

News from China

EFFECTS OF ANTI-JAPANESE BOYCOTT ON SINO-JAPANESE TRADE. SHANGHAI—Nov. 6— (Fenprecor) — Effects of the boycott on Sino-Japanese trade have been outlined here in an illuminating survey released by the Japanese commercial attaché. For the first half of 1931, Japan's China trade showed a decrease of 67,000,000 Yen or 32% for exports and 42,000,000 Yen or 25% for imports from the corresponding figures for the previous year.

For the latter half of 1931, during which period the troubled complications of Sino-Japanese relationships reached their climax in the Wanpaoshan affair, the Korean riots leading up to the Japanese military invasion of Manchuria, Japan's trade with China suffered an estimated loss of 76,000,000 Yen or 58% for exports and 38,000,000 Yen, or 19% for imports as compared with the figures for the same half of 1930.

Manchuria's share in Japan's total China trade during 1931 was 53% of the exports (from Japan) and 58% of the imports (into Japan). The five years average for the period 1926-1931 inclusive found 43% of Japan's trade with China devoted to Manchuria, the remaining 57% embracing the whole of China proper. For 1931 Manchuria absorbed 6% and China proper 54% of the trade.

Sharp Drop Since Jap Invasion. The sharp drop following upon the intensification of the boycott during September and October after Japan's military invasion is clearly seen in figures below. Japanese exports to China dropped from 27,000,000 Yen in August to 23,000,000 Yen in September and like a plummet to 15,000,000 Yen in October. Imports from China dropped less sharply, decreasing from 14,000,000 Yen in September to 11,000,000 Yen in October. It is estimated that the total export trade for 1931 as compared with 1930 will drop 145,000,000 Yen and the import trade 65,000,000 Yen.

Japanese shipping on the Yangtze River has been hard hit. The Misshin Kisen Knisha, the largest company operating out of Shanghai under the Japanese flag, claims not to have transported a single Chinese passenger nor a ton of Chinese freight since September 25. Normally the N. K. K. vessels average approximately \$10,000 (Chinese currency) per round trip on the Yangtze. At present thirteen ships are laid up.

For six weeks, the 34 Japanese cotton spinning mills in Shanghai have only been able to dispose of 20% of their output. For the smaller concerns the crisis is immediate while it has been stated that for the larger organizations, it will be possible to carry on only until January 31, 1932, when their financial resources will be exhausted.

Contingencies are now in progress among the mill-owners and complete closure is being seriously considered. This move will throw 60,000 Chinese workers and 2,000 Japanese workers out into the streets.

Japan's commercial rivals are taking full advantage of her dilemma. English textiles are finding their way into Chinese markets in increasing quantity. Lancashire's mills have been enjoying a distinct spurt since the boycott went into effect in China against Japan. The Ministry of Industries at Nanking is making arrangements with Chinese cotton and linen weavers for the shipment of raw materials from Great Britain to take the place of those ordinarily imported from Japan and has instructed Chinese merchants to use Chinese raw materials as far as possible. The Bureau of Foreign Trade has been instructed to assist the merchants in forwarding their orders to England.

KUO MIN TANG BANS STRIKES

SHANGHAI, (Fenprecor)—The Kuo Min Tang has issued a peremptory order forbidding all strikes or suspension of work, branding such moves as "illegal in times of national crisis". "In settling their differences," reads the order, "the parties representing labor and capital in Shanghai industrial enterprises are urged to abide by the direction and mediation of the proper government and party leaders."

In the face of this order, 600 workers of the Ya Fung Dyeing and Weaving Factory in West Shanghai struck in protest against the 12 hour day being enforced in their plant. Under the threat of a summary order from the authorities accompanied by the promise of a "settlement", they all returned to work three days later.

The Shanghai authorities this week invaded the quarters of the Chung Hwa Book Factory whose workers struck last week and were intimidated into returning to work. The policemen took labor union membership cards from more than 700 workers.

SHANGHAI POLICE SUPPRESS STRIKES

SHANGHAI—(Fenprecor) — Tramcar workers on lines operating in Nantao, a section of Shanghai's native city, launched into a unique "go-slow strike", running the lines and permitting all who would ride free. Workers of the Nantao Electric Company also walked out. In all, for a space of three days, more than 1,000 workers were agitating openly for better conditions.

The Needle Trades in Saint Louis

ST. LOUIS, MO.—The situation among the needle trades workers in St. Louis is very bad. Of the eleven thousand workers in the industry, mostly women, seventy-five per cent, at a conservative estimate, are unemployed. The wages of those at work in the better trades have fallen fifty per cent in the last few years. Among the piece workers it is even worse. Dresses which paid a dollar and a quarter, now pay twenty-five and forty-five cents respectively. Girls who made twelve and fifteen dollars a week now make eight dollars. Hours have been lengthened and sweat shop conditions prevail throughout the industry.

Against these terrible conditions there is no struggle. The L. L. G. W. U. which deteriorated greatly in the "prosperity years" now has only one shop organized and its entire dues paying membership is less than fifty. The A. C. W., although it has several shops organized and a membership of several hundred, never really got a foothold in the industry. The N. T. W. I. U. has no

Youth Organizations Support Marine Defense

(Continued from page 1) police framing are present. The wrecking by police of the union headquarters and the brutal third degree inflicted by them on Soderberg, Bunker and especially on Trajer, a boy of twenty, all point to one conclusion.

We assure you of our sympathy and support in your efforts to expose and defeat the attempt of the authorities to railroad these workers to prison and to destroy the union which they have been trying to build.

Yours, MAURICE GOLDBLOOM, Acting Chairman, N. Y. District, Intercollegiate Student Council, League for Industrial Democracy.

December 12, 1931

Marine Workers Defense Committee, 82 East 10th Street, New York City.

Dear Comrades:

At the last meeting of the Marxian Youth Club we heard read to us a letter from comrade Trajer describing his experiences as a young worker and revolutionist. The case of Trajer, Soderberg, and Bunker was discussed by the membership and it was decided to endorse the Marine Workers Defense Committee, and offer our aid and assistance. It was obvious to all present that the three comrades were arrested, beaten up, and face heavy jail sentences because they attempted to organize the workers in their industry against the bosses. This challenge to the right of the workers to organize and struggle, issued not for the first time, must be met by the building of a powerful mass movement for the release of these comrades and all class war prisoners.

Our Club has elected a committee of three, comrade H. Stone, H. Milton, and J. Carter, which would be glad to cooperate in any work assigned to it.

Fraternal yours, LILLIAN BORD, Secretary, Marxian Youth Club.

Minneapolis Opposition Holds Open Forum

The Minneapolis Branch of the Communist League of America (Opposition) is conducting an Open Forum each Sunday afternoon at 3 P. M., at the new headquarters of the Branch as well as general public meetings on general subjects. Meetings have been held on the Spanish Revolution, the Manchurian Situation and other subjects.

Among the lectures arranged for forthcoming weeks at the Minneapolis Forum are the following:

All meetings, unless otherwise mentioned are at 3 P. M.:

Sunday, December 20, 1931: "Frozen Assets or the Bonus to the Banks", Speaker: Carl Skoglund.

Sunday, December 27, 1931: "The Future of American Trade Unionism", Speaker: Arne Swaback.

Sunday, January 3rd, 1932: Debate: "Will A Farmer-Labor Party Emancipate the Workers?" Speaker for the Communist League, Vincent R. Dunne; F. L. P. speakers to be announced.

Sunday, January 10, 1932: "Tom Mooney and the American Frame-Up System", Speaker: Carl Cowi.

Sunday, January 17, 1932: "Imperialism; What Next?", Speaker: Vincent R. Dunne.

Sunday, January 24, 1932. DEBATE: "Evolution or Revolution." Speakers: Communist League and Socialist Party — to be announced.

Sunday, January 31, 1932: "The Proposed Railroad Wage Reductions", Speaker: C. R. Hedlund.

All these lectures and debates will be held at the Workers Open Forum, 1530 East Franklin Ave., Minneapolis, Minn. The Admission is free.

Receipt of \$90 or more per month gained an increase of 10 per cent; those receiving between \$50 and \$90 gained 25 per cent, with a considerably larger increase for those whose wage is under \$50. Though the full demands made were not secured, the result is likely to prove an added object lesson in the value of the strike weapon.

shops organized and a dues payment membership of about fifteen, although for purposes of record it can produce the signatures of a great many "members". In the three years of existence, its membership never exceeded fifty and has not led a single strike struggle. The fifteen members are party members and close sympathizers. They constitute a local meeting once a month, discuss endlessly the problems of organizing the industry and are completely inactive.

The workers in the industry are mostly Americans. Unlike the needle trades workers of other cities, there are few Jews and Italians among them. The unemployed workers look for work in other trades or wait hopefully and anxiously for the crisis to lift. The employed workers are passive. They are afraid of losing their jobs. Almost all the workers in the industry are strangers to unionism, even the A. F. of L. variety, and have no traditions of struggle.

Elementary Work is Needed

In this situation it is necessary to begin at once elementary working class education to awaken the class consciousness of the workers, to teach them the necessity for struggle and the principles of unionism. Classes, forums, and entertainments should be held. A series of simple leaflets of the kind Trotsky used to issue to the factory workers at Nikolaev should be got up and distributed. In these leaflets the unity of the employed and unemployed workers must be emphasized. The slogans of the 6 hour day—5 day week with no reduction in pay, and long-term credits to the Soviet Union, should go a long way toward creating favorable sentiment toward that unity. When this work is launched and under way, a membership drive can be held.

The situation is objectively favorable for the Left wing union. Conditions are bad. There are no powerful Right wing or reformist unions. The N. T. W. I. U. should begin systematic work to organize the workers. It can count in advance upon the support of the St. Louis branch of the Communist League of America (Opposition).

—CAROLINE ANDERSON.

New York Forum

At the New York Forum of the Communist League (Opposition) last Friday evening, comrade J. P. Cannon spoke on current events in the labor movement: The Canadian Communist Party trials and on the Mooney case.

In his remarks on the Canadian trials, comrade Cannon pointed out the degenerating effects of Stalinism on the Canadian party. Leaderless, with no advice from the larger and supposedly more mature American Communist Party, refusing the assistance offered by comrade Maurice Spector, leader of the Canadian Communists up to the time of his expulsion as a Left Oppositionist, the Canadian Party allowed itself to be drawn into legalistic wranglings with the government and prosecution, instead of boldly championing the aims of the Communists to overthrow the capitalist system. The Canadian Communist Party must immediately inaugurate a campaign for its right to exist as a legal party. To do so, he went on, it must throw overboard the Stalinist conceptions of the united front and unite the entire working class in a fight for the rights of free press, free speech and assembly. Otherwise the Canadian Party will be doomed to an illegal, sectarian existence.

In reference to Mayor Walker's espousal of the Mooney case, comrade Cannon reiterated the stand of the Left Opposition that the time is more than ever opportune for a wide united front movement for Mooney's and Billing's release, with the Communists as the dynamic force in the movement.

ENTERTAINMENT FOR "COMMUNISTES". GREEK OPPOSITION PAPER ON SATURDAY, DECEMBER 19.

An entertainment to celebrate the issuance of the first number of Communistes, organ of the Greek Fraction, Communist League of America (Opposition), will be held this coming Saturday, December 19, 1931, beginning at 8 P. M., at the New York League headquarters, 84 East 10th Street. Entertainment and refreshments have been fully provided for. All workers are cordially invited to come.

The Message of Hoover to Congress

(Continued from page 1) Capitalist spokesmen and apologists try to excuse their acts against the working class, against those yet employed and those jobless, by maintaining that the cost of living, of commodity prices has gone down and that therefore wage cuts are in order. But even this argument is false to the roots.

Significant Figures

Ethelbert Stewart, Commissioner of the U. S. Bureau of Labor Statistics, says that from December, 1925, to June, 1931, the workers cost of living had been reduced 15.5% while the employers had reduced the total wages paid workers in the manufacturing industries during that same period almost 40%. Thus, even according to U. S. Government figures, wages have been reduced already 25% below the fall in the cost of living. Stewart's own statement is that a similar situation prevails in other industries.

Mary Anderson, Director of the Women's Department of the U. S. Department of Labor, confirms Stewart's declarations, stating that "since 1929, while the cost of living has declined 12%, the income of factory workers has gone down 37%."

The above figures, we think, expose Hoover's claims regarding unemployment, wages, and the conditions of existence of the mass of workers in the United States. But if president Hoover deals blows against the working class, he is gentle as a lamb and soft as silk with his colleagues and bosses, the employing class.

To take but a single example, it is necessary, president Hoover says, that the railroads "should have more effective opportunity to reduce operating costs by proper consolidation." With wage cuts on the order of the day for the railway workers, Hoover proposes to help along by throwing more men out of work. Operating costs are reduced; profits are assured. All's well with the railroads.

Other questions in Hoover's Congressional message are dealt with that concern every working man; the advocacy of "certificates of residence" for aliens, a revival of the campaign for the registration of the foreign-born, aimed main-

ly at the radical workers; the endorsement of a huge army and navy policy; there was a failure to mention the problem of the Negro masses, and many other matters. We shall have occasion to return to Hoover's program for capitalist salvation and against the working class.

Functions of Government and Taxation

One further point of some interest remains. This refers to the Hoover-Mellon policy of increased taxation for maintenance of the government's functions. The day of "cheap government" is gone forever under capitalism. Modern imperialist development requires an ever-increasing force of oppression and suppression of the working class: a huge military equipment, army and navy, police, courts, and other agencies of a wide description. The increasing sharpness of the class struggle, strikes, mass unemployment, movements in the colonial and semi-colonial countries, etc., call forth these forces of suppression of the masses to a greater degree right along.

The employing class recognizes that it must pay to maintain its governmental apparatus of oppression, capitalist propaganda, etc. Within the ruling class there is an effort to pass the burden of governmental costs from one group onto another, and also to shift even these burdens to the extent possible onto the exploited working class. This is done through taxation, direct and indirect, the largest bulk of which comes from the finance-bourgeoisie. To an extent the bourgeoisie does succeed in foisting taxes upon the workers, to make them carry a burden in addition to their exploitation directly by the employer. But while such taxation is a sort of factor, the working class need to recognize that their basic and daily problem lies in the extraction of unpaid labor, of surplus value, from them by the employers. The official Communist Party exaggerates the taxation of the workers and develops a petit-bourgeois outlook. But the economic crisis has naturally effected the revenues of the government, always increasing in cost, and now the bourgeoisie must pay more to their government to help maintain "law and order", that is, suppress and oppress the working class.

Building A Movement Against Capitalism

Hoover's message of reaction and challenge against the working class must be taken up by the workers. In the immediate sense, there is need to mobilize and organize the working masses in a common struggle for the six hour day and five day week with no reduction in pay; for immediate relief; for unemployment insurance; for the extension of long-term credits to the Soviet Union as a measure of relief for unemployment; for the recognition of the Soviet Union and against the anti-Soviet phobia of Hoover and the U. S. government.

Fundamentally the problem remains the same: the education and organization of the working class for the militant struggle for the overthrow of capitalism and the establishment of the rule of the workers, a Soviet Republic. To this end the Left Opposition directs its tasks. —MARTIN ABERN.

Perspectives of the Crisis in France

Economic - Social Changes and Prospects

(Continued from previous issue)

In the meantime, finance capital in France has not developed on the basis of an unfettered industrial bourgeois growth, as it did in England and in the United States. Because of the relatively slow tempo of industrial development, finance capital has been disproportionately powerful, and its conflicts with industrial capital have at times taken acute forms. The class content of the revolution of February, 1848, as Marx taught us, included the struggle between the royalist and later Bonapartist elements of finance capital, and the bourgeois republicanism of industrial capitalism.

The inflation in France from 1919 to 1926 reduced the value of the franc by 80%, and on the face of it appeared to inflict a corresponding loss on French finance capital. Actually, however, a large movement of capital abroad took place, by direct flight of French funds into foreign banks and by export balances, stimulated by the depreciation of the franc, being left abroad in unusually large amounts.

For this reason the financial stabilization of France was accomplished very easily under Poincare—an increase in taxation to balance the budget, a refunding operation which converted short-term bills into two-year bills, the creation of an autonomous bureau for the reduction of state debt, and a few other financial devices, proved remarkably successful in a short time.

French capital, convinced that under the Poincares and Loucheurs it need have no anxiety, commenced to flow back into France, while still retaining huge balances abroad, which were exchangeable for gold on demand. When the world-wide crisis reached a point, in May of this year, where the solvency of Austria, then of Germany, England and even the United States was called into question, these balances were converted into gold and returned to France.

As a result, the gold reserves of the Banque de France, which amounted to 53,578,000,000 francs at the end of 1930, were up 27% to 67,844,000,000 francs according to the statement of Dec. 3, 1931. During the same period note circulation increased from 76,436 millions to 82,542, indicating a slight degree of inflation in view of the lower industrial activity and declining prices, but on the whole the financial strength of the Banque, measured by the percentage of gold cover, increased from 53.17 to over 57%.

The disproportion between the financial strength of France and its industrial strength, however, is shown by the fact that during this time, the commercial banks have been calling in their loans, reducing their balances with correspondent banks, while their own deposits have been increasing, all to the end of strengthening their cash position. The following comparison of outstanding items from the statement of the four largest commercial banks (excluding the Banque National de Credit, which has been closed, but whose liabilities are not believed to run over 4 billion francs), stated in millions, will show how the banks have been protecting their cash

Table with 3 columns: position, Assets, Dec. 31, 1930, July 31, 1931. Rows include Cash, Balances with correspondents, Total Loans, Current and deposit accounts.

While finance capital has thus strengthened its position, and is better able to conduct purely financial operations, such as short-term credits, flotation of foreign government and colonial loans, etc., it is clear that this has been at the expense of forcing their customers, the industrial bourgeoisie, to pay up loans, and of refusing to grant new loans as liberally as before; witness the unusually large number of bankruptcies in recent months.

The domination of finance capital over industrial capital is not based, as in other imperialist countries, on a high degree of concentration of the latter and the consequent transformation of finance capital from a simple intermediary into a vital factor of monopoly. The cause is rather to be found on the one hand in the low productivity of French economy, and the low standard of living compelled by it, which results in the bourgeoisie seeking its salvation in thrift and saving, instead of expansion as in Germany or America; and in the second instance on the relative backwardness of French industry itself. This domination in turn has tended to perpetuate French industry since at all crucial moments, decisions as between the interests of the industrial and the financial bourgeoisie are decided to the advantage of the latter.

Relative Backwardness of French Industry

A vivid illustration of the state of French industry, and the rate of development of concentration, is to be found in the official record of the number of establishments employing 100 persons or more.

Table 2: Industrial Establishments of France Employing over 100 Persons-Percentage to Total Number of Industrial Establishments. Columns for years 1896, 1901, 1906, 1921, 1921*, 1921*.

Considering coal and iron, the two foundations of industry on the capitalist scale, France ranks sixth among the nations with respect to coal reserves, with 32 billion tons or 7-10% of 1% of the total. Its position with respect to iron ore reserves is stronger, with an estimated 8,164 million tons, or 14.7%, second only to the United States.

A great part of these ore reserves, however, consist of high-phosphorus ore, which could not be utilized in Bessemer furnaces which were the only important large-scale method of steel-making until after 1871. The invention of the Thomas-Gilchrist furnace, using a basic lining to

absorb the excess of acid-making phosphorus in the iron ore, and producing a valuable fertilizer as a by-product, made the Lorraine ores commercial, and laid the foundation for the present French steel industry, and consequently most of French heavy industry. By this time, however, England and Germany were well into their period of industrial development and the growth of American heavy industry brought a new competition to France which the older industrial countries had had to meet.

Pig iron production of France in 1930 was 10,068,000 tons, against 9,000,000 in 1913, and steel production 9,407,000 tons against 4,687,000. Since the crisis affected France later than other capitalist countries, by April of 1930 France was producing more steel than England, and by December, 1930, more than Germany, thus reaching second place immediately after the United States. It has maintained its lead over England and Germany this year in both pig iron and steel in most months.

There is much other evidence to show that the trend toward industrialization, while slower in France than in some other countries because of the resistance of the petty peasant economy and its economic basis in small production, small consumption and savings contraposed to the capitalist ideology of rationalization, mass production, and export trade, has still been making progress, so that France in relation to other capitalist powers does not occupy an "exceptional" position, but merely illustrates the law of uneven development.

Coal consumption per capita increased from 1906 to 1913 by 24%, from 1919 to 1926, and from 1913 to 1926, 19.5%. Steel output per capita increased from 1901 to 1913 by 110%, from 1913 to 1926, 15%. Rated capacity of steam engines per capita (a good all-over index of mechanization), increased 33% from 1906 to 1913, 87% from 1919 to 1924.

Another important indication is supplied by the steadily growing importation of foodstuffs into France, contrary to the bourgeois economists' insistence on "national self-sufficiency". Between 1899 and 1909 food imports averaged from 60 to 80 kilos per capita per year; between 1909 and 1913, about 119 kilos. The lowest that it has run since the war was 109 kilos in 1921; in 1929 it was 161, and the average for 1919-1929 was 157.5 kilos.

On the other hand, the proportion of manufactured goods to total exports has shown a substantial gain. In 1913, 10.2% by weight of all exports consisted of manufactured goods; in 1929, 33.3% and in 1930, 32.2%, with an average of 33.4%.

To import more foodstuffs and to export more manufactured products is typical of the tendency of all capitalist countries, and justifies the prediction that the broad trends of capitalism as manifested hitherto will hold good in France, subject to the law of uneven development as affected by special peculiarities of space and time.

—B. J. FIELD. (To Be Continued)

CHINESE COMMUNISTS CELEBRATE NOVEMBER 7; MANY ARRESTS

SHANGHAI, Nov. 8 (Fenprecor)—Following a week of exhaustive preparation on the part of the military and police authorities in all the leading centers of China, the fourteenth anniversary of the Bolshevik Revolution dawned and set over the Far East without any major incidents occurring. In Shanghai the end of the day found five young Communists facing death at the hands of the police and portions of the city plastered with Communist handbills.

Carrying the Red Flag and the emblem of the Sickle and Hammer, a band of young Communists attempted to parade through one of the city's main thoroughfares and soon came to grips with the police who arrested five, two of them "suicide" victims.

Wheels of Chinese anti-Communist "justice" move swiftly. The five young men and women were almost immediately turned over to the local military garrison headquarters for "trial" before a military tribunal. For protesting the evils of the Kuo Min Tang regime, these five, like countless thousands before them, face the prospect of Kuo Min Tang bullets within the next 48 hours. Protests to the authorities on behalf of the young prisoners have been ignored.

The Chinese municipality of Greater Shanghai was held under martial law for the entire day. Heavily armed military and police patrols marched the streets and a number of "Red snipers" were taken into custody. No major demonstrations took place. Hundreds of Communist delegates began gathering in Southeastern Kaingsi to herald the anniversary and to formulate a definite program on behalf of the Chinese Revolution.

THE MILITANT

Published weekly by the Communist League of America [Opposition] at 84 East 10th St., N. Y.

EDITORIAL BOARD

Martin Abern James P. Cannon Max Shachtman Maurice Spector Arne Swaback

Entered as second class matter November 28, 1928 at the Post Office at New York, N. Y. Under the act of March 3, 1879.

Vol. IV, 36 (Whole No. 95) Saturday DECEMBER 19, 1931 Subscription rate: \$2.00 per year; foreign \$2.50. Five cents per copy. Bundle rates, 3 cents per copy