

WORKERS
OF THE
WORLD.
UNITE

THE MILITANT

Weekly Organ of the Communist League of America [Opposition]

Published weekly by the Communist League of America (Opposition) at 84 East 10th Street, New York, N. Y. Entered as second class matter, November 28, 1928 at the Post Office at New York, N. Y. under the act of March 3, 1879.
VOLUME V, NO. 26 [WHOLE NO. 12]

NEW YORK, SATURDAY, JUNE 25, 1932

PRICE 5 CENTS

ON THE SPOT

IT'S THE WORKER WHO ALWAYS PAYS

The B. M. T. (Brooklyn-Manhattan-Transit Corporation) to out of town customers) decided to save five million dollars so dividends could be paid to deservng stockholders, as well as to bolster the price of B. M. T. shares on the stock market. Displaying an originality that is nothing short of amazing, the corporation's directors hit upon the bright idea of taking the five millions out of the paltry wages of the corporation's employees. They simply cut their wages ten per cent and called it a day.

THE ELEPHANT NEVER FORGETS

The national convention of the Republican Party renominated 'Erbert' Hoover, the stalwart Briton and Charlie Curtis, his American expression. Wall Street wanted Hoover. Nobody except Mrs. Dolly Gann seemed to want Curtis. Hoover has an excellent record. He plundered his way to wealth and position. He was at home in any land where profits could be coined out of the sweat and blood of the masses. He served himself and his masters in Australia, China and in Siberia. He was a bit late in Siberia, for the Bolsheviks took over the country in the name of the working class and directed all exploiters to the sign which read: "This way out". Which partly explains Hoover's anti-Soviet phobia. The G. O. P. is grateful to Hoover for his services while an inmate of the White House. It does not forget its loyal servants.

BOLTER BORAH CANNOT SWALLOW BOOZE PLANK

Senator Borah, the eminent bolter from the almost uninhabited state of Idaho again threatens to bolt the Republican Party in the election campaign. He does not like the hermaphroditic plank on the liquor question which was framed with the object of holding the dries in line, and giving encouragement to the beerocrats who want their beer at a dime a stein instead of two bits. It's a two-way plank and Borah is a natural. We predict that the senator will be sitting behind the elephant's ears before November with Rajah Hoover in the howdah.

WHAT MAKES THE JACKASS WILD?

The Democrats are expected to put on a livelier show in Chicago than the one staged by the Republicans. The G. O. P. menagerie contains a better collection of animals than the Democrat zoo. The G. O. P. is more responsible to the Wall Street trainer and is the keeper's favorite. But sometimes the customers like a change and the jackass replaces the elephant in the White House cage. They both serve the capitalists, though the Democrats are a bit wilder and woollier, many of them hailing from the hills. The class-conscious worker will call down a plague on both parties and vote the Communist ticket. It makes no difference to the worker or the workless whether he is plundered and reduced to starvation by the Republican confidence man or the Democratic highwayman.

THE SOCIALIST PARTY ALSO RUNS

After several years of comparative inner peace the Socialist Party enters an election campaign with a factional fight on its hands. The fight is over the question of Americanization, which means that Morris Hillquit's job is not considered an asset in a vote-catching campaign. Anyhow, a fight over the physiognomy of the party chairman proves that the S. P. is still alive.

THEN THEY'LL HAVE NO BRAINS AT ALL

The Human Betterment Foundation of Pasadena, California proposed to the summer session of the American Association for the Advancement of Science that approximately one-sixth of the population of this country is mentally defective and should be sterilized to prevent race degeneration. We learn that the enlightened state of California, home of Hoover and jailer of Mooney and Billings, has had considerable experience in this race-preserving experiment. We also learn that six out of seven operated on are quite satisfied and regret they can be cut only once like the patriot who wished he had two lives to give to his country. Eighteen million mental defectives out of a population of 120,000,000 may seem an exaggerated figure but when one considers that thirty or forty or perhaps fifty millions of workers and their dependents are starving in the midst of plenty, the estimate is rather low.

While they are at it they might sterilize the mental detectives who looked for the Lindbergh baby.

Not to speak of those who believe the repeal of the 18th Amendment will liquidate the depression.

—RIDEM.

A New History Making Trotsky Book

PROBLEMS OF THE CHINESE REVOLUTION, by Leon Trotsky. With an introduction by Max Shachtman. 448 pages. Pioneer Publishers, New York. Paper, \$1.00; cloth \$1.50.

The Eighth Plenum of the Communist International in May 1927 occupies a unique place in the annals of our movement, if only because formally speaking it occupied practically no place at all. Confronted as it was with problems more acute than those which faced some of the preceding international gatherings, there has yet to come out of it a record of the proceedings. The Plenum took place at a time when the Chinese revolution was approaching its highest point, with sufficient material at hand to draw the most instructive conclusions. In it were argued out the fundamental questions of revolutionary strategy and tactics. Opposing the official course were the two outstanding leaders of the Executive Committee—Trotsky and Zinoviev, as well as the secretary of the Young Communist International, Vuyovitch. What was decided there deeply affected the whole future of the world revolutionary movement. But to this day you will look in vain through all the voluminous accounts of the Congresses and Plenums of the Communist International for a definite report of the Eighth Plenum, for the documents presented to it and the speeches delivered.

Suppressing the Documents
In a word, Stalin and Bucharin suppressed all but the most meager account of this Plenum. The theses and articles of Trotsky and Zinoviev were put on the index expurgatorius as counter-revolutionary literature, punishable under the Soviet penal code; Stalin even suppressed one of his own speeches a week after it was delivered! This little detail in the mechanism of the inner-party struggle did not prevent Stalin from demanding that the whole membership of the International vote to condemn the Opposition's standpoint in the Chinese question. And—let us remember it with a deep and bitter shame—such a vote was obtained without much difficulty. Just as the pre-war social democracy knew that its voyage towards opportunism would be facilitated by the suppression of Marx's biting criticisms of their course, so Stalin kept the revolutionary criticism concealed from the parties so that Menshevism in China might the more easily get the stamp of approval from its principal foe, the Communist International.

But even when you have at your disposal what the social democrats did not have—a proletarian state apparatus—it does not suffice for all time. Little by little, sometimes only in fragments, the works of Trotsky have virtually been stolen out of the underground bureaucratic vaults and smuggled beyond the frontiers. These are the only terms that can be used to describe the conditions under which the basic documents of Bolshevism have seen the light of day in recent years under the Stalin dispensation.

We have such a document, or more properly a series of documents, in the present work. Here is no fragment, but a closely-knit study of the problems of the Chinese revolution in the last seven years which will furnish us to the next generation with the most vivid exposition and critique of the fundamental character

of the great epoch in which we are fortunate enough to be living.

The Value of Marxism
This bulky volume by comrade Trotsky is a most striking proof of the unequalled "practical" value of Marxism. For the professors, with and without diploma, Marxism is a dry closet philosophy. For the proletarian revolutionists, it is a searchlight whose batteries are the distilled essence of past experience, enabling us to throw a piercing light into tomorrow so that the course of the revolution may be properly guided. It is his mastery of Marxism that enabled the leader of the Opposition, as is shown by the contents of this book, to analyze each stage of the Chinese revolution, predict its next stage with accuracy and present the policy best calculated to meet

(Continued on page 3)

Leninist Turn Imperative in Germany!

United Mass Action - Not Parliamentary Opportunism - Will Defeat Fascism

The lifting of the ban on the Nazi Storm Troops has already led to a big spurt in the number of armed and bloody clashes with working men all over the German Reich. In Hamburg, in Altona, in Kiel, in Essen, in Berlin, in Frankfurt, the street battles between the Hitlerites and the workers have resulted in about a dozen deaths and in scores of wounded during the last week alone.

Meantime the Minister of the Interior of the reactionary Junker government, Baron Von Gayl, is bringing pressure upon all the state governments to hasten the lifting of the Brown Shirt ban locally, where it has met with some opposition. Every day, the plans of the Von Papen government—as the government of the organization of the Fascist coup

d'Etat—are becoming clearer. With the tremendous growth in the number of armed conflicts, the danger of the Hitler coup becomes a matter of days.

How does the Stalinist leadership of the German Communist Party react to this highly tense and foreboding situation? It must be said openly: It reacts with measures of despair, it displays a feeling of utter helplessness. At a time when only the broadest and most centralized mass action on part of the whole working class can be effective, at a time when Hitler's hordes are at the gates, it resorts to petty parliamentary policies which only prove its complete bankruptcy.

In the Daily Worker of Wednesday, June 22, we read:

"With a view of preventing the final election of a Fascist president in the Prussian Diet, the Communist party proposes to refrain from filing its own candidates and to vote for candidates of the Catholics and Socialists, providing these accept two conditions, namely, the restoration of freedom of assembly, of press and radio with the Communist right to speak and agree to reject the Papen emergency decrees for Prussia."

Unannounced, unexplained, restricted to the parliamentary field alone, this form of the "united front" can only bring further confusion into the minds of the Communist workers. As a first step, this sort of "united front"—limited to parliament—smells of the worst sort of opportunism, the opportunism of the Brandler type of 1923. As such it must be decisively rejected by all serious Communist workers.

What is needed now is first of all, a frank and sincere avowal of the ultra-Leftist mistakes by the leadership of the C. P. G. If a turn in policy is to be carried out, it can only be done effectively in the Bolshevik manner, in the manner of Lenin—before the eyes of the whole working class. The entire policy of bureaucratic ultimatums, of the "red United Front", of social Fascism must be honestly and thoroughly brushed aside. The confidence of the working class in the seriousness of the Communist leadership must be regained.

The action of the C. P. G. in the Prussian Diet is a rotten caricature of the "united front". Only desperate bureaucrats, only people who are at the end of their rope can believe that the Fascist menace can be warded off by an agreement to vote for the candidates of our political enemies—the Catholics and the social democrats. The whole affair is a distortion, a travesty on the Leninist United Front.

The aim of the Leninist United Front is to set the masses in motion, to prepare them for Communist leadership by proving to them in action that only the Communist program is adequate to their needs. That is why the Left Opposition must discard this step of the Stalinists which is merely a headless zig-zag from the "united front only from below" to the "united front" with the top pure and simple.

The Communists must approach the social democrats and the reformist leaders with an eye directed to their followers. This requires that a concrete and realistic program of action be proposed as the basis of the united front. Such a program is the program of mass united front action proposed by our brother section, the German Left Opposition.

The German Bolshevik-Leninists propose the following as a basis:
"1. Military Defense Against Fascism. The formation of Red Hundreds in factories and unemployment registries, in the working class quarters, to beat back Fascist attacks and punitive expeditions.
"2. Against wage and unemployment relief reduction. The formation of cartels locally, in the factories, and finally in the whole Reich, consisting of factory councils and committees of the unemployed, to counter wage and relief reduction with strikes, with the seizure of closed down factories and by of controlling production through these organs. Execution of a plan of economic collaboration between Germany and the U. S. S. R.
"3. Struggle against war. Prevention of war production and munition transports by strikes
"4. The National Congress of these cartels is to make preparations to meet Hitler's terrorist acts and his seizure of power locally and nationally and will elect a national Cartel of factory and unemployed councils.
"5. As the first common action of the Communist Party of Germany, the Socialist Party of Germany and the Free Trade Unions, demonstrations under the following slogans:
"Against the dictatorship of the Generals and against Fascism.
"Against all wage and unemployment relief reduction.
"For Control of Production.
"For the National Cartel of Factory and Unemployed Councils,
"For the Defense of the Soviet Union."
We must say candidly and sharply: There is a crisis in the leadership of the German Communist Party which breeds disaster. Only the immediate and determined aid of the Communist workers all over the world can prevent the baleful consequences of this crisis.

Worker Communists, members of the Communist Party of the U. S. A.! Raise your voices before it is too late. Pass resolutions in your units and forward them to the Communist Party of Germany. Demand an open and sincere turn to a Leninist United Front policy that will defeat Fascism before it seizes power. Push the C. P. G. into action! For the revolutionary working class of the world, the key to the situation lies in the hands of the Communist Party of Germany. —THE MILITANT.

NOW READY!

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AFTER THREE AND A HALF YEARS OF PATIENT WORK, THE COMMUNIST LEAGUE OF AMERICA NOW PRESENTS TO THE AMERICAN COMMUNIST WORKERS THE WHOLE STORY OF THE DEVELOPMENTS OF THE GREAT CHINESE REVOLUTION OF 1925-27.

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A First Hand Account of Events on the «Bonus Battle Front»

WASHINGTON, D. C.

Fifteen minutes from Union Station by trolley is the suburb of Anacostia, situated on the Potomac, and at the edge of one of the filthiest parts of the river is the camp of the "Bonus Expeditionary Forces". Through a long dusty gully off the B. & O. Railroad freight tracks, one comes down to the circle of the large flat field, about four city blocks in diameter, clumped with half-wilted grass; the least rain turns the ground to a miry, mosquito-infested swamp. From a distance, the camp looks like so many sticks of wood, rusty tins, dirty blankets, rags, heaped up pell-mell like garbage, or like the very excrement of the ground. And here, as a matter of fact, away from official, monumented Washington, the government has dumped in this one camp alone the bodies of six or seven thousand ex-servicemen who, as the thousand and one of their dilapidated trucks proclaim,

are not "bums but the flower of 1917." Alas, the flower is sadly wilted."

The several rows of shacks, put up out of sticks, tins, lousy blankets, and rags ferreted out of lots and wrecks of former houses nearby, are no more than three feet high. The once "proud Expeditionary Forces" now creep into these worse-than-dog-kennel holes for sleep or for shelter from the scorching sun; they're useless in time of rain, when the men, as one of them put it, "look like so many rats huddled together." But the men are patiently trying to improve these dumps by such means as, for example, mowing the grass down to use it for thatching and bedding or by using the all-too-few shingles for roofing. A good number of "our heroes" have no blankets and are forced to sleep on the damp ground. Like the camps, the men are as bedraggled, worn and dirty, a lot as you see on the Bowery. They try to

put up a brave show of keeping themselves clean, but it's a sorry show. As one of the soldiers expressed it, "It's tough to keep yourself clean with one shirt and one pair of underwear which you have to wash in the dirty Potomac."

The unsanitary conditions and the poor food (scraps of frankfurters, half-dried spuds, etc., contributed by local restaurants) are putting the men under a severe strain.

Diseases Rampant
It's difficult to ascertain the number taken sick, but it must be considerable. The morning I arrived about forty men were taken to the hospital, suffering from exposure, malnutrition and pneumonia. Almost all of one contingent from Ohio—about sixty men, arrived in Washington sick from exposure. They took a freight train at Canton, O., where railroad officials promised them a fast

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The Unemployment Situation, the Economic Crisis and the American Working Class

The American government is proceeding full blast in developing its "reconstruction" program to "break the backbone of the depression". It solicits the support of bankers and industrialists. The program is epitomized by the national policy of credit expansion aiming at "releasing hundreds of millions of dollars in turnings to start the wheels of industry turning."

So far two main measures have been taken: (1) the loans advanced by the Reconstruction Finance Corporation and (2) the release of funds by open market buying of government securities by the Federal Reserve Banks. About \$1,000,000,000 in financial resources has been mobilized and set in circulation by these measures. But, as one financier laconically remarked: "Nevertheless, credit has not gone into productive channels, loans advanced by the member banks are showing marked declines."

Credit System During Crisis
It is well to stop at this point for a moment to pose the essential question: How does the credit system operate during a crisis?

When the process of reproduction flows "normally" credits are stable and continually expand. When a stoppage in this flow occurs, due to delayed returns and overstocking of markets, there is a superabundance of capital, of productive capital available; but, in a form in which it cannot perform its function. It is a mass of commodity capital which is unsaleable because of its very superabundance. It is a mass of fixed capital which remains unused because the very process of reproduction is at a standstill. Witness today the enormous pro-

duction capacity of American industry, now not utilized, and with it the millions strong army of unemployed workers. In such a situation credit is contracted for good and sufficient reasons. Firstly, because this capital remains unemployed. Secondly, because the confidence in the continuity of the process of reproduction is shaken and thirdly, because the demand for this kind of commercial credits decreases. These manufacturers who curtail, or cease production because they have lots of unsold goods on hand, or at least lack demand for their goods, do not need to buy on credit.

It is not a case of there being no need of loan capital. There is such a need. But loan capital performs one distinct function during the upward curve of the production cycle, and an entirely different one during the crisis. During the upward curve, loan capital is in demand for the purpose of being transformed into productive capital. During the upward curve, loan capital is in demand for the purpose of being transformed into productive capital. During the crisis bills of exchange continue to press for conversion into cash. But the majority of the bills represent actual sales and purchases, which, to make matters worse, have been extended far beyond the demands of society.

Operation of Loan Capital
In times of crisis the demand for loan capital reaches its maximum. But the borrowing is done for the purpose of paying in order to settle previously contracted obligations. In this manner, the

loan capital wanders right back to the banks in settlement of interests and maturities. The rate of profit, and with it, the demand for industrial capital have almost reached the vanishing point.

It is therefore no wonder that the loans advanced by the Reconstruction Finance Corporation, to the tune of more than one half billion dollars today, with but two small exceptions, all went to meet obligations of principal or interest. The two exceptions were a \$27,500,000 to the Pennsylvania Railroad, and a \$4,300,000 loan to New York Central Railroad, both of which are claimed to be for purposes of reconstruction. From the other category of loans we will mention only one instance, that of \$32,500,000 to the Baltimore and Ohio Railroad, advanced solely for the meeting of outstanding obligations of the company.

Credit and Industry
Surely, the credit expansion policy is developing full blast. The bankers and industrialists are being taken care of. For the latter the maturing bills are being met and for the former the bills of exchange are being converted into cash. But—the wheels of industry are not turning.

Will the "ingenious" proposal offered by the Young Committee of bankers and industrialists have better prospects of success? We recall that much ado was made out of the creation of this committee and its prospective aid in the "reconstruction" program. By its make up, the committee alone was said to represent aggregate capital resources of about \$18,000,000,000. Now the committee has labored; and here is what it proposes: There are so many hundreds

of thousands of small home owners who have mortgage obligations which, during these hard times, it becomes doubly hard to meet. And that is the grand idea of the committee, to facilitate the advancing of loans for such purposes. It is not so much to make sure that the small home owner keeps his home. No, the bankers do not want to have too much real-estate on their hands. But meeting these mortgage obligations enables the banks to keep their dividends in shape. Of course,—this will not start the wheels of industry turning either.

How do matters then stand with the second measure of the credit expansion scheme? During the period of accelerated buying, or taking over, of government securities by the Federal Reserve Banks, between April 13 and May 18, a total of \$480,000,000 were released. This operation is now said to have "arrested the catastrophic decline in bank credits in progress since last July." But loans and investments made by all the member banks throughout the country continue to lag nevertheless.

Where are the Markets
With these huge funds made available, the problem still remained one of finding ways and means for putting them to work. The dilemma is, what to do with the credits available—with the expanded credits. Where are the markets for profitable investments? This is the question asked by the perturbed financiers; and the crucial answer is: The market for which capitalism produces has become severely contracted!

The National City Bank of New York in its monthly letter of June bewails the

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