

# Minneapolis I.L.D. Pursue Ruinous Policy of Sectarianism and Expulsion

MINNEAPOLIS.—The I. L. D. in Minneapolis has never had a better opportunity to develop into a really influential mass organization than it has at the present time. The crisis has had telling effects upon the Minneapolis working class. They lend willing ears to what the Communists have to say and enrollment in an organization like the I. L. D. which is proclaimed by the party as a broad united front working class organization, is comparatively a simple matter. But the retaining and activating of the members enrolled is quite a different matter and one which is beyond the powers of the incapable bureaucratic clique in control.

Incapable themselves of giving proper leadership and guidance to such an essential organization as the I. L. D., they prevent with all their bureaucratic power the helpful participation of capable revolutionary workers. This holds good not only for members of the Communist League, but for anyone who takes literally their statements that the I. L. D. is a broad united front organization irrespective of political differences.

Once again the above-mentioned assertion has proved to be nothing but an empty phrase which the bureaucrats use as they see fit. The writer of this article was elected by the membership of the central branch of the Minneapolis I. L. D. as one of their delegates to the city central committee. The representatives of the party present, including the organizer, Carlson, did not utter a word against my election, though they knew well enough that I was a member of the Communist League. Trained apparatus men that they are, they sensed they could not oppose my election after the membership had so decided. Particularly since they had come to the meeting utterly unprepared and had allowed a Trotskyist to make most of the organizational proposals.

It did not take them long, however, to decide upon definite organizational steps, at the very first meeting of the central body (which includes the delegates from sympathetic organizations) the axe fell and another great deed for Communism was accomplished. Carlson opened the meeting by reading the usual meaningless catechism "that the I. L. D. is open to all workers irrespective of political differences but that does not include Trotskyists". He might as well have continued and echoed the words of a Fourth of July senator who thunders "that this country is based upon the glorious traditions of freedom but freedom does not mean license." Comrade Carlson, however, did not waste any ceremonies—he knew the composition of the city central committee only too well. He proposed my expulsion from the central body and my eviction from the hall. The chairman, Tom Foley, ably executed the proposals of Carlson and I was not even permitted to take the floor.

The vote for my expulsion and eviction, despite the efforts of the bureaucrats, was not unanimous. Several of the worker-delegates present abstained from voting and one representing an I. W. O. local spoke in favor of my being seated. It is not strange, then, that through such a narrow bigoted policy, the I. L. D. here remains but a skeleton organization with a drifting membership.

In such the same manner as they manage membership in the I. L. D., they are going about putting Mooney's united front plea into effect. Without any preparation, with no organized attempt to reach the trade unions or the masses of workers, the usual demonstration, attended by the usual several hundred faithful, was held. Following up this great success, they are calling what is now becoming the traditional party conference at which only party controlled or party influenced organizations are invited. That such a conference could ef-

fectively take up the Mooney defense is the height of absurdity.

The effectiveness of the Mooney campaign does not seem to enter into the calculations of those in control of the I. L. D. at all. They seem to live in a world created by their own fancy, void of any realistic conception of the tremendous mass movement that could be organized around the Mooney defense. They go their way sublimely carrying out the official policy to the letter—call a conference, have a street demonstration and await the call for the next conference.

In Minneapolis, upon the failure of the party and the I. L. D., the Opposition is compelled to take up the task of organizing a Mooney Defense Conference that will truly represent the masses of workers. A conference that will be based upon the trade unions and one that will be able to bring pressure to bear on Mooney's jailors. Fourteen years after the Russian revolution, we must take up the elementary task of demonstrating to the rank and file of the I. L. D., and party that united front conferences are not narrow family affairs but are meant to unite the entire labor movement on a vital issue. Only in such a manner can the Communists show up the fakery and demagogues that trail along.

The I. L. D. in this city will remain the impotent isolated group it is as long as it follows the stupid policy of expelling revolutionary workers for their political differences, while allowing careerists, adventurers and rank incompetents to control the organization. It is to be hoped that the coming united front conferences under our auspices will have some effect upon the present politically suicidal policy of the I. L. D. —M. G.

Protest Expulsions

(Continued from page 1)

Lapmros Haidous. Comrade Koumondoureas was expelled from the club; comrade Haidous, not being present, is to be expelled at the next meeting.

Of the 60 members present out of a total of 196 members of the club, 34 voted for the expulsion, 14 against, with 10 abstaining. This shows clearly that the workers present were not at all convinced by the slanderous charges preferred against the comrades.

The charges were that these comrades were counter-revolutionaries, enemies of the working-class, enemies of the Soviet Union, etc. In reality, the charges are brought forward because these comrades support the Communist Left Opposition. In view of this, the expulsion action becomes an outrageous one and should be reversed.

The Left Opposition under the leadership of comrade Trotsky has many times put itself on record as the staunchest defenders of the S. U., as the defenders of the October revolution and as active workers of the international proletarian revolution. In this the Left Opposition fights against the bureaucratism of the present Stalin regime within the Communist Party of the Soviet Union as well as within the other parties of the C. I., against the Stalinist revisionism which is not only endangering the heritage of October but endangers the successful development of the world revolution as well. The members of the Left Opposition have a long and unstained record in the Communist movement. Their actions and their views are open for every worker to examine. Today the Left Opposition considers its main objective the one of restoring the party to the policies of Lenin, to do away with bureaucratism and at this moment it becomes particularly expressed in its efforts for a correct application of the united front policy which is really involved in this case.

What does this method of expulsion of

revolutionists from this workers club mean? It can mean nothing less than an attempt to split the club. The comrades who were expelled were amongst the founders of the Spartakos club. Comrade Koumondoureas was the secretary during the first year of the club. Both comrades Koumondoureas and Haidous have served on its executive committee. They have participated loyally in all of its activities, and particularly in such activities which aimed to strengthen the Communist movement, in collections of miners' relief, in building the I. L. D., in fights against evictions, in enlisting support of the Empress as well as in the general working-class education of the club. Their record is clear for everybody to investigate.

The Spartakos club aims, and correctly so, to be a workers' educational club to develop class solidarity and class consciousness to facilitate political edu-

cation of the Greek workers and thereby render all possible support to the Communist movement and the Communist party. The comrades of the Left Opposition intend to support any effort to help further build and strengthen the Spartakos club on this basis.

The Spartakos club by its constitution aims to take into its membership all Greek workers who agree with its object. In this sense the two comrades under expulsion have worked faithfully. In this sense the comrades of the Left Opposition appeal to all workers not to support the splitting tactics of the bureaucrats, but to broaden the united front, to build and strengthen the Spartakos club and to strengthen its purposes. In this sense the comrades of the Left Opposition appeal to all members of the Spartakos club to demand the reinstatement of the expelled comrades.

connected with the establishment of the youth paper. There is an excellent field for a Left Opposition youth paper among the members of the official Young Communist League, Communist youth sympathizers and among the young workers as a whole, and there is full confidence everywhere that this latest step forward of the Left Opposition will meet with enthusiasm and success. In another week, detailed announcements will be forthcoming relative to the Youth paper, as well as to other outlined activities among the youth.

Members and sympathizers are called upon to give financial support to enable the immediate and regular issuance of the youth paper. Information requests concerning the Youth fraction and money are to be sent to Martin Abern, National Youth Committee, Communist League of America (Opposition), 84 East 10th St., New York, N. Y.

# Organization Notes

In the center and in our units, plans are now taking shape for putting the second national conference decisions into life. The New York branch heard the report of its delegation, accepted the decisions and endorsed the general political line worked out by the conference. It adopted further a resolution setting forth some of the practical tasks for the branch to engage in for the immediate future. The points particularly worthy of note were: Organization of the Left Opposition fraction within the party, Y. C. L. and sympathetic organizations, strengthening of our specifically sympathetic contacts and more efforts to have all branch members actively functioning in workers' mass organizations, a campaign for recruiting new members, encouragement to comrades available to assume responsibility as voluntary organizers wherever assigned, encouragement to young comrades to take up youth work in a more systematic manner, building of the Militant and literature circulation and the completion of the Expansion Program.

From the center, we are similarly proceeding gradually to take the measures for organizational strengthening based upon the conference decisions. Actual steps have been taken to lay the foundation for building up the Pioneer Publishers as a separate institution—this applying both to the utilization of avenues available for extended literature circulation as well as to planning of new publications. A beginning has been made toward assigning young comrades ready to take up voluntary work in helping branches now numerically weak. The first assignments include one comrade for St. Louis, Mo., and one for Kansas City, Mo. Two national tours are being planned, the first to begin about the latter part of November.

Selection of a national youth committee has been completed with comrade Abern in charge and plans for its activities are already under way. According to decisions of the national conference a special committee to give attention to a study of the Negro problem has also been created. Comrades who want to present their views on this question should forward such to the national office.

The return of delegates had to take place in the same manner as the arrival. Most of them had to beat their way in one fashion or another but we have received word of safe arrival at the home point. The Chicago branch utilized the opportunity of the Minneapolis delegates passing through to add them to the program of reporting on the conference at a public meeting held. The Chicago membership has recently been actively engaged in activities among the unemployed workers. Their efforts have been, and quite successfully so, directed toward strengthening the general movement not only by criticizing the serious weakness obtaining but also by adding positive proposals. The membership has been active in Left Opposition propaganda among the Communist youth and has incurred the wrath and fire of the bureaucrats from the official party and Y. C. L. However, so far the results have been expressed in several new members for our branch.

From Philadelphia, we have received word that hearing of arguments for a new

trial for Morgenstern and Goodman, who have been found guilty under the Sedition act, has been postponed until some time in November. The defense committee states it intends to issue a leaflet for general distribution in support of the defense. And it would not be amiss to remind our members and supporters again that now is the time to speed up with all arrangements for a proletarian defense, to gain support from workers everywhere. Activities so far in behalf of these two victims of the class struggle have been entirely too limited. While many workers and organizations have protested the sabotage of the I. L. D. to the hearings and possibly new trial. The New York supporters made a good start in appearing before local unions by collecting from one local \$17.00.

**Militant Builders**

Under this heading we plan to have a standing item among our organizational notes. Of course, its life depends upon what actual builders we have. But at the outset we feel sure that every active supporter will agree that we have now arrived at the time when the Militant extended. The material is all at hand, circulation must be built up and far more. The Militant appears weekly. Many workers are interested in its contents and despite the great unemployment many new subscribers can be secured. With that well under way the next point must be the increase of bundle sales and securing of additional newstands willing to handle our paper, especially such which handle radical literature. Who is ready now to enlist in the group of Militant Builders?

Some of our comrades who have been quite active in the past in this field we naturally expect to enroll in this group right away. We have in mind comrades like Philip Shulman in New York, Rebecca Sacharow in Chicago, J. R. Hedlund in Minneapolis and H. Goldberg in St. Louis. But there is room for many more.

**Our Expansion Program**

During the recent weeks we have been quite liberal with our entries of contributions under this heading. As a matter of fact we credited also such donations which were not for certificates for the Pioneer Publishers. Henceforth we will enter only such funds which are actually on this account for certificates, either in full or in part payment. We have almost reached three-fourths toward our goal \$2,000.00. We have taken the first three major steps, established the Pioneer Publisher, returned the Militant to a weekly publication, held the second national conference. Now we should force ahead for the final goal.

# Subscribe!

With the Militant now appearing weekly there should be excellent possibilities for all of our supporters to enlist new subscribers. If you agree with us you will want to extend the Militant circulation. You will want to keep your own subscription paid up to date. If the number on the wrapper of this issue is less than 75, it means that you should renew your sub. Next you should endeavor to get other workers to become subscribers. For convenience use the blank below.

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# Plans Laid for Systematic Youth Work

Steps have recently been taken by the Communist League of America (Opposition) to develop and intensify activity among the young workers and youth generally. With the establishment, after the second national conference of the League, of a National Youth Committee, immediate concrete organizational and political tasks have been laid out. The National Youth Committee consists of the following members: Martin Abern, Joseph Carter, George Clarke, Albert Glotzer, George Ray, Hank Stone (resident committee), together with Reva Craine and M. Kent, candidates, and out-of-town members of Charles Curtis (Chicago), Martin Payer (St. Louis), Joe Silver (Toronto, Canada) and a comrade to be selected from Philadelphia. Comrade Abern is at present in charge of the youth work.

The youth comrades of the Communist League (Opposition) in the various localities are for the present, to organize themselves into a Youth fraction of the Left Opposition for the conduct of youth activity. As a preliminary step, each branch of the League is forming a youth committee to initiate the work.

At a recent meeting of the National Youth Committee, work was laid out. As an outstanding task, the perspective was laid down the publication of an official youth paper as soon as possible. The Youth Vanguard, issued heretofore as an occasional supplement of The Militant, is to be discontinued at once and all efforts concentrated upon the organizational, editorial and financial tasks

connected with the establishment of the youth paper. There is an excellent field for a Left Opposition youth paper among the members of the official Young Communist League, Communist youth sympathizers and among the young workers as a whole, and there is full confidence everywhere that this latest step forward of the Left Opposition will meet with enthusiasm and success. In another week, detailed announcements will be forthcoming relative to the Youth paper, as well as to other outlined activities among the youth.

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# THE BANKING CRISIS IN THE UNITED STATES

(Continued from page 1)

ions, but by far the most important from the standpoint of the immediate crisis are the commercial banks.

They constitute part of the mechanism by which 4-12 billion dollars' worth of gold finances the circulation of capital to the extent of over 90 billion dollars' worth of commodities a year, in the United States alone. It is essential to the functioning of this mechanism that all paper claims and credits created by it should be exchangeable for gold, at a fixed basis, that is, a dollar is defined as a piece of gold weighing so many grains, and all forms of paper expressed in dollars, such as bank deposits, loans, credits, etc., are supposed to be exchangeable for the amount of gold which they represent. This is what is meant by the gold standard.

**Paper and Gold**

It is clear that there is not enough gold in the United States, or on the entire world, to pay off all the holders of all the various kinds of paper claims if they should all ask for their gold at once. But this is only academic possibility. In actual capitalist economy, showdown is never called for, except in international finance, where the paper of one country, expressed in its national currency, is not acceptable to the financial system of another, based on a different gold unit. Normally, the paper passes freely from hand to hand, changing its form constantly—a capitalist receives a check for a hundred dollars in paper, deposits it at his bank where it becomes a book-keeping item on paper, draws against his deposit to obtain paper bank-notes with which to pay wages, the worker uses part of his paper wages with which to pay a paper debt to his landlord for rent, the landlord uses part of the rent to pay interest to holder of a paper mortgage, etc.

There is, of course, the possibility that in all these paper transactions more paper dollars will be called for than there have been commodities and services exchanged. Since the amount of gold is not affected directly by such paper transactions, this will show at once in an increasing ratio of paper to gold, or a decreasing ratio of gold to paper.

This is called inflation, and may come about in many different ways. Prices of commodities, or real estate, or securities, may rise sharply creating more paper values; banks may lend more freely, creating paper assets against which depositors may draw checks; securities may be created and offered on a wide scale, giving the corporations which is-

sue them control of more funds, while the people who buy these securities borrow the money with which to pay for them from the banks. In such cases, a financial boom arises, based on increased paper values. It may arise independently of, or in connection with, an industrial boom based on creation of additional commodities and services, such as would

Treasury is a member. Their capital stock is held by national banks, which must belong to the Federal Reserve system, and by some of the state banks.

The Federal Reserve banks do the following: (1) Act as bankers for the United States government, that is, keep deposits, lend money, issue bonds, etc., (2) Act as bankers for the banks, who

ing about it that assures the bank that funds will be found with which to pay off the loan, and is therefore not eligible for rediscount.

**Government Bonds**

The only exception is Government bonds, against which the Federal Reserve banks will lend money, to help the government to finance itself. Central banks in foreign countries do not draw this distinction, by the way.

The deposits which the ordinary commercial banks maintain with the Federal Reserve banks are fixed at a definite percentage of their own deposits, ranging from 7 to 13% of the most important class of deposits, 3% for other deposits. When business improves, and bank deposits increase, they have to increase their deposits with the Federal Reserve banks. These deposits must be at least 35% in gold; the rest may be paper eligible for rediscount.

The Federal Reserve banks therefore receive gold in the form of deposits from member banks (ordinary commercial banks affiliated with the system through stock ownership).

The Federal Reserve banks may issue bank-notes, but these must be covered to the extent of at least 40% by gold; the rest may be eligible paper, if enough such paper has been acquired by, rediscount or purchase.

In the normal course of events, a dollar in gold received by a member bank is deposited by it with the Federal Reserve bank, and such a deposit makes it possible for the member bank to add 8 to 14 dollars to its own deposits. The Federal Reserve bank receiving the gold can issue up to 2-1/2 dollars in bank-notes against it, and in this way control the amount of currency in the country.

The Federal Reserve bank, if it does not receive requests for loans from its member banks sufficient to lend out its deposits, can go out and buy government bonds and commercial paper in the open market, that is, put more money into circulation, or when it wants to help deflate the banking system, it can sell its bonds and paper, thus absorbing money from the other banks.

In these ways, the Federal Reserve system regulates the activity of finance-capital through its phases of inflation and deflation under relatively normal circumstances.

In the following paragraphs we shall see how this machinery functioned during the period from the last previous crisis in 1921 to the present one. (To be continued).

—B. J. FIELD.

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