

The Wolf at the Millionaire's Door THE POOR RICH

By JOHN G. WRIGHT

Business is picking up again... where it left off when last heard from just before the nose-dive into the misery and privations of the last six years.

With millions unemployed, factories shut down, bankruptcy abroad, the farmers pauperized, etc. Great Truths remained unspoken. It was forgotten that this was the best of all possible worlds; that the rich begot profits as a reward for their initiative, honesty and diligence while the poor got all that was coming to them for being lazy, for cultivating vices instead of virtues, and their incapacity to seize an opportunity to rise in the world. Business' great service to Humanity was forgotten. All of its self-sacrifice and nobility. All of its toil and tribulations. All forgotten!

The Unkind Era

Demagogues sang a different tune to the millions out of work, and the millions being pauperized. Fallacy after fallacy was propagated. A New Deal was dangled before those who thought they suffered from the Old Deal. A lot of unkind things were said about Business. But that was long, long ago. The demagogues have done their work, kept the people amused with promises to make them forget how they were being squeezed until profits could start rolling in again. Now it seems that profits are actually rolling in. Business, so long in the background, is raising its voice again to tell all the Bill Joneses, Smiths and you and me who have been deluded by demagogues just where we are, and where we get off.

By way of inaugurating the new year and the "new era," the New York Sun lets loose the Voice of Business in a monster Special Issue. On page 2 of this issue we are reminded of the Supreme Truth of Business:

"It's Your Own Fault"

"You and I know from actual experience that nine out of ten of the poor... remained so because of their refusal to accept their opportunities and because of their own vices. We know that nine out of every ten, rich, middle class or poor, who have made a go of things have done so because of their initiative and honesty."

During the depression a fallacy became widespread that an insignificant minority of the rich owned the world, keeping the millions of Bill Joneses to starve and slave in it. A most dangerous fallacy. So the very first article is entitled:

"Two Percent Control the Wealth! What of It—If They Do?"

This article reminds and teaches Bill Jones not only about the moral abyss between the rich and the poor, but also about "the wide distinction between control and ownership" or, as the subtitle reads: "He Learns, Too, Where Billions Grow and Who Gets Them."

There is a "great difference" between control and ownership. Yes, indeed. Two percent only "control" the wealth of this country. What could be more democratic than such control? One "controller" for every fifty "recipients"! That's better than in the army, to say nothing about jails. This two percent makes billions sprout and passes them out to the Bill Joneses (that's anonymous for you and me). On page 2, Business supplies a chart which proves it, and on page 3, Mr. P. S. Arkwright blurts it out in so many words:

Bill Jones Gets Every Nickel "Another oft repeated fallacy is that 'the workers' share of the national income has been steadily decreasing.' This, too, is untrue. The workers' share in the national income moved from 38% in 1850 to 65% in 1929. In 1931 and 1932, it equaled 75% to 80% of the income actually produced, and was even more in the case of manufacturing and related industries..."

There you have it in black and white. Business makes billions grow only in order to distribute them to the poor, lazy, vicious and otherwise immoral working men. Well, indeed, can the spokesmen for business fling back in the teeth of its maligners the charge that Business, a two percent minority, runs the country as it suits its purposes and interests. There are charts and speeches and articles by the score to prove the virtue of Business. And to top it all, Business gets less and less for its remarkable "control" of the country's wealth:

The Poor Rich

"Another oft repeated fallacy is that corporation profits increase faster than workers' wages. This is likewise untrue..." (p. 3)

It is untrue that the poor are getting poorer and the rich richer. Mr. Arkwright has statistics to prove that it is the rich who are getting poorer, while the poor get all (or almost all) the billions.

During the depression a great ado was made about profits. You'd think there was nothing but profit for capitalists. As a matter of fact the "nominal ownership of capital" hardly pays at all. Profits are largely a myth. Bill Jones does not know this. Of course not. Bill is not only immoral and lazy but ignorant to boot. But Prof. Allyn

Young, a great man and scholar, knows all about profit and loss. And Business agrees with Prof. Young, and vice versa:

"Prof. Allyn Young, one of our greatest economists, used to say that he doubted whether, taking all enterprise together, there was such a thing as profit; that losses equaled profit over a reasonable rate of interest" (page 5).

Losses for Bosses

Thus, business makes billions grow where only grass grew previously; Business passes the billions on to the Joneses, and gets nothing in the end for it... Hard to believe, harder to understand, but there it is. The New York Sun has a whole issue that proves it. There are charts testifying to it. Professor Young says so. Experience verifies it. Take the case of the Chrysler Corporation. On page 40, this great corporation submits a public account of how it grew billions for a period of ten years, and what happened to these billions. Labor got billions in wages, Business got millions in profits, and in the end Chrysler's losses just about equalled the profit.

Statistics are very complicated and boring, but statistics prove this to the hilt.

Chrysler's Misfortune

In ten years the Chrysler Corporation grew two and a half billion dollars; and today it hasn't a penny of it left. It was all distributed. And here is how:

1) \$1,790,000,000 went for materials, general expenses and advertising. "The greater part (of this amount) went into jobs and wages of workers in industries supplying the automobile manufacturing industry" (p. 40; our emphasis). In other words, the above sum was largely spent to pay wages "indirectly." Indirect wages, as it were.

2) In addition to this huge sum which went to pay workers "elsewhere," Chrysler paid "directly to Chrysler Corporation's employees... nearly \$490,000,000" (p. 40). Direct wages.

3) On top of this, there "was expended for additional facilities for the increased volume of business \$111,000,000." And, in the nature of things, again "a large part of this \$111,000,000... provided work to many individuals employed by vendors of these supplies" (p. 40). In short, Bill Jones got that too.

4) The taxes took—\$71,000,000. What Bill Jones did not get, his (Jones's) government grabbed, to pass it on to him in the way of schools, hospitals, and other services.

Add these four items, and what do you get? \$2,462,000,000. Out of an income of some \$2,500,000,000, only \$38,000,000, or just about 1 1/2 percent remained for the corporation. Chrysler grew billions, Jones gathered the harvest.

Out of Its Own Pocket

Assuredly Mr. Arkwright (who writes in general on page 3 about the activities that Chrysler reports in particular on page 40) knew what he was saying when he delivered his address at the University of Georgia. If anything, Mr. Ark-

wright was too mild in his estimate of the workers' share in the income actually produced in the manufacturing and related industries. The workers' share in the Chrysler Corporation income is so close to 99.9 percent that it hurts the corporation even to talk about it. The corporation merely gritted its teeth and shut up and proceeded to pay profits. With the \$38,000,000 it had left, the corporation proceeded to pay out to the "bondholders \$84,000,000," and the stockholders "approximately \$79,000,000." In other words, the corporation paid out a cool \$125,000,000 out of its own pocket. It paid profits at a loss, paying out, according to its own balance sheet (p. 40) some 163 million in profits, thus losing \$125,000,000 in the process. To paraphrase Prof. Allyn, "taking the Chrysler enterprise over a period of ten years, there is no such thing as profit: losses just about equal profit."

Operating for Philanthropy

This just about makes Chrysler a prospective bankrupt. But Chrysler does not complain. No. The corporation proudly points out that these dividends are "paid out of earnings which, through prudent management, the corporation has been able to set aside, after paying the cost of operating the business." (p. 40)

Moreover, according to its own statement, "few corporations in the United States have been able to maintain such consistent returns to investors throughout the last ten years" (p. 40). Obviously, the other corporations in this country are traveling even faster on the road of making profits equal losses than Chrysler. They operate their enterprises, it seems, only to keep pumping billions into the hands of the shiftless Joneses.

Soak the Poor

"Sound finance today obviously calls for the lowering of rates of taxation in the higher brackets and a real stiffening of the rates in the lower brackets accompanied by a reduction of the exemptions. But a combination more attractive politically can scarcely be conceived. There is danger (hear! hear!) that if the task is faced at all some device which throws the added burden of taxation less obviously on those with small means will be preferred..." (p. 5).

Justice, to say nothing of sound finance demands that the poor (or as Mr. May mildly calls them "those with small means") who receive the bulk of the billions should pay the bulk of the taxation. But as Mr. May admits, the rantings of demagogues to say nothing of the greed, selfishness and immorality of the Joneses make it impossible to approach the question openly and on a sound basis. Danerous subterfuges must be resorted to in stead.

Such are the dangers and miseries and hypocrites of American Big Business. We are no humanitarians, but even from that standpoint it would be the height of humanitarianism to put Business out of its misery, and silence its Voice once and for all. It is a big but necessary job. And there is only one way to do it: overthrow capitalism, voice and all; and establish the workers' state. The sooner the workers get down to their own business the better.

Detroit Motor Strike Enters Its Third Month in Face of Heavy Odds

(Continued from Page 1)

the industry and indicates the preparations necessary to be made by the unions when they embark seriously on this epic struggle.

Because the Green-Frey crowd have been wasting time for the last two years, the Motor Products strikers now find themselves isolated in their fight and find it impossible to spread the strike. They are paying for the criminal lethargy and betrayals of the Collins Dillon-Green gang. The policies of this gang do not merely prevent strikes; they only localize them, isolate them when they do occur and make it easy for the manufacturers to crush these sporadic outbursts. It is an open secret that the A. F. of L. is pursuing a deliberate policy of just "staying" in the field to prevent the formation of any independent unions which would take over the job of organizing the industry. Ten, fifteen years ago this infamous scheme might have succeeded in its aims; unfortunately Green and Frey were born too late. The current is running against them.

Before a serious battle with the manufacturers can be envisaged, a bold, nation-wide organizing campaign must be undertaken involving the Detroit, Toledo, Cleveland, the South Bend and Milwaukee districts, simultaneously. An organizing fund of large proportions must be raised and a crew of experienced organizers placed in the field. The manufacturers will ruthlessly isolate any local strike without regard to cost or loss of profits. Any important strike must therefore stop production of at least one of the "big three."

Dillon to the Bosses' Rescue

Even though the strikers are isolated and find themselves, to-date, unable to spread the strike to other plants, and the manufacturers have the aid of the government officials, the police and the press, the N.M.T.A. would very likely have completely failed in its efforts to break the strike, were it not for the timely and generous aid of the champion union buster in the industry, Francis J. Dillon, Pres. of the United Automobile Workers of America.

The Motor Products strike was first called on Nov. 15th by the Automotive Industrial Workers of America. (Coughlin Union) The 1400 members of this organization walked out solidly to a man; the 200 members of the M.E.S.A. in the tool and dye departments walked out in sympathy and the two A.F. of L. unions in the plant, the Metal Polishers and the Auto Workers, followed suit. The strike was thus 100 percent effective and the Motor Products plant shut down tighter than a drum. The management met with the union representatives and offered some wage increases. The committee insisted upon their original demands. The management arranged a meeting with the union representatives a day or two later to attempt to reach a satisfactory agreement at that time. To all appearances it looked as if an agreement would be concluded in short order and the strike quickly settled.

"Smash the Strike"—Says Green At this juncture the A. F. of L. "Brain trust" in Washington got the "jitters." A few weeks before the three independent unions federated; the next thing heard was an organization campaign at the Motor Products plant. Now a strike is called, the walkout 100 percent effective, the plant shut down and to all appearances a decisive victory in the offing. The prestige the independent unions would command in the event of victory might shatter all the possibilities for the A. F. of L. Auto International. They recognized in the strike the authentic voice of the workers in the mass production industries crying aloud for a new Unionism, industrial in structure; democratic in form and militant in its policies. If they

could only beat down the spirit and initiative of these workers if they could only wipe out their hopes, then their moth eaten unionism of a hundred years ago might still survive and with God's aid they might patch it up somehow with Lewis, Dubinsky and Hillman. The word went out:—"Send the A. F. of L. men back to work; smash the independent unions and break the strike." The weaker their position, the more peremptory and domineering became the "papal bulls" of the bureaucracy.

Dillon was in dilemma. Undoubtedly, from Detroit, even he could see the step proposed was risky and fraught with great danger. But what could he do? Commanding no respect in Detroit, he could not afford to lose the support of Washington. Like the steady old wheel-horse that he is, he dutifully, went through the prescribed paces. On Nov. 20th, a statement appeared in the press over his signature that the "Motor Products strike is the most ill-advised and unpopular strike ever called in Detroit." He predicted that it would "flop" and announced that he would "negotiate his men back to work."

A Disgraceful Spectacle

On Nov. 25th, the A. F. of L. auto union members, apparently in accordance with a prearranged plan, assembled in front of the A. F. of L. Motor Products local headquarters. Shortly before starting time they moved in a mass towards the factory entrance, escorted by mounted policemen, scout cars, and patrolmen. Leading the procession were McDonald and Isard, A. F. of L. organizers and Ed. Hall, General Secretary of the A. F. of L. Auto International. The A. F. of L. members passed through the picket line while the A. F. of L. officials draped themselves around the entrance until they were through the gate. The strike Bulletin that day characterized this scene as "a new low in working class betrayals."

With the exception of the A. F. of L. men, (300-400 men) the strike front held solid. Dillon failed in his attempt to start a back-to-work stampede. His efforts on behalf of the manufacturers, however, were not entirely wasted. The A. F. of L. men walking through the picket lines created confusion and hysteria in the strike ranks; the solid phalanx was broken. After Lieutenant Dillon had executed the flank maneuver, the manufacturers began wheeling their heavy artillery to the front for an open, head-on attack. All negotiations were promptly broken off with the independent unions; Chrysler and Ford stepped into the picture, the N.M.T.A. took over the leadership of the strike. Approximately a thousand scabs were imported and the police was ordered to stop all picketing.

Changed Conditions

In by-gone days, the A. F. of L. craft unions scabbled on many strikes conducted by independent unions, as part of a deliberate policy to wipe out "dual" unions. Dozens of union officials ordered their men to walk through picket lines. Strikes were thus broken and the officials kept their position and their prestige, apparently, did not suffer. Times, however, have changed. A unionism based upon a minority of skilled craft workers when the supply of skilled labor was limited and unemployment almost unknown, who advanced their own interests at the expense of the whole working class is far different than the new unions with a membership of mass production workers in industries where skilled lines are practically obliterated and the constant threat of unemployment hangs over their heads.

The independent unions, headed by the Mechanics Educational Society of America, promptly directed a withering fire at Dillon and spread the story of his apostasy to every part of the country, while a steady drum fire was kept up calling for the establishment of a joint strike

committee for the successful conduct of the strike. In two weeks time, the pressure upon Dillon grew unbearable. Resolutions condemning his action poured into the Detroit office from all parts of the country. On Dec. 8th, he packed his suitcases and rushed off to Washington for further advice. Daylor and Parry of the Motor Products Strike Committee left for Washington the same day to lay their case before William Green and to secure if possible the support of the Committee for Industrial Unionism. At a conference Daylor and Parry held with Dillon at his hotel room in Washington, Parry asked Dillon:

"Let me ask you a simple question, are you going to bring your men out on strike?"

Dillon replied, "God damn it, No! I never intended to and I do not intend to now!"

Green Retreats Under Fire

But the Grand Schemers at Washington realized things had gone too far. The tide is simply not running with the craft unionists these days. It is slowly beginning to penetrate the skulls of Frey and Green that they cannot do the things today which they considered normal years ago. This strike as the battles of the drivers in Minneapolis and the Maritime workers of the West coast, reveals with burning clarity the drive and urge of the workers in the mass production industries for a new unionism. The split in the top ranks of the American Federation of Labor, with one section of it forming the Committee for Industrial Unionism did not inaugurate this movement; the Committee is merely a reflection of the deep and profound revolt, which has started from below in the ranks of the workers themselves against the old and corrupt craft unionism. Green and his crowd realized they must draw back as they were already badly compromised and were facing a break in the leadership of the Auto International itself, with Homer Martin, the Vice-Pres. of the International swinging over to the Lewis camp.

Dillon returned to Detroit and after a little more fumbling and hedging, the A. F. of L. local voted to strike and all A. F. of L. members were called out on the picket line. By this time, however, the situation had gotten out of hand and was completely out of Dillon's control. The "support" of Dillon came two months too late.

Union Launches Counter Attack

The strike is now being conducted by a joint strike committee of the independent unions and the A. F. of L. All strike meetings are held under joint auspices and addressed by the speakers of both organizations. The manufacturer's campaign of terrorization was answered by the launching of an organization campaign by both the independent unions and the A. F. of L. to some of the key unorganized plants in Detroit. Whatever may be the immediate outcome of the struggle, the Motor Products strike has already earned an honorable place in the pioneering work for the New Unionism. If the strike does not accomplish another thing, it will already have recorded a brilliant achievement in uniting the forces of the automobile workers and bringing the day nearer of one powerful union in the automobile and auto parts industry.

On the background of the decline of American economy and its inevitable effects upon the conditions of the millions of workers in the key industries of the country, the vents in Detroit became a harbinger of the decisive struggles in store for the near future and their consequences. Only a new unionism, militant, aggressive and class conscious can cope with the titanic scope of the work involved in organizing the workers of the mass production industries. The movement for that unionism has already begun. The Motor Products strike brings the day nearer when that unionism will actually appear.

Akron Barons Concede

(Continued from Page 1)

plant last spring which bottled up all motor production by that company.

The 2,500 workers sat down at the machines in two twelve hour shifts, keeping anyone else from touching them. Women in near-by departments joined the movement.

Company Tries Obstinacy

Of course, the company scorned even talking to a union committee at first. They also gave Sherman Dairymple, United Rubber Workers president, a run-around.

But as the workers stood firm, united 100 percent, with non-unionists and unionists in solid agreement, and as workers in plant 2 began talking of a "sitdown" the company shifted its position.

It met with the workers committee but flatly refused to consider reinstatement of the unionist. The union was just as tough in its refusal to tell the men to return to work until the issue was settled.

So the union prepared to keep the workers in the factory during the weekend, meanwhile calling a general meeting Sunday afternoon to consider what action to take.

Naturally, considerable agitation for closing the entire plant and pulling a bona-fide strike began to develop, and the company doesn't have its spring replacement tires produced yet.

Force Wages for "Strike"

Thus the company was forced to agree to reinstate the unionist, although it made its proposition to the union secretary rather than the union committee as a whole in an effort to save its face.

Not only that, but the company agreed to pay every worker who sat down at his machine half of his wages during the entire cessation of work! Obviously this was to placate the hard feelings of the workers towards this autocratically-run company.

The victory brought additional results within a day. Over 100 workers rejoined the union.

The "pace" maker who precipitated the struggle was a company pet sent into the department to build a higher number of tires than the average so that the company could introduce another wage cut by demanding higher average production. This is the typical form of company anti-labor activities in departments.

BULLETIN

By JACK WILSON

AKRON, Ohio, Feb. 1.—Quickly adopting the successful strategy of Firestone workers, pitmen and tire builders at Goodyear sat-down at their jobs last night in protest against a 10 percent wage cut.

Over 250 pitmen started the shut-down that paralyzed all tire production and brought 2,000 workers to their banner within a few hours. Again the movement was spontaneous!

A "rank and file" committee elected by the workers met with Fred Climer, personnel manager and H. T. Gillan, production superintendent but refused to go back to work pending settlement.

The company retaliated by closing the gates to workers coming in at the midnight shift throwing the main parts of the huge factory into darkness.

The Goodyear local shop committee was to meet today to decide the course of the United Rubber Workers. Strong demand that the union lead a Goodyear-wide strike which would involve 15,000 workers is expected to be made.

ternationals which will put pressure on local unions to change the relationship of forces.

However at the present time the rank and file is solidly behind the progressives and if they will learn a lesson or two from Minneapolis. If they will choose the road of boldly combating Casey together with the rank and file, of daring to stand out decisively for a policy keeping the Federated Trades intact, they will find that Casey will have been easily vanquished and the road ahead made clearer.

There are many dangers in the path of the progressives, however, not the least of which is Stalinism. As usual the Stalinists are playing the ostrich with the newly acquired fetishism of "legality" and "constitutionalism", offering nothing to the situation and contributing to the confusion of the militants. They feel that Green upon hearing of the mischief Black Sheep Casey is doing, will immediately look up that clause in the Constitution and straighten every thing out to the satisfaction of the "subversives"! With such preparation, upon finding that Green and the Constitution will back up Casey on every point, many of the progressives may receive such a shock as to react incorrectly, alienate the rank and file, and cut themselves off.

However, the ideas of the class struggle are penetrating the ranks of the progressives which, if they take root in time, will assure the San Diego labor movement a fight to the finish with bureaucracy and reaction.

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Labor Skate Disbands Militant San Diego City Labor Council

(Continued from Page 1)

That there are industries in search of a cheap labor market is natural after the strike waves of the past two years. The Real estate agents were able to convince the executive of the Consolidated Aircraft Corp. of Buffalo, which encountered a long and costly strike last year, that San Diego was the place where labor was cheapest and most efficient. This is only in keeping with the tradition of Southern California real estate agents.

The coming of the Consolidated Aircraft Corp. to San Diego late last year whetted their appetites, and casting about them they found a growing Progressive Labor movement which would be harmful to the attractive power of San Diego as a seab city. That additional pressure has been exerted upon the reactionary union bureaucrats can be said with complete assurance.

After having dissolved the Federated Trades Council with a twist of the wrist and not a few plug-nugles hanging around for moral sup-

port, Casey ordered that the delegates be elected in a different manner. It is important to note that the next week, even after Casey had done all the packing of unions he was able (this was considerable) plus intimidation, threats, etc., progressives were returned in even greater number than they had been previously.

The Race with Time

At present Casey is stalling for time, which is made possible by the fact that many of the Progressives still cherish illusions about getting redress through appealing to Green and the Executive Council. Although this illusion is quite natural for relatively uninitiated workers, for the Progressives it may prove their undoing.

In time Casey will be able to use all the tricks he has learned from his father, who was a bureaucrat when Joe was an infant, and from Tobin under whom he served to demoralize the rank and file. In time Casey may be able to muster sufficient support from reactionary In-