

WORKERS
OF THE
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UNITE

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The Railroad Wage Cut

From the protracted negotiations for a new railway wage agreement, the millionaire magnates have emerged victorious. But that they accomplished only by the cunning servility of those with whom they negotiated—the union leaders. These rogues accepted the 10 per cent wage-cut while the 1,500,000 railroad workers were not consulted.

It would be difficult to expect any other outcome in view of what happened since the negotiations assembled several hundred local union chairmen in the Chicago conference. According to one chairman who was present, only speakers designated by the official union hierarchy could obtain the floor. The standing refrain repeated by these worthies early and late was the one: "You will have to accept a wage cut." That spelled defeat in advance.

The New York Times says, in commenting editorially upon the great good which is to accrue—not to the workers—but to business in general, to the life insurance companies and to the banks which have more than \$4,500,000,000 invested in railway issues: "Union leadership has sacrificed an immediate advantage in order to obtain a larger objective." No, the leaders sacrificed nothing, not even their honor for such they never had as long as they occupied their official positions. The sacrifice is all on the part of the workers. To them it will mean a lower standard below the \$2.88 per day which is now reported to be the average earning of all railroad workers, counting both employed and unemployed. The railroad owners on the other hand will receive an additional plum of \$215,000,000 to further line their pockets during the coming year, during which this reduction is to remain in effect. These servile, cringing union officials served them well indeed.

The railroad magnates could easily give glib promises of "reciprocity" to the demand for the social employment stabilization advanced by the union officials. This promise is just as meaningless as the manner in which the demand was proposed was futile. The promise offers only to endeavor to increase employment whenever practicable. And, of course, with the magnates now pleading inability to meet the payroll because of diminishing returns, this will never be practicable. But after all, as far as the union leaders are concerned they never intended to be taken seriously. For them it served only as a smoke screen to hide their failure to heed the need of fighting workers—namely to secure the six hour day. A serious fight for this proposal would at least have served as a warning upon the railroad magnates that the workers are deeply concerned about finding some means of alleviating the ravages of unemployment and heavy lay-offs due to the advance of labor saving machine technique.

The railroad companies won this skirmish; but their real objective is a far greater one. They have now begun definitely to come to grips with the railroad unions and they will be certain to lose no opportunity to continue in pursuit of their objective to impose more wage cuts, to gradually undermine the position of the unions in preparation for their final destruction—if possible. This present wage cut was imposed even without the employers having to stop to utilize the rigmaroles of the arbitration machinery provided by the railway labor act. If it had been the case of a wage increase the workers would surely have been at least compelled first to run the whole gamut of this complicated machinery. But that is what it is for. To function as a brake upon the workers; to be at the service of the employers and to be entirely set aside or ignored when the employers feel themselves sufficiently strong to do so.

To the workers one important lesson should remain in respect to this phase

of the matter. There should never again be any reliance placed upon arbitration machineries or proceedings. The workers can obtain only what they can actually take; and what their position of organized strength will force the employers to give into.

What were the heavy compelling arguments which the railroad magnates marshaled to convince all and sundry? It was primarily their plea of inability to maintain earnings in face of the heavy competition from bus passenger transportation and from freight haulage by trucking. It is very true that new modern, and in many respects more competitive means of transportation is to a large extent superseding railroad service. But this does not in the least supersede the dividends collected by the investors in railroad securities because it is the same bondholders in each case. As a matter of fact the existing bus lines are practically all owned by the railroad companies, as for example the Greyhound owned by the Pennsylvania Railroad, the Union Pacific system and the Chicago and Northwestern having their net of bus lines in the Western territory and so forth. The truck hauling is also rapidly being gobbled up by the roads.

The railroad owners thus clip the coupons and pocket the profits from practically all of these means of transportation. But for the railroad workers the situation is an entirely different one. They have been hit, in addition to the wage cut, with heavy unemployment, and lay-offs to the extent of about 700,000 being eliminated during the last decade. Many more are on the part time working basis. Their exclusive craft position in the higher brackets is entire-

ly gone. They face an entirely new perspective for the future.

A Class Approach Necessary
The railroad workers are being reduced from their exclusive craft position. They are now in a more direct sense on an actual class level. Their problems are ever more becoming bound up with that of their class. Only an approach, no longer from the exclusive craft position, but from a class position can hope to begin to approximate a solution. In this sense there is a gigantic change in perspective.

It means new and enormous tasks for their unions and to this we will again return in a future issue. One may say there is some slight ray of hope for future prospects in the fact that in these recent negotiations representatives of all of the unions were brought together and acted together despite the fact of the sell-out by the officials. These latter are, of course, not only still wrapped up in the exclusive craft position of the past, but as such are over functioning purely and simply as agents of capitalism within the ranks of labor. Hence in any consideration by the railroad workers of future problems one thing at least remains axiomatic. A struggle for conditions, a struggle to maintain or to improve their standard of living, can be carried on only hand in hand with the most determined struggle against all traces of domination by these capitalist agents.

The capitalist offensive against the working class is still in full blast all along the line. It calls for the most determined resistance. Meek submission will only bring new and more ferocious attacks. The railroad workers have an organization, divided and split up along craft lines, repeatedly betrayed by their leaders, but nevertheless a powerful organization if brought into action. It is certainly incumbent upon the railroad workers to endeavor to lead in this resistance. But this requires a fighting program.

—A. S.

New Developments in Far East

Western Imperialists Register Protests as Japs Hold on to Booty

While Japanese warships are continuing to bombard Shanghai, at the same time hanging martial law over Nanking and laying waste the Chinese Woosung fortresses at the mouth of the Whangpoo River, the imperialist government at Tokio is tenaciously clinging to every inch of ground it has seized since the start of the Manchurian adventure.

The brigand powers of the West have quite naturally become alarmed over the enormous advantages gained by their Eastern rival during the last few months. Under the sanctimonious mask of the Pact of Paris—the United States, of course, leading—four powers drafted a "peace formula" pretending to have the interests of pacifism at heart, but whose sole aim was to create a check to the successful robber activities of the Japanese competitor.

Was it a all strange that Tokio refused to accept the now famous "Point 5" in the peace formula—"to settle all outstanding controversies between the two nations"? It was, as a matter of fact, to be expected. Japan considers the "outstanding controversy" in Manchuria settled. And Tokio said as much, slyly offering a "satisfactory" apology for the Chamberlain incident, replacing the naval command at Shanghai with the more acceptable Admiral Nomura and deftly withdrawing her troops from the U. S. "Marine Zone". Interference with her already well established conquests, she will not, however, tolerate.

With the exception of a few ultra-jingoist papers, notably the Hearst press, American "public opinion" is hard-

ly inclined to kindle the war spirit against the imperialism of the East. Just yet. The present line-up of the powers is hardly a stable one. France, of late one of the instigators of the Japanese adventure, Great Britain, the traditional ally of Japan, are hardly to be counted on. Their interests are not at one with those of Wall Street. But England does need the aid of American finance for the time being. That explains her role as mediator in the present tension.

A flare-up in the current Far Eastern tangle is not excluded. But the relationship of forces we are witnessing now, will have to go through a rather sharp transformation, before matters come to a head. In the meantime, the outcome of the class conflict in Germany remains, as before, of decisive importance to all turns of world politics. And it is interesting but sad to note that this determining factor is left altogether out of sight by the official Communist press, which instead, indulges in all sorts of tortuous acrobatics around those poor "grotesque contradictions", which they are unable to understand.

The 17th Conference of the Commu-

nist Party of the Soviet Union is meeting in Moscow. There was a time when the Communist Party of the Soviet Union justified its leading position in the Communist International by far more than the fact that it possesses state power. That was in the Leninist period, when it was the veritable leader of the world proletariat.

Today, when the flames of social conflagration are spreading from West to East and from East to West, the ill-fated C. P. S. U. has nothing more to offer the international working class at a Conference—than the latest figures on the Five Year Plan. (To which we shall yet come back!) The oppressed and plundered masses of China, the starved and restless proletariat of Germany, are waiting for a word from the Soviets, from the land of light. Stalin has nothing to say to them.

The workers of the world will not forget this. The workers will begin to demand an accounting. It is to take care of this task that the International Left Opposition under the leadership of Leon Trotsky is preparing itself.

—SAM GORDON.

«Reconstruction Finance Commission» Ruse

The latest patch to our threadbare capitalist society is being applied. They are now announcing the birth of the "Reconstruction Finance Corporation". Not so many months ago the bankers themselves, at the pronounced initiative of the president, created the National Credit Corporation for the purpose of aiding the weak banks. Admittedly, it has been of little aid. Now, a bigger and broader plan is being put in effect, the R. F. C. The bill providing for the creation of this "patch" specifies a two billion dollar fund to be raised through the sale of bonds (\$500,000,000 to be subscribed to by the government) which money will be used to loan money to banks' advance money to the railroads to cover maturing bonds' aid to over-mortgaged farmers' and similar transactions, the essential nature of which is the "thawing out", for the present holder, of "frozen" and perhaps even worthless paper. The success or failure of the entire scheme can be established only after a survey of the entire banking situation today.

About three years ago the first rumblings of the present crisis could have been detected by the trained ear—from the ever lessening pounding of the tap hammer, as fewer and fewer rivets were driven home to secure the girders in the many buildings that had been shooting up. Beginning with the construction industry, the wave of depression rolled over onward, from industry to industry, until now even the mighty banking system of this country has begun to wobble and grow dizzy with the constantly mounting list of casualties.

There are in general three types of banks (aside from investment houses, insurance companies' Personal Loan Societies, etc.—that have many functions similar to those of banks): (1) Mutual Savings Banks—Bovary Savings (2) Commercial Bank—National City (3) Private Banks—J. P. Morgan. The first two concern us primarily. They are the ones that hold the meager savings of the "well-to-do" worker and small business man. They are the banks that act as the support of the industrialist from the moment of the purchase of his raw materials until the time he secures the returns on the finished product. These banks are the ones, that failing, will add a heavy blow to the attempts of the capitalists to rise from their present prostration. These are the banks that the Reconstruction Finance Corp. is to aid.

THE IMPORTANCE OF BANK STABILITY

For savings banks the almost total, and for commercial banks the overwhelming bulk, of the liabilities (money the bank owes to other people) are to the depositors. Thus the recent statement of the National City Bank shows out of a total liability of \$1,800,000,000, the sum of \$1,400,000,000 under the item of deposits. This grand sum came from industrial and commercial concerns who are constantly depositing and withdrawing money to transact their business. On the side of the assets we find a similar item: "short term loans" (for circulating capital) of \$1,858,000,000—the largest single item recorded. A failure of a commer-

cial bank means the throwing of a monkey wrench into the wheels of all the business that was transacted by the concern having deposits there. Increased unemployment and misery. The failure of a saving bank, although not having the direct effect upon business in general as that of a commercial bank, brings within its train the pauperizing of all the depositors, who particularly during times of crisis look upon the few dollars saved during the seven or eight years to tide them over the present lean years. More so than the bankruptcies of ordinary industrial and commercial houses' bank failures—because of the wide spread tentacles of modern financial capital—although also an effect of industrial crisis, add new fuel of a most highly inflammable nature to the economic cauldron.

The importance to Capitalism of a sound financial system cannot be underestimated. It is for that reason that they have been so quick to apply any remedies that they hope may relieve this growing infection. The R. F. C. is but one of many of the most grandiose ones of all. There are the Mutual Aid Plan of the New York State Savings Bank; there is the National Credit Corp.—but as even the bankers admit, they have not been of much help. Of the present scheme, all that can be said is, that although it may succeed in helping through the coming few months the smallest and weakest of the banks, no too great bank ability can be secured with it.

THE TRENDS TO BE COUNTER-BALANCED

The present bank crisis hinges on many important trends. The Federal Reserve System through its rediscounting power of short term loans helps the banks to overcome the failure of the industrialist to make good on his loans. The R. F. C. was created for the purpose of counterbalancing those features of the bank crisis—those of a long time trend. (1) The collapse of the real estate market. (2) The sharp drop in railroad bonds. (3) The defaulting of the European and the South American countries. (Aside from the increase in stock holdings, accompanied by their subsequent decline in value). The act has as its avowed intention the alleviation of any weaknesses displayed by the banks as a result of the first two of the tendencies enumerated above. Of course this will at the same time lessen the effect of the defaulted foreign bonds.

The importance of these trends upon the bank situation can be easily observed by a glance at the asset sheet of the large banks of the country. Thus the Bovary Savings Bank, the largest savings bank in the country, lists out of the total assets of \$535,000,000.

Mortgages \$204,000,000
Railroad bonds 94,000,000
The books of commercial banks would also list large bond holdings. The complete collapse of the real estate boom of the prosperity era brought with it a consequent depreciation of the value of a goodly percentage of all mortgages. The totality and depth of this shrinking away of values can be gathered, to a slight extent, from a recent survey of mortgage bonds throughout the country. Of a total of ten million dollars outstanding, (Continued on page 4)

STATEMENT OF THE MARINE WORKERS DEFENSE

The case of Soderberg Bunker and Trajer, the marine workers indicted in the New York "dynamite plot", is on the calendar for trial and the whole conspiracy will soon be unfolded before the court. At this moment of deepest peril for the indicted workers, when the question of their liberty or imprisonment is about to be decided for many years to come, the defense committee, which was formed at their request and which has conducted the struggle from the beginning in their behalf, turns again to the working class with an appeal for solidarity and support.

All the work of the committee has been carried on under the slogan of unity and solidarity, for we have been convinced that the united support of the workers is the best defense of the men on trial and the strongest safeguard against another frame-up tragedy. For the same reason the committee, which is comprised of delegates representing various organizations and many diverse views, has refrained from all controversy and has endeavored to concentrate attention on the single issue of the defense of persecuted workers in the court of the class enemy.

Through no fault of design of the committee the whole public discussion of the case has not been maintained on this level. Attempts have been made to disrupt the defense movement on the eve of the trial by the International Labor Defense. These attempts at disruption have been furthered by an article in the Daily Worker of January 25th, which falsifies facts and jeopardizes the interests of the defendants at the time of their greatest need.

It becomes imperative, therefore, to reply to these attacks and bring out the truth of the situation with facts and documents. An exposure of these disruptive attempts, as a form of assistance to the prosecution is at present a nec-

essary means of defense. From this point of view, a chronological statement of the facts of the case is herewith submitted. This bare statement of the case as it really stands will suffice to enable the honest workers of all camps to judge the disrupters and call them to order.

THE WORK OF THE DEFENSE COMMITTEE

The first and most important answer to the accusations against the Marine Workers Defense Committee is the record of its work. Coming together for the defense of persecuted workers, who were deserted and without any other means of defense, the committee succeeded in securing able counsel to look after

the legal interests of the defendants; it brought the case to the attention of the labor movement through systematic publicity work, distribution of leaflets, speakers before organizations and a public mass meeting. It succeeded in uniting in a common fight, organizations and groups of conflicting tendencies and views on a broader basis than has been seen for many years.

In harmony with the wishes of the defendants, the committee dedicated itself from the very beginning to the principle of the united front of labor against the frame-up system. On that basis it invited every important labor organiza-

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BUILD OPPOSITION PRESS!

By April 1, an important addition to the Left Opposition press in America will make its appearance. That is to be the publication of the first issue of our theoretical organ, THE INTERNATIONAL COMMUNIST REVIEW.

Undoubtedly this will be greeted with genuine enthusiasm by our sympathizers and supporters everywhere.

We have already made some valuable additions to the Left Opposition Press. The beginning was made with the Youth organ, the Young Spartacus, next followed in rapid succession the Left Opposition organ in the Greek language, Kommunistes and the Jewish language paper, Unser Kampf. These are here to stay. We can now announce the most important addition to our coming theoretical organ. With that, our press will receive its necessary rounded character and equip us with a powerful instrument for the regeneration and rebuilding of the Communist movement as originally conceived and founded by Marx and En-

gels and again restored by Lenin and Trotsky in common with their Bolshevik co-workers.

Never before in the history of the world revolutionary movement, we can say with emphasis, have there been such fateful and deep-going problems facing it as just now. We are entering a truly decisive phase of the epoch of capitalist decline and world revolution. The part the Left Opposition must play is extremely important.

But this effort to more fully equip ourselves for the task imposes a very serious duty upon us. Before us yet remains the job of building the Left Opposition press into the powerful and effective instrument it should be. Our platform is unassailable, but it must be translated into reality. The first step is to further build our press. However, we condition the appearance of our theoretical organ on the date set upon the support to be given by our comrades and sympathizers. We expect you to help build the Left Opposition Press!

The «Uprising» of Nov. 7 -- by L. Trotsky

In the campaign now being conducted with increased vigor against the Left Opposition, a considerable place is devoted to the question of the uprising of November 7, 1927. In his "historic" articles Stalin places this "uprising" in the foremost position as the main evidence in favor of the policy of reprisals against the Bolshevik-Leninists. When the best revolutionaries are subjected to the most frightful injuries and to acts of violence in the solidarity of Verchne-Uralsk: when they are forced to resort to hunger strikes in order to defend their most elementary human rights: when they are being fired upon without warning: when Bakovsky and hundreds of others crowd the places of deportation; when the ver-

itable flower of the party is destroyed, incarcerated and choked off; when Stalin has Butov choked to death and Blumkin shot by Yagoda—all this is explained not by the fact that the Left Opposition has not recognized the theory of socialism in one country? that it did not agree to the bloc with Chiang Kai-Shek and that it rejects today the capitulation before Hitler! No! The bloody reprisals are explained by the fact that the Left Opposition is supposed to have made an attempt at an armed uprising four years ago. All the organs of the various sections of the Comintern have once more reminded their unfortunate, systematically deceived readers of it.

(Continued on page 3)

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