccessful." Having split the conference, the bureaucrats, with an aching conscience, had to wrack their feeble brains for such a crude and ridiculous invention in order to convince the delegates that after all it was the Opposition that disrupted the meeting! —G. C.

Protest Expulsions in Greek Club

The following appeal has just been issued in the Greek language and is being circulated among the members of the Spartakos Club, among the Greek-speaking members of the Communist party and its sympathizers. The appeal was drawn up and signed by a group of Greek members and sympathizers of the Left Opposition, against whom an expulsion campaign from the Spartakos Club has been launched by the Stalinists. The gratifying progress which the ideas and prestige of the Left Opposition have made among the Greek workers, particularly in New York, in recent months, has proved to be a thorn in the flesh of the bureaucrats. Their arbitrary expulsions, actuated by their fear of discussion, will not prevent the growth of the Opposition. On the contrary, their savage attacks will only cause the militant Greek workers to arouse themselves to a consideration of the disputed questions agitating the Communist movement. We have every reason to believe that the recent acquisition of strength made by the Communist League of America (Opposition) in the field of Greek-speaking Communist workers, where we are gaining some of the most influential and experienced fighters, is only a beginning. The best Communist workers, the most courageous and intelligent, those who will refuse to let bureaucrats think for them and bully them, will find the road to the Left Opposition in the end.

The statement on the recent expulsion campaign reads as follows:
To the Party Members and Sympathizers:
At the last meeting of the Spartakos Club charges for expulsion were presented by the Stalinist bureaucrats against comrades Koumoudouras and (Continued on page 2)

War Threatens in Manchuria

Japan, China, U. S. and Soviet Union Are Involved by Nipponese Military Attack

How fragile and deceptive is the whole structure of "peace" and "reconstruction", with its League of Nations, its pacts and agreements, built up by world imperialism after the world war of 1914-1918, is being strikingly demonstrated by the sensational events now unfolding in Manchuria. More than seventeen years after the world was thrown into the most horrible shambles history has known, the word "War!" stands out again menacingly in the headlines of every newspaper. It is not a danger of war that exists in Manchuria. It is a state of war in actuality. Whole sections of the country have been invaded and occupied by Japanese military forces. Squadrons of Japanese airplanes have flown over Chinese cities, raining down machine gun bullets and bombs, terrorizing the civil population and already placing to its account a growing list of casualties. The situation is almost identical, feature for feature, with the invasion of Belgium by German imperial troops in August 1914. The only important difference is that the Chiang Kai-Shek government has not yet officially declared war against the Japanese in answer to the latter's unofficial declaration of war upon China. But the war itself is in progress, on a smaller scale, it is true, but it is nevertheless a fact which all of the futile palaverings at the Geneva meetings of the League of Nations cannot cover up. The only question to be determined in the coming days is the scope this war will assume, the forces it will involve, and how they will align themselves.

Japan and China
The veritable war which Japan has launched against China marks no new departure in its relations with that country. It is part and parcel of that arbitrary, domineering, rapacious policy of plunder and subjugation which it has pursued in common with the other imperialist powers since the industrial revolution towards the end of the last century brought Japan to the forefront in world politics and economics, and more specifically as an Asiatic and Pacific power. From 1894 onwards, Japanese policy has been "China for the Japanese", and it has made no special attempt to conceal its relentless imperialist purpose. It successfully took over control of Korea, which it successfully defended against the Russian czar and annexed in 1910, gained control of the strategically invaluable Port Arthur, and developed its position to such an extent that from Formosa to the South to Sakhalin on the North, it virtually dominated the coastline of China from the South China Sea to the furthestmost part of Manchuria. Manchuria it occupied—and stayed—immediately upon the outbreak of the world war, despite Chinese protests, and it has more or less dominated that vast territory with little interruption for the past fourteen years. Japan's imperialist interests in China are deep-going and tenacious. It wants

Chinese coal to supplement its own small supply. More even than coal, it wants iron, both of which are present in large deposits in the Shantung region, at the Northern part of China, directly south of Manchuria and Port Arthur. Japan seeks its rice and cotton from China proper and its wheat from Manchuria. In addition, Japan runs the highly valuable and important Southern Manchurian railway, and uses the policing of it as the pretext for constant intervention in the internal affairs of the country.

The Position of the U. S.
But it is not alone with China that Japan has its clashes. A sharp conflict of interest also exists between it and the

United States, a festering sore which may burst into a military collision before one is really aware of it. As determinedly as Japan has stood for a closed door in China, a door closed to its imperialist rivals, the United States, coming to the tremendous wealth of China late in the day, has stood for the "open door", that is, for holding it open long enough for the Yankees to establish themselves in the house. The notoriously arbitrary "twenty-one points" demand made by Japan upon China in 1915, which involved little less than the complete subjugation of the latter, met with formal opposition from only one important power, the United States. For decades, the American jingoes have stirred up the

basest prejudices against the Japanese, and the "yellow peril" on the West coast, just as the Japanese warmongers have sedulously cultivated among their people the natural antagonisms that arose to the discriminatory acts of the United States against Japanese immigrants to California. The friction existing between the two powers, in spite of temporary and surface agreements or modulations achieved from time to time, has not been eliminated to the present day, and with the present invasion of Manchuria, shows every likelihood of being rendered increasingly acute.

The most superficial reading of the news indicate that the country most affected by the Manchurian events, next to China and Japan, is the United States. Chiang Kai-Shek has operated for a few years now under a benevolent protectorate of American imperialism. It is to Wall Street and Washington that the Chinese butcher looks for loans, for support of all kinds, and it is far from looking in vain. In the North of China, where Japan once had the free hand granted it by its puppet Chang Hsueh-Liang, has from all appearances reconciled himself with the central government and has put one obstacle after another in the path of China's Chinese progress. That is what has determined Japan to take the brutal measures it did take, averring with a cynicism that transcends all the hypocritical peace talk of the whole collection of imperialist diplomats, that it will "withdraw" only when it has established a "friendly regime" in Manchuria.

The American Game
Will the United States intervene actively? Thus far, it has confined itself to the usual preliminaries: diplomatic notes, diplomatic conversations. It has even departed from its regular policy by asking the League of Nations to take measures for settling the conflict. This indicates only a skilful plan of making a pretense of patience, of willingness to use every "pacifist" measure available before taking bolder and more concrete steps. The United States will not let Chiang Kai-Shek down, unless it does it at the expense of a valuable concession from Japan in some other sphere of American imperialism's interests. Chiang by himself cannot undertake a war against Japan. For that, he would have to set into motion such a mass of the Chinese proletariat and peasantry as would constitute a force for his own destruction. Chiang's fulminations, his threats to answer the invasion by a declaration of war, his parading of the numerically superior army (compared to Japan) are so many Chinese paper dragons. The Chiang Kai-Shek army, however superior numerically, is no match at all for the highly trained, efficiently equipped, easily mobilized army of Japan. The Japanese have a "united nation" behind them in comparison to the harassed internal front of Chiang Kai-Shek, torn by the Canton rump "government" on the one hand, and by the intermittent peasant war on the other. Chiang's threats are made on the basis of the hope—if not something more concrete and tangible than hope!—that more than moral support will come from the United States. Under any conditions, the events in Manchuria demonstrate how tenuous is the balance imperialism has attained. The slightest jar, and the world is once more confronted with the nightmare of imperialist war. The slightest disturbance in the East, and the whole press is agog with speculation about a conflict with the Soviet Union. And on this score there is not so much ground for speculation. There exists no doubt that if the Manchurian conflict should develop, an "occasion" will be bound to involve the Soviet Union, with the hope that its Eastern frontier can be broken into as a preliminary to a concerted holy crusade of blood-stained imperialism upon the fortress of Bolshevism.

Jurisdictional Disputes Disrupt A.F.L. Building Trades Dept.

If the corpulent gentlemen, who met in Vancouver, B. C., recently, have their way, there will be a more intense jurisdictional war within the building trades unions than ever before. At least that much was decided by the A. F. of L. Building Trades Department convention. Speaking virulently and with much gusto, that is, in between chewing on fat cigars, one after another of these "labor" representatives denounced the "triple alliance" of the carpenters, bricklayers and electricians unions. Times are hard, most union members are out of jobs and some sort of militancy had to be shown.

The "defensive" alliance of the three unions was described as having been formed "to take work away from other people." The carpenters particularly came in for the unambiguous wrath. They were called "pirates" and "ruthless", having the intention of fostering an organization to "create turmoil and industrial discontent". One expressed the opinion that until all locals affiliated with the "triple alliance" were ousted from existing building trades councils "we are simply wasting our time talking". And this became the unanimous sentiment expressed in a resolution, that "this building trades department of the A. F. of L. direct the national presidents of the affiliated unions to support to the fullest extent of their resources any affiliated union when an attack is being made upon them by unions not affiliated with the building trades department of the A. F. of L." The three unions mentioned are not affiliated because of jurisdictional disputes.

For the rank and file membership, however, this is an ominous sign rather disquieting for the future prospects. It has become a well established practise among this type of "leaders" to intensify the jurisdictional conflicts as a prelude to attacks coming from the bosses.

The general wage cut campaign is already in full swing. That it has not yet to any great degree officially hit the building trades is perhaps only due to the fact that by the conditions of large scale unemployment and the extreme weakness of the craft union position the bosses find themselves able, in the main, to enlist the labor needed at a price way below the officially established wage scale. That itself, of course, carries with it only further weakness and seriously undermines the organizational basis. For the large contractors in the building industry this undermining serves well as a prelude to an open attack which is sure not to be long delayed.

The well-fed officials of the nineteen building trades unions, those within as well as those outside of the building trades department, surely know what is coming. They have not a scrap of a program for organized resistance and have no such intentions. The intensification of jurisdictional squabbles in their hands serves as a means of preparing the way for the bosses and makes their task an easier one. In this manner do they prove themselves as efficient servants of capitalism.

The slogan and demand for amalgamation of all building trades unions correctly advanced by the militant workers a few years ago should now again be put on the top of the agenda. An effective campaign for amalgamation and its ultimate accomplishment, plus the replacement of class struggle for class collaboration, would make short shrift of all these present designs of dissension and division promulgated by the officials. It would become the most practical and effective way of making an end to jurisdictional squabbles and really help to unify the ranks of the building trades workers for resistance to the coming attacks. —A. S.

U. S. Confronts Banking Crisis

The announcement of the plans for a \$500,000,000 National Credit Corporation by Hoover, followed by an advance in the Federal Reserve rediscount rate, from 1-2 to 2-1-2%, after two years of declining rates, have brought out into the open the existence of a banking crisis in the United States. In addition, the American banking system has lost \$500,000,000 of gold since Sept. 20, when England went off the gold standard, the greatest loss of gold ever recorded in such a brief time, reducing its gold holdings from 5 billions to 4 1-2. The number of bank failures has increased rapidly, and the bonds crashing in the prices of stocks and continued culminating Saturday, Oct. 3 and Monday, Oct. 5, endangered the solvency of many additional banks. Rumors that America was about to go off the gold standard, or at least depreciate the gold value of the dollar by inflation, were widespread throughout Europe, and added to the panicky feeling here. Clearly something has to be done immediately to "restore confidence".

The New Mechanism
True to the philosophy of "individual initiative", Hoover's method of approach was to call a conference of a handful of big bankers, and have their decisions ratified by a hand-picked caucus of Congressmen and Senators. The first concrete step was to start the formation of a corporation with half a billion dollars of working capital, which is to lend money to banks against assets not eligible for rediscount with the Federal Reserve banks. The funds for this purpose are to be raised by subscription from banks themselves, for which they are to get bonds on which interest is to be paid out of profits. Loans are to be made under a double check, by local bankers' associations and by the national credit board, and are to be secured by specific assets held by the borrowing bank, by a note of the bank, and by a note of the local bankers' association. Further steps to be taken away include amendment to the Federal Reserve Act to permit reserve banks to lend money

against types of assets which are not eligible now; if necessary, a government-financed company like the wartime War Finance Corporation, and lastly, possible purchase by the government of additional stock in the farm land banks. These last three steps will all need to be carried out by act of Congress, which will not meet until December, unless a special session is called before.

What is the purpose of the whole maneuver? Obviously not to "restore confidence"; that may be all right to public consumption, but the only thing that would really restore confidence to the bourgeoisie would be profits coming into their pockets. Nor is it to "strengthen the little banks"; of all the things that would keep a group of big bankers awake all night, that would be one of the last on the list, particularly when they are in the midst of a campaign to merge, absorb and control thousands of little banks throughout the country.

The basic purpose is to strengthen the hold of finance-capital on the national economy, and consolidate the positions won during the boom that collapsed in 1929. By insisting on the repayment in dollars worth a bushel of wheat apiece, of loans made in dollars worth a bushel each, the relative position of the banks will be strengthened as against all other elements of national economy, and by subjugating the small banks to the domination of the large banks, through loans

to be made by the new credit corporation, the plans of the latter for perfecting their monopoly of banking will be furthered. All other elements in national economy have borne some part of the burdens of the crisis-workers through unemployment, part-time, wage-cuts and speed-up; landlords through depreciation in value of real estate and scattered rent reductions; industrial capital through lower profits. Finance-capital stands to benefit enormously by the deflation and depression, which increase the value of gold as commodities and labor power decline in price.

Controlling the Deflation
Only—this profitable deflation and depression must be controlled, and allowed to go only so far and so fast as it serves the interests of monopolistic finance-capital. It must not be allowed to get out of hand, so as to endanger the likelihood of repayment of loans based on the inflation period scale of values. The policy of finance-capital with respect to capitalist economy as a whole is a grotesque caricature of the policy of the capitalist class with respect to productive labor—to ride on its back and starve it, not to the point of death but to the point of maximum profit over a period of time. By maintaining in a deflationary period the dollar value of loans made in a period of inflation, finance-capital will greatly increase the proportion of its share of the surplus value

of the future, and within the general class of finance-capital, the big banks will increase their hegemony over the small banks by bringing them under their financial domination through emergency loans.

The following paragraphs will attempt to discuss the possibilities of success of such a policy by describing, first the functioning of finance-capital under "normal" conditions, second, how this "normal" functioning has been modified by the boom up to 1929 and the crisis since then, and third, the perspectives of the banking crisis and some probable variants.

Lenin says, in "Imperialism", "The first and most fundamental function of banks is to serve as an intermediary in payment. In so doing they transform inactive capital into active capital, that is, into capital producing a profit; and, collecting all kinds of revenues, they put them at the disposal of the capitalists."

"In proportion as banking operations develop, as they become concentrated into a smaller number of establishments, the banks become transformed and instead of being modest go-betweeners they become powerful monopolies dealing with almost all capital, and with almost all capitalists (and small proprietors); and similarly dealing with the biggest part of the means of production and of the sources of raw materials of a country or of several countries. The transformation of numerous little intermediaries concerns into a handful of monopolists constitutes one of the essential elements of the change from capitalism to capitalist imperialism."

In the United States, these functions are performed by several different types of institutions, which may be summarized as follows:

(See table next page)
In recent years, the trend has been toward "department store banking", so that one institution may be found performing a number of these different functions (Continued on page 2)

* N. Y. OPEN FORUM *

- Oct. 16: Lessons of Recent Strike Struggles (Coal miners and Paterson Textile strikes) Lecture by James P. Cannon
 - Oct. 23rd. Communism and Syndicalism in Spain Lecture by Max Shachtman
 - Oct. 30th. Tom Mooney's Appeal for a United Front Lecture by James P. Cannon
- LABOR TEMPLE, 14th St., and 2nd Ave. Admission: 25 Cents
Unemployed admitted free with Unemployed Council card
Questions and Discussion