

'A Few Millions or a Few Marks'...No Difference! Nazi Fictions and... Cold Facts

A few weeks ago, Ley, the notorious leader of the so-called Labor Front said in an address: "The differences between men, as to what they consume are very small indeed. Whether you have millions or only a few marks, you can only sit on one chair, you cannot eat a whole calf at once... you can only wear one suit at a time and not twenty. Those who possess fine houses, well, they are to be envied; but they also can only be in one room at a time... all this does not matter at all. If we try to solve the labor problem from the angle of the wages we are already on the wrong road."

and prevented disciplinary action. Only after the wage cut was withdrawn did the workers go back to their shops. This is not the only strike in recent weeks: 7,000 workers struck in Chemnitz Wanderer Works (also armament factories) and also won their demands, glass-blowers in Frauenau, Bavaria laid down their tools against starvation wages. It is significant that strikes can be organized even under the reign of terror in Germany. The official harmony of all interests, the peaceful relations of capital and labor—more and more workers discover the truth behind this smoke-screen of slogans. What happened to the profits of their exploiters while wages were slashed right and left? 79 companies reported an increase in dividend payments of 36 percent. Comparisons with profits in 1932 show the following:

Table with 4 columns: Company Name, 1932 Profits, 1934 Profits. Includes Krupp (armaments), Mitteldeutsche Stahlwerke (Steel), I.G. Farben (Chemical), Opel (Auto Tanks), Deutsche Nickel (Nickel), Verehnigte Aluminium (Aluminum).

The French Trotskyists on the Conclave Against Class Peace

From La Verite (Organ of the Bolshevik-Leninist Group in the S.F.I.O.) "The National Conference Against Class Peace, organized by the United Committee, has been set for August 10. As has already been indicated the Bolshevik-Leninist Group (B.L.G.) is participating in the preparation of this conference. "However, from the very outset, at the formation of the first committee we insisted in clearly stating our position as set out in the following declaration: "Declaration of the Bolshevik-Leninist Group "1. The abandonment of Stalin signifies the abandonment of the principles of Leninism on the critical war question on the part of the Communist International. "We steadfastly affirm our fidelity to the principle of revolutionary defense, and the duty of the proletariat in time of war of transforming the imperialist war into civil war. In the present epoch, every war waged by our own bourgeoisie, even if it is in alliance with the Soviet Union, remains an imperialist war. "The real enemy" is our own bourgeoisie. "2. To camouflage the betrayal by Stalin by asserting the necessity of maneuvering on the part of the Soviet State is to add to this crime one of deceit. "Nobody disagrees with Lenin's opinion that it is necessary for the Workers' State to utilize the contradictions among the various imperialist states. But a "compromise" which means harnessing the French proletariat to the wheels of its own imperialist country is no longer a compromise but an act of betrayal. "The U.S.S.R. cannot be deceived by diplomatic combinations as the expense of the revolutionary proletariat but only by the development of the world revolution. "3. The German catastrophe had already marked the end of the activity on the part of the Comintern as far as being the vanguard of the proletariat is concerned. Today Stalin has merely signed the death warrant of the Comintern. "It is indispensable that the new Leninist vanguard be founded on the principles of revolutionary Marxism. Its political and organizational preparations by the regrouping of the most advanced class conscious elements of the working class is the most urgent task of the hour. "We declare: the Third International like the Second broke its neck on the question of class peace. Long live the Fourth International! "4. While retaining its own independence and without assuming any responsibility for any other organization the Bolshevik-Leninists firmly intend to participate in the efforts of the "revolutionary groups" to initiate a campaign against class peace. It hopes that the various groups taking the initiative in this direction will cooperate in an attempt to hold a united conference. (Signed) Bolshevik-Leninist Group"

Expulsions Hit French Socialist Youth

Entire Seine District Supports Leaders; Pivert Urges Fight

(Continued from Page 1) Relatively few of the federations from the provinces were represented at the Congress. The bureaucracy had in its hands a large number of mandates, which it cast in bloc for the expulsion. It must be noted that the federations had not issued the motion of expulsion and that the vote is completely unconstitutional. 3,067 mandates were for expulsion, 1,534 against, with 331 abstentions. The majority of the Seine Federation, together with a dozen federations from the provinces, left the hall singing the Internationale. After the Expulsions Various indications lead us to believe that the top leadership of the Party (around Blum) were for a severe enforcement of the bureaucratic discipline but not for immediate expulsion. In any case the action having meanwhile been carried out by the bureaucracy of the youth allied with certain elements of the party (Lagorrette), the top leadership of the party can only greet it and acknowledge the split. Reinstatement is an illusion. The attitude of the Seine delegation during and after the Congress was excellent. In spite of all the corridor maneuvers no cracks took place and our allies remained firmly welded around the Bolshevik-Leninists. Upon returning to Paris we mobilized our membership to explain to the Seine district how and why the split had occurred. The anger against the bureaucracy is intense. Entire sections have declared their solidarity with the expelled. Immediately the ideas of the Bolshevik-Leninists made a strong impression on the mass of the Socialist Youth of the Seine district: the "democracy" within the party, the betrayal of the leaders, Stalinism (many Young Socialists used to re-

Manifesto of Struggle

Comrades, The Socialist Youth of the Paris District have been expelled. The best among us: FRED ZELLER, ROUSSET, CRAIPEAU, MARIA CRAIPEAU, BRAUDO, LISSANSKY, GENIA, CORVIN, RIGAL, VAN, with whom we are in complete solidarity have been thrown out of the organization. Simultaneously with the reinstatement of COMPERE-MOREL the whole left wing of our party is threatened. WHY? Because at the Lille Congress of the Socialist Youth (July 28-29, 1935) as well as in all public activities they have defended our position: AGAINST ALL FORMS OF NATIONAL DEFENSE UNDER A CAPITALIST REGIME, AGAINST CLASS PEACE AS IN 1914. We, the thousands of Socialist youth of the Paris District in solidarity with the comrades victimized for the crime of having an opinion, appeal to you. SUPPORT US IN OUR STRUGGLE AGAINST WAR— By demanding with us the reinstatement of all the expelled comrades. By strengthening our organization of the Young Socialists of the Paris District, fighting against any national defense. All comrades will respond to the appeal of Marceau Pivert, issued in his telegram of July 30: "FIGHT BACK! APPEAL TO THE PARTY! SOLIDARITY!" (signed) Executive Committee of the Socialist Youth of the Seine District.

Question Box

M. V. BOSTON— Question: What is meant by a "holding company"? Answer: The "holding company" is one of the instruments by which finance - control of monopolies, or gains control of industries, particularly the public utilities. Usually such control is characterized by the fact that the finance-capitalists squeeze out large profits for themselves without really owning more than a small portion of the industry. This is made possible through the assistance of the government bodies, the so-called public service commissions, which presumably "regulate" the utilities, but actually function so that high rates of profit are guaranteed. This is one example of the many ways this may work. Suppose a utility, furnishing electric power and requiring \$100,000,000, is to be built. The government permits the company to charge such rates for electricity that the company can earn 8 percent on its "valuation" (which is usually inflated). The promoters (read banks) sell \$60,000,000 in bonds which pay 5 percent, \$20,000,000 in preferred stock which pay 7 percent, and keep for themselves the remaining \$20,000,000 in common stock, the holders of which control the company since common stock alone has voting power. A "holding company" is then formed which has as its function the "managing" of this \$20,000,000 in stock, and \$10,000,000 in preferred stock, paying 7 percent, is sold, the promoters keeping \$10,000,000 in common stock for themselves. The process can then be repeated so that the promoters emerge with a new company which holds the common stock in the first holding company. By selling \$5,000,000 preferred stock in this company, paying 7 percent, the total investment of the financiers is now only \$5,000,000, by means of which they completely control the \$100,000,000 utility, and obtain for themselves the difference between the 8 percent which is earned by the utility and that which is paid to the middle class bond-holders and preferred stock-holders. (In the example assumed this would be \$2,500,000 annually on a \$5,000,000 investment, or about 51 percent.) They also appoint themselves and their families to positions of high salaries, or milk the utility by buying materials at very high prices from companies which they own themselves. It is important to note that this form of financial pyramiding depends for its stability entirely upon the fact that the capitalist government guarantees the rate of profit for the utility. The entire holding company structure would collapse if the rate of profit earned by the utilities were to fall below that required to maintain payments to the bondholders and preferred stock-holders. Actually, the holding companies set-up is much more complicated than is indicated by our example; one holding company usually controlling a chain of utilities. In this country, only a handful of such companies, connected to the big banks, control all the utilities.

Peace, Anti-Fascism, Stalinism

By A. J. MUSTE From events reasonable human beings must draw conclusions. They must evaluate them and then act upon those evaluations. I wish to comment briefly on the conclusions that are being drawn and that ought to be drawn by certain groups from the present Comintern Congress and what it symbolizes and confirms as to the present role of the so-called Communist parties and the C. I. It is not necessary to dwell upon the reaction of the real intellectuals who are capable of independent thinking and of probing below the surface, whose "Marxism" if they be Marxists, is not an extraneous ornament, who are not merely sentimental or professional "friends of the Soviet Union." These elements are drawing conclusions and their conclusions will bring them to us. Nor do we concern ourselves at the moment with the honest advanced workers or farmers who were not introduced to the revolutionary movement the day before yesterday and whose minds have not been stultified by too long a sojourn in the thought-stifling atmosphere of Stalinism. These elements will also draw their conclusions and those conclusions will bring them to us. That is already being demonstrated by the fact that the younger, more militant Socialists are coming to us and are drawing closer to our theoretical position even when they do not yet draw organizational conclusions; and by the fact that practically the whole of the former Stalinist farm leadership in three northwestern states has recently come to the W.P. The Lovers of Peace There are certain groups whose first reaction to the present Comintern is, however, a favorable one. One of these consists of the pacifists of various kinds, those whose absorbing concern is to prevent or put off war. In the past these elements regarded the Soviet Union itself and the Communist International as disturbing forces, against the Versailles treaty, wanting to change the status quo, etc. Now they are impressed by the "peace policy" of the S. U. and think of the S. U. and C.I. as a powerful force against war. In effect the Comintern wants to them: "The Soviet Union says to us: 'The Soviet Union wants to stay off war in order that there may be time to strengthen its economic regime, 'build Socialism,' strengthen the Red Army for defense against any possible Fascist attack. But while the Soviet Union opposes war for its own reasons, there is no reason why all 'lovers of peace' on whatever ground should not join hands with it for the moment.'" And thus the Leagues Against War, and Fascism, etc. flourish. Few even of the more intelligent pacifists today believe that war can actually be postponed indefinitely or permanently. It is then a question of putting off the evil day a

few years, a year, a few months. But what exactly does that mean in the actual situation of today? It means that the capitalist nations get a breathing space to complete their war preparations. Pacifist measures have always meant that and it is no different today. Would any major power hesitate for a single moment to embark on war if it were ready or saw a clear advantage in that course? Disarmament A few years ago the Soviet (Stalinist) "peace policy" was a Disarmament policy. In those days, when capitalist economy was relatively stable and the political crisis not acute, the Powers could safely talk about armament reduction, etc. In that period, the war preparations appropriate to it could be carried on behind this particular smoke-screen. Where is the disarmament talk now? Now the "peace policy" is a policy of pacts and alliances. The Powers are lining up in two groups, while feverish increase in armaments is the order of the day. This lining up of rival groups is always the sign of approaching war—not a means of staying off war. Consider, for example, the effect in Germany of the Franco-Soviet rapprochement when it was in the making. The French course—Versailles treaty, revenge policy, maintenance of status quo, indemnities, etc.—paved the way for the nationalist reaction in Germany and eventually for Hitler. What happened when the French Imperialist government, in making its war preparations entered into a pact with the Soviet Union also? What effect does this have upon the German workers? Can it have any other effect than furnishing Hitler further support in his counter-preparations for war? Is this a "peace policy" or the time-honored way to move toward the abyss? Consider, friends of peace, that Stalinism has worked out and is advancing a theory of two kinds of capitalist nations—aggressive and non-aggressive, bad Fascist powers and good democratic powers. Such a theory helped pave the way for war, helped to swing the workers and liberals in various countries into support of the war when it came in 1914. Inevitably it may perform the same function today. It spreads illusions, throws up a smoke-screen behind which the armies, the guns, the gas, are prepared. Already, as we have previously pointed out in the NEW MILITANT, the effect of such a "peace policy" has been clearly shown in the failure of the Soviet Union to utter one word of protest against the rape of Ethiopia by Italy and against the course of France and Britain in virtually abetting Mussolini's course, although Maxim Litvinov sits as chairman of the Council of the

League of Nations! Is this promoting peace? Is it staying off war? Disregarding the Marxist answer to these questions, on their own premises and assumptions the more intelligent liberals and pacifists cannot believe that Stalinism has a genuine peace policy, that pacts, Leagues of Nations, etc. will avail to prevent catastrophe now any more than similar pacifist measures did in 1914. Those Who Fear Fascism The same elements of which we have been speaking, and others as well, are disposed to think favorably of the C.P. and C.I., to support Stalinist auxiliary organizations, demonstrations, etc., even directly or indirectly, with substantial funds, on the ground that the C.P., etc. constitute a great bulwark against Fascism. A well known intellectual stated the other day that many Jewish people, even of means, now follow this course. The Comintern appears sensible and temperate. The C.P. is a less disturbing factor in the labor situation. All it asks of supporters is that they be "against Fascism." Their class and social status is not affected. They fear Fascism above all else. They welcome this ally, once so unprepossessing, now a very decent and sensible fellow. One may even get the thrill of being something of a "red" himself without making any serious commitments in associating with the C.P. of the Fourth Period! Unquestionably all liberals, all minority racial and national groups, all who have cultural interests, do well to fear Fascism and to welcome all allies in the struggle to ward it off in the U.S. We need not pause here to paint the horrors of Fascism. By the same token all elements do well to make sure that their course will really defeat Fascism and that their allies are effective—not a broken reed to lean upon! Anti-Fascists will do well to study carefully the question on which we think we can shed considerable light, as to why the most powerful of all Communist parties, the C.P. of Germany, did not succeed in staying off Fascism there. If, for example, he C.P.'s united front-below policies and Social Fascism theory were partly responsible, as the C.P. itself may be thought to have admitted by its precipitate abandonment of them recently, then anti-Fascists will do well to make sure that a movement which could once make such a colossal "mistake" will not make another, that it has indeed changed fundamentally, etc. Or again, war will inevitably mean the abandonment of democratic forms and the establishment of Fascism in one guise or another. If, then, as we have shown, the Stalinist "peace policy" is not what it claims to be, is Stalinism an effective and trust-

worthy ally against Fascism? Fascism Concomitant of War Fascism, we say openly, will inevitably seek to resort to Fascism when in any given nation the economic and political crisis becomes severe enough, when it is only by means of an open and brutal dictatorship that it can push down the standard of living and keep the masses in subjection. Liberals and others cling to the illusion that somehow it will be possible to go back to the "good old (democratic) times" under capitalism. But to "go back"—as Fascism does in the economic, the political, the cultural field—means, as Hitler continues to prove daily, back to the Middle Ages, to barbarism, to savagery. The one way to freedom, to advances in civilization, is the way forward through the workers' revolution. If now the Comintern, the would-be bearers of the revolutionary standard, also preach a merely defensive war against Fascism, also encourage the illusions that democratic rights can be retained under capitalism, that bourgeois democracies must be fought for, shall those elements which have such abundant reason to fear Fascism be deceived into thinking that this fellow who takes off his rough proletarian blouse and cap and puts on the diplomat's frock-coat and top hat, has thereby become a trustworthy ally, a safe and main bulwark against Fascism? Once again, actual events are already giving a clear answer. The same Stalinist regime which failed to stay the advent of Hitler today stands with its French imperialist ally in preparing for war against Germany, but raises no voice against the present course of that arch-Fascist Mussolini and of Fascist Italy in Ethiopia! Is this fighting Fascism? Do any intelligent persons among the Jews in the U.S. or elsewhere believe for a moment that given similar conditions Mussolini's attitude toward racial, national or religious minorities would differ essentially from Hitler's? Ask the black peoples of Ethiopia if it does. Before it is too late, let the lovers of peace and those who dread the advent of Fascism here and in other lands awake to a true understanding of the situation. Let them ponder deeply now while things still hang in the balance, while western Europe, the Americas, have a breathing spell, how war and Fascism may be smashed, and who are dependable allies, or rather leaders in that task.

now we have received a letter from a comrade from Gard saying that in his federation at least a third of the members were against expulsion (moreover on the basis of the lying statements of Populaire—organ of the S.P.) and that the rest had not pronounced themselves. A fair example of the "democracy" in whose name we have been expelled. At the present time the Seine Federation, together with those expelled still occupies the official headquarters. In the coming days we are going to start a great campaign of meetings against war and national defense. The era of democratic process in the socialist ranks is at an end. A new road to success is opened before us. It is the road of mobilizing the young workers against the betrayal now openly being prepared—the road of the FOURTH INTERNATIONAL! Ed. Note: The French Stalinists have greeted the expulsions with: "A sane political decision. . . . A healthy action."

CHICAGO PICNIC Chicago Committee for Non-Partisan Labor Defense SUNDAY, AUGUST 25, 12 Noon at Ryan's Grove 37th St. and Western Ave. (North-East Section of Grove. Follow Markers) PHILADELPHIA MEETING The Seventh Congress of the Communist International and the Franco-Soviet Pact By A. J. MUSTE National Secretary of W.P. Friday, August 23 at 8 P.M. Grand Fraternal Hall, 1626 Arch Street Admission 20 cents Auspices: Phila. Local W. P. PAUL LUTTINGER, M.D. DANIEL LUTTINGER, M.D. 5 Washington Square North 1-2 and 6-8 Except Sundays and Holidays

DIENEUEFRONT Organ der Sozialistischen Arbeiter-Partei Deutschlands Erscheint am 1. u. 15 des Monats. Jahresabonnement fur U.S. \$1.60. Einzelnummer: 5 cents. Redakt. u. Administration 23, rue Mouffetard Paris / 5 e

Question: What is the significance of Roosevelt's fight to prohibit the holding companies, the so-called "Death Sentence" bill? Answer: Liberalism is the ideology of capitalism in its progressive stage, of competitive capitalism. In the epoch of monopoly capitalism, therefore, the "liberalism" of the Roosevelt government is an atavism, evidence of the fact that finance capital had so completely lost confidence in itself, as a result of the economic collapse of 1929-33, that the middle classes were able to assert themselves. One product of the pressure of these classes upon the Roosevelt government has been to fight against the monopolies which were strangling them; the latest expression of such struggle being the fight against the holding company, monopoly of monopolies. The political lease of life granted the middle classes was not of long duration, however. As soon as big capital had its confidence restored through a renewal of profits, it again began to breathe fire and launched an attack all along the line against that part of Roosevelt's liberalism which expressed the interests of classes opposed to it. One of the victims of this assault was the bill which would have prohibited holding companies. Incidentally, the results of this struggle are an object lesson of the revolutionary thesis that, in the final analysis, the state power is the executive committee for managing the affairs of the ruling class: monopoly capitalism came out of the fray a victor, more strongly entrenched than ever. PUSH THE CLUB PLAN.