

# The Power Trust and the Elections

Without electricity modern capitalism would not be writing history in its present form. Modern capitalism rests upon economic relations which have been accelerated, and the exploitation heightened by the use and control of electric power. Electric power grips the entire modern industrial structure. The electrification of the capitalist tools of production has not been completed and will not be completed under capitalism, but in America there are still prospects for forward steps in this line by the capitalist class.

### Problem of Power Control

The control of power becomes a burning problem of the ruling class, not only between imperialist nations but also between sections of the capitalist class within the nation. The control of electric power, like other important capitalist industries has evolved and now confronts the "people" as the Power Trust. It is an octopus of modern capitalism, more powerful in control of life than many other capitalist trusts and more menacing to the "people"—say those out of office to those in it.

The capitalist, private-owned power utilities are centralized into about a dozen gigantic holding companies. These power combines are "regulated" by State Utilities Commissions, but like the Sherman Anti-Trust Act or the Interstate Commerce Commission they are of no value to the "people" but only cloaks for further concentration of industries.

The State Utilities Commissions have, without a doubt proven bankrupt in safeguarding rates for the consumers or protecting the small investors. No wonder the small investors, the middle class, have their representatives in Congress clamoring for revenge. No wonder they want to make "Power" an issue in this election campaign.

The Federal Trade Commission, like all government commissions have conducted several costly investigations of the Power Trust, and as in all other investigations "abuses" and "startling" information have been unearthed—but nothing, absolutely nothing has been done about it, except as political capital for the outs against the ins, and as middle class campaign material.

The Federal Trade Commission unearthed many abuses liable to criminal action. For example, watered stock or arbitrarily "writing up" the valuation of the utility property, was found prevalent. This enabled the trust to increase the rate base. The books show a "fair return" and "normal rates" but facts prove (for the thousandth time) a tremendous return and robber rates.

### Fictitious Capitalizations

The Federal Trade Commission found the following fictitious capitalizations:

American Gas and Electric Company	\$88,492,000
American Power and Light	74,000,000
Electric Power and Light Company	70,103,600
Miss. Electric Power and Light	10,000,000
Buffalo Niagara and Eastern	53,000,000
La. Power and Light	10,000,000

The inflation of only those investigated showed padding into billions of dollars. This increased the consumers' bill by millions. Monopoly prices are the order of the day.

The present crisis has hit the Power Trust too. The Tri-Utility System has gone under. The Middle West Utilities, the Insull economic and political organization with ramifications in 31 states, is in the hands of receivers. They are still investigating the company.

The consumers have no voice. The trusts control part of the government and, with the other financiers and monopolists, control the whole government. The middle class investigations never complete the rounds and in the long run help let off steam, while profits continue to roll in. The shareholders have less say-so. The shareholders should, according to

"fair ethics", have a voice, but the ramifications of the holding companies, of separate classes of bonds, prevent all this. It is well known that the great mass of "unfortunate" and "discontented" investors are disfranchised and have no voice in the actual business. But these investors need not worry. Norman Thomas of the Socialist party has come to their rescue. Norman and Roosevelt are "doing" their share. So, all in all, the middle class is . . . well protected, while the monopolists move forward.

The Muscle Shoals war project has not been of service to the middle class in spite of the "public sentiment" and the fight of the middle class and farm interests.

### The Power Projects

The Power Trust told Washington what to do—and orders are orders. But in spite of this the Power Trust is a good campaign issue and will be used as such. Roosevelt pulled a fast one on Hoover over the discussion of the St. Lawrence project. The St. Lawrence project for navigation and power, is vital for a whole section of the American capitalists all the way over to Chicago and the two parties of the capitalists and their reformer brothers, the socialists, know this well enough. He who serves his master on this big waterway and power project will obtain his just reward, because it has great value for American imperialism in the coming period.

The economic and political organization of the Power Trust is great. Muscle

Shoals was an early test of strength and the monopolist won. The urban and rural middle class are reorganizing for a fight in the present campaign. The four great power projects in the United States are vital for the capitalists and the financiers; the industrialists and the middle class are endeavoring to obtain their sectional interests now. Muscle Shoals, the Hoover Dam, the St. Lawrence dam and the Columbia River dam will lay the basis for a vast electrification. It will in turn accelerate the centralization and concentration of wealth. That is the strength the forces are again testing. Their reason in the present election. Certain control gained now will go a long way for future domination.

### The Insull Collapse

Insull is down but not out of the race. Years ago the Senate investigation proved that Samuel Insull was a campaign contributor to the Republican and Democratic parties in the Illinois fight for U. S. Senator. He gave the greater part of both campaign funds. Col. Smith acclaimed happened to be chairman of the Illinois Commerce Commission which regulates utilities in the state as well as a candidate.

The fall of the Insull interests in the middle West, has transferred control directly to the other financial capitalists. The "prosecution" of the Insulls will not alter the process. The Morgan United Corporation, with assets above six hundred million, through stock ownership

and interlocking interests, dominates the Eastern field. Three groups, the Morgans in the East, the banks which took over the Insull interests in the middle West and one in the West are utilizing the depression for further domination of the electric power.

In Montana the Power Trust and the Anaconda Copper Company struggle for power. The two control the state. Wheeler, who had the backing of Anaconda, made a heroic "middle class" fight against the Power Trust. Similar examples can be multiplied manifold. Many prominent politicians, national committee men and state officials are officers of Power Companies. The reformers object to this. The reformer seems to think that private capitalist ownership is alright providing these same robbers keep out of politics!

The Power Trust, the holding companies, the monopolists and financiers like their sectional class interest, just like the industrialists, who need a large supply of cheap power. They have their objections to the monopolist prices as well as the middle class, urban and rural, who by all means want cheap power—and the mass of consumers who can be lined up to fight the trust. The Republicans represent this standpoint Trust's interest. The Democrats and Roosevelt are not a bit better, but have their own sectional class interests. The progressives and socialists are the champions of the middle class. They want government ownership. Only the Communist party has a program suitable for the working class. The solution of the Power Trust like other trusts is only possible through the proletarian revolution.

—HUGO OEHLER.

# Some Lessons of the Gillespie Convention

(Continued from page 1)

Bellefonte sections were getting impatient and would go back to work under Lewis unless something was done. There is a doubt whether this was true and even if this was true, by mass demonstrations, by mobilizing relief, by correct strategy and tactics these miners could have been strengthened. At the same time it would be necessary to continue the drive to bring the West Frankfort section out on strike and the miners of Illinois could have been able to negotiate a much better wage-scale. The yellow opportunism within the leadership is directly responsible for this present wage-cut.

The miners must learn a lesson from this experience and in the future they must take more initiative in the affairs of their union. The miners at all times must continue a ceaseless struggle against the coal-operators and their bosses because if this is not done then more wage-reductions become natural and inevitable under the decaying system of capitalism. The object of the capitalist system is to maintain profits. And under the capitalist system the purpose of the coal-operators and their bosses is not to provide fuel but to make profits and the purpose of the railroads is not to transport people and commodities, but to transport gold into the pockets of the capitalists. Further the miners of Illinois have learned by the experiences in Franklin County, Taylorville, Canton and other places that in order to maintain their profits the capitalists are protected by all the forces of the state, the courts, the legislatures, and aided by the church. Only by a class-conscious organization, only by a united front of the coal-miners against the united front of the bosses can the coal-miners defeat the onslaughts of the coal-operators and their bosses.

The miners must watch closely such men as Claude Pearcey and Joe Peck, who on the floor of the convention said that, "the coal-operators are good friends of the Progressive Miners of America and that they will help to build the new union."

After all these years of struggle the

miners know that the coal-operators' interests have always been diametrically opposed to that of the miners. The whole

## The Demonstration of Solidarity

After the splendid demonstration of solidarity in the face of terror and starvation, the Progressive Miners union is writing under the realization that they have been defeated in their fight against the wage-cut.

The mass demonstration in Gillespie previous to the opening of the convention was estimated to be over 5,000 strong. Then in executive and closed session on the discussion on the wage demands. Dan McGill, of Springfield moved that the \$5.00 wage-scale be accepted. The wage-reduction was strongly supported by Joe Peck, of Benvid, the reactionary Mustelie who even voted and spoke against the preamble adopted by his own local union, which embodied the demand for the full social value of labor; this noted expert on economics from Brookwood voted for a minority report submitted by another pseudo-expert of industrial unionism which asked for an equitable share. This is exactly the way that the pious William Green of the A. F. of L. and his good friend John Walker puts it. But militant unionists fight for all that is due labor. This winning opportunist and pious student of Brookwood, according to his conduct seems to have ignored intentionally his duty as he voted against the mandates of his local union.

The miners are not satisfied and the leaders are realizing it is not so easy to keep the confidence of the rank and file when they could have made a more strenuous effort to obtain a wage higher than the Lewis-Walker wage-scale. The coal-operators have signed so as to fill their winter contracts and next year they will demand another reduction. The Progressive Miners of America led by militant leadership could have gained a higher wage-scale than what was accepted. —JACK AYRSHERE.

history of the coal miners of this country, is a history of struggle against the coal-operators. How can the coal-operators be a friends of the miners union when they are sitting on the back of the miners. When men like Pearcey and Peck get up in the councils of the P. M. A. and advocate a policy of class-collaboration as they have done they are bringing rotten pus over from the old United Mine Workers Union that was inoculated and corrupted by the Lewises, Farringtons and Walkers. The new union must make a complete break with the past, and clean out from their midst all those practices of the past.

In order to accomplish this rank and file miners must be trained to a realization of the need of militant, class-conscious industrial unity. This is the work of the Left wing within the union. There is a large sentiment through the state of Illinois for a Left wing program and this sentiment must be crystallized into an organization. There was a small group of Left wingers in the convention and they raised their voices on many progressive matters pertaining to the affairs of the new union. If the Left wing was organized their voices would have been louder and the Progressive Miners Union would have been strengthened tremendously to cope with the every-day struggles. The task of the immediate present must be the organization of the Left wing within the union for purpose of carrying out the striplings and protecting the interests of the rank and file miners. —JOSEPH ANGELO.

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# Highlights at Gillespie

## Observations at the Convention of the Illinois Miners

SPRINGFIELD, ILL.—The report I give here is based upon an incomplete convention. I was in and around the convention from Monday until Thursday afternoon, and even though the convention was not finished, I believe the next two days would not basically alter my report.

The Constitutional Convention of the Progressive Miners of America was called for one month after the preliminary, provisional convention. The events that preceded these meets are well-known—the months-long strike, —Lewis' agreement with the operators for a slash from \$6.10 to \$5 a day in the basic wage rate, the referendum and Lewis' insolent stealing of the miners' ballots marked overwhelmingly with "No" and his amazing nerve in stating that the miners supported his wage-cut. Then came the gigantic wild-cat movement, the march upon Taylorville and the forcing of the operators and state out of the pits. Then the epochal crusade on Franklin County of 35,000 miners, the ambush and the shattering of the army but not morale of the northern and central Illinois miners. The result of all this was a resolve never to go back to the mines at \$5 a day and that Lewis had committed his last act of betrayal—the miners were going to form a rank and file controlled militant union.

The crucially important convention, which was to lay the plans for the winning of the strike, as the miners hoped, and lay the foundation of the new union, was called for Monday October 3, 1932 at Gillespie. A miner upon arriving in this little coal-mining center would have seen the city bedecked with stars and stripes as if for a convention of some Babbits organization. The flag was everywhere and over a main street was a sign of "WELCOME PROGRESSIVE MINERS OF AMERICA."

### Two Conflicting Currents

The flag, I believe, represented the crossing point of two antagonistic currents: the outside forces including the operators who were united with the Right wing of the convention (possibly the latter were unconscious of this) and who together wanted to psychologize the P. M. A. into becoming a class-collaborationist, anti-radical, "American" union; and travelling in an opposite direction, the militant miners, Leftward bound, who in their first steps towards radicalism unconsciously attempt to hide behind legality, and mask their developing radicalism from a possibly hostile public opinion and even themselves.

The parade of 3,000 people, in which much in evidence were 750 members of the ladies' auxiliary, was full of pep. The women, with their cheering and singing gave all to know that the female of the species was as deadly as the male—a fact which has been proven even on the picket-line. The Lewis machine never aroused this dormant section of the class. The youth are also conspicuous for their part in the movement. The parade was led by the democratic mayor of Gillespie, who is a coal miner and a delegate to the convention.

A preacher-delegate invoked the help of the celestial powers for the convention at the rap of the gavel. While a majority or even a substantial minority of the miners are not as yet militant materialists, many who were far above this application for heavenly succor arose and bowed their heads for the sake of the protective coloration that this would lend the movement. This has been explained above.

Pearcey, temporary president of the organization, gave a report on the month's term in office since the provisional convention. He raised the point of suing Franklin County for damage done the persons and property of the miners during the ambush that ended the first march on Franklin County. This is a piece of faith in the capitalist courts awe-inspiring in its conviction. More important, he discussed the loss of spirit in Franklin County which had remained at work—not to the desire of the miners to scab, if such it can be termed.

Pearcey also placed forward for discussion in connection with the southern Illinois fields, the question whether sectionalism was springing up in the Illinois mine fields. The answer was to be given later in a most unexpected manner. This about summarizes his report.

### A Jagged Course

There seems to be a jagged, uneven development of the movement. Sections once noted for their militancy, like Franklin County, have become passive, while regions once inert are full of vigor. The reasons for this will be discussed later. An important task will be to restrain those champing at the bit, and the urging of those behind forward for the grand united counter-blow. The evening-out of this unevenness by raising the backward elements up, will be a condition for a victory of the counter-offensive, otherwise the weight of the lagging ones will drag, hinder and defeat the more advanced.

Greetings to the convention were given by the before-described mayor of Gillespie. A movement of this scope sweeps all varieties of individuals along, who become and have become the right wing of the movement: job-seeking ex-Lewis men who hasten to desert the sinking ship but still retain the ideas and traditions of Lewisism, and politicians and ward-leaders of various sorts.

While the credentials committee deliberated, George Scherer, secretary of the West Virginia Miners' Union addressed the convention. The organization led by Kennedy is typically Mustelie. Scherer told the story of the West Virginia miners, of Van Bittner's (Lewis' tool) trail of wreckage in a once pow-

erful district of the U. M. W. A., of the present bitter conditions and low wages, so low that after working a week, the miners, in order to reach an existence standard, must appeal to the Red Cross and county relief for help. Against determined opposition of all non-working class elements such as the petty business men, Scherer reported 24,000 members behind the West Virginia Miners' Union.

Politically, the movement there has reached the "height" of a labor party, formed by and based upon the miners. Scherer is a candidate for sheriff on the Labor Party ticket in one of the coal mining counties of West Virginia.

His speech was saluted with great applause. The instinct of national and international solidarity, choked to hardly glowing embers by a half decade of separate agreements and Lewisism generally has been fanned into a blaze by the present struggle. The miners' eyes glowed with enthusiasm as they rose to give Scherer a vote of thanks, to pledge his organization and the miners everywhere unity.

Later a telegram from an organization with a similar history, in Nova Scotia, was received with the same sentiments.

The credentials committee then reported. There were 199 delegates representing 29,000 men. The Central and Northern Illinois miners were represented by the old U. M. W. A. locals who had changed affiliations as a group.

Contrast this convention with a Lewis convention! There the delegates on per diem and expenses, sleeping and dining in the finest hotels, riding Pullmans, smoking expensive Havanas. Here rolling bulk Durham, freighting, trucking, hitchhiking, pressing into service trucks and old Fords whose days from the junkheap are numbered, eating in the relief kitchen and sleeping with the miners' families and on floors. But here virility, power, staunchness, comradeship and courage, while there decadence, impotence, cowardice, bureaucracy, and thuggery. (To Be Continued)

## International School to Open

The drive for a school and headquarters is lagging on the financial end. We have not yet succeeded in obtaining the \$300 fund needed. We have another week to complete this drive and we are urging all of the comrades and sympathizers who are going to contribute, to send in their contributions at once. Those who are contributing now and are going to put their names on the INTERNATIONAL WORKERS SCHOOL sustaining fund list, should send in their pledges now.

Next Saturday night we are holding a banquet and house warming party for the opening of the new headquarters and school at 126 East 16th St. The following week our classes and forums will start. The first lessons will be:

- Monday, October 17th—8 P. M.
- The History of the American Communist Movement by J. P. Cannon.
- Primitive Society, by J. Weber
- Wednesday, October 19th—8 P. M.
- Origin of the Third International by Max Shachtman
- Dialectic Materialism by Hugo Oehler
- Friday, October 21st—8 P. M.
- Open Forum of the N. Y. Branch of the Left Opposition
- Watch for announcement
- Registration fee \$1.00 per course. J. Weber, Administrator, 84 East 10th St., New York City.

## Zinoviev Expelled

(Continued from page 1)

the hierarchy, have been expelled with the others. How critical must Stalin's position be at the present time if he is obliged to resort to the expulsions even of such abject capitalists as Zinoviev and Kamenev! How critical the whole situation must be, how pregnant with terrific, imminent consequences, when even Zinoviev and Kamenev dare to conduct themselves in a manner which brings about their expulsion!

But where is the party in all this? It has not been informed, it has not discussed the question, it has not decided—in a word, it has not acted like an independent proletarian party. And for cause! There is no such party in the Soviet Union—the Stalinist bureaucracy has demoralized, disoriented, strangled and crushed it! Only the disconnected and scattered component parts of Lenin's party are still in existence. These parts must be welded together again, and that can be done only by ideas of Bolshevism and its banner-bearers, the Left Opposition (Bolshevik-Leninists). Stalin is leading the October revolution into the abyss. Only the resurgent party can check his fatal course and steer the revolution back to solid terrain.

Now more than ever before must Lenin's last counsel to the party be heeded: REMOVE STALIN! Restore the party to itself and to its rights and powers! Convene a democratically elected general congress of the party, with a special preliminary discussion, and with the unhampered participation of L. D. Trotsky and the whole Left Opposition!

The revolution is at a critical stage, and time is precious. "Bolshevik-Leninists, forward!" —S.

# JAPAN

## Its Rise from Feudalism to Capitalist Imperialism and the Development of the Proletariat

By Jack Weber

(Continued from last issue)

Present Status of Japanese Manufacturing In the Western sense of the term, Japan, with all her speed of development, far from being advanced industrially, is still in the handicraft stage. Not more than 10% of her population (workers and their families) depend for their livelihood on the factory system. Small scale industry is still the rule with higher factories the exception. In 1928 the largest number of factories (29,116) employed only from 5 to 9 workers; 2,283 factories employed from 100 to 500 workers and over. Three industries have passed entirely beyond the domestic stage and are concentrated in factories or establishments employing more than 500 workers. These are cotton spinning (95%), shipbuilding (91. . .) and the primary metal industries (73%), the percentages representing the number of workers in the large establishments.

### The Textile Industries

The textiles industries form the line of least resistance in Japanese development. They require relatively inexpensive plants and light machinery, using little power. Above all they represent an intensive exploitation of cheap labor.

Textiles engage 50% of the factory workers; they represent some 45% of the total value of all manufactures; they absorb 20% of the total capital investment in partnerships and stock companies; they use 24% of the total power con-

sumed by industry; and finally they form 68.7% of the value of all exports. These figures do not include household production which is extremely important. Thus, silk reeling, the most important industry, employs 395,000 workers in 3,500 flatlures (20% of all factory workers) but there are, in addition, 62,000 peasant households engaged in reeling raw silk.

### The Contract System

Just as in England before the industrial revolution, contracting is resorted to on a vast scale by wholesaler and jobber. Almost every farm household does some weaving as a necessary adjunct to the farm labor. The women, the very old and the very young are used for this work at sweatshop piece rates. Women earn about 30c per day—50c if 12 hours). This home-sweatshop system applies to a large number of industries they work steadily all day (where the articles are complicated they go into a number of separate homes, the final assembling or finishing being done by the entrepreneur in a "factory"). Thus lanterns are made by 6 different families, each one specializing in some part of the work.

Nothing illustrates better the poverty of Japanese agriculture than the willingness of labor to keep alive so parasitic an industry as the production of cocoons for the manufacture of raw silk. 81% of the cost of producing raw silk is due to the cost of the cocoons, produced al-

most entirely in peasant households. The exacting labor for their production goes almost totally uncharged, the peasant relying on the small sum of money paid him for this "extra" commodity to make up for the losses sustained in farming.

### Raw Silk in Foreign Trade

Japan does not use her raw silk for manufacturing but exports 88% of it, by value, to the world's richest market, the U. S. The reason for this lies in the protective tariff set up by the U. S. (amounting in 1930 to about 70% ad valorem) which acts to strangle Japan's attempts to establish a silk industry. Raw silk forms 40% of the value of all exports so that when "prosperity" gave way to the world economic crisis, Japan was placed in an extremely precarious position, the burden falling most heavily on workers and peasants.

### The Cotton Industry

At the present time the competition for the cotton piece goods markets among the exporting countries is at the very forefront of the imperialist struggles on the economic field. Cotton cloth is a staple in great demand in densely populated lands with little industrial development. Design and quality are of little importance in the largest markets (China, India) which buy the cheapest goods obtainable. The cost of labor is a vital part (more than 1-2) of the cost of the finished product, so that Japan, with its lower paid workers, has a great advantage over England and the U. S. in competitive markets. Thus England is in danger of being ousted from the Indian market, particularly by the Hindus boycotting British goods. Each year from 1923 to 1929 Japan exported considerably more cotton tissues and yarns to British India than did Great Britain. Similarly, in these years Japan practically controlled the Chinese market. This has had far-reaching results of such tre-

mendous significance for world economy that it is worth digressing into a short history of the cotton industry in general.

### Cotton and Opium—A Study in Historic Materialism

Although known in ancient times, cotton was virtually discovered for Western Europe by the East India Company in its trade with the Orient. In the latter half of the 16th century the company bought Indian cotton piece goods for England where a large market was created. Soon the enterprising merchants decided to do their own manufacturing and they began to import raw cotton. Expert Hindu weavers were engaged to teach the English workers their art. At the same time cotton seed were carried to the new colony in Virginia (1650) and shortly this colony became a more important source of supply than India.

### Mercantilism and Money

The early stages of capitalism were marked by a shortage of the money medium which was in great demand. This shortage gave rise to the mercantilist theory of a favorable balance of trade, the exports to be greater than the imports so that money would flow into a country rather than out. In its trade with the East, the India Company was under the constant necessity of shipping large sums of money out of England to pay for its purchases of spices, cotton goods, etc. This raised so loud an outcry from other English merchants that the company's charter was twice withdrawn and the export of silver coins was forbidden. The India merchants were thus forced to cast about for some means of securing gold and silver elsewhere with which to finance their trade, particularly in cotton. China appeared to be a fabulous source of wealth, with its accumulations of ages.

(To be continued)