

Layoffs and Wage Cuts Hit Living Standards; Unions Must Act Now

By James Casey

(This is the concluding article of a series on the economic situation).

The wage-cutting plan to check the new crisis already is in motion and soon will reach nation-wide proportions. This development is in accordance with the theory propounded during the last economic crash by Wall Street's leading advisers.

Writing for the corporations in 1932, Prof. Alvin H. Hansen in his book "Economic Stabilization in an Unbalanced World," proposed pay slashes either through "trade union agreements" or "shop committee plans" (company unions) as a means of "tiding over the depression period." Similarly, Prof. Paul H. Douglas, another Wall Street expert, in his volume "Controlling Depression," urged reduction in pay "to prevent the disappearance of profit margins."

Wall Street's most popular spokesman, Walter Lippman, wrote on September 24, 1931:

Lippman in 1931

"After the stock market crash of November, 1929, almost everybody from the President down believed that there was not going to be a real depression and that prices and business activity were going to return within sixty or ninety days to the level of the boom. On that assumption there was good sense in saying that since nothing else was going to be deflated, employers ought to bind themselves not to deflate wages. The assumption was wrong...."

"The real interest of a wage-earner today is in the amount of money he has at the end of the week. This is already drastically reduced and it cannot be restored without a restoration of business activity."

Advice Utilized Today

The manufacturers and industrialists have taken this quick course to maintain regular dividends and, if possible, to preserve and increase their resources. At the same time the epidemic of layoffs by large corporations has started, led in New York City by the B.M.T., with its dismissals announced on December, 14.

To further strengthen their position, the corporations are driving ahead for legislation to abolish the profits tax and other levies by Congress before the final March payment date. Simultaneously they are standing firm against Federal projects and relief appropriations to meet the needs of the deepening crisis.

Beginning now and within the coming months, the practical leadership of Revolutionary Socialists, as well as their energy and devotion to the cause, will be severely tested. As a result of the bosses' offensive, strikes, large and small, will continue to spread through the land and it is the task of Revolutionary Socialists to correctly guide the workers in all their struggles.

Revolutionary Socialists' Tasks

They will insist on the maintenance of prevailing union rates and point out that reduced purchasing power could only tend to shift more of the burdens of the crisis on the masses of the people. They will press demands for additional Federal projects, against dismissals on existing

ones and for the prevailing union scale on all such work. They will strive for the organization of the unemployed by the C.I.O. and A.F. of L.

Revolutionary Socialists will mobilize the workers and call for prompt action in all relief cases, will intensify the campaign for adequate relief and will aim to solidarize tenants and consumers against eviction, for lower rents and cuts in the prices of food, clothing and other essentials.

In rural communities they will demand necessary government loans to tenant farmers, a moratorium on mortgages for small farms and against legalized destruction of wheat, cotton, etc., under the proposed crop control program.

In fighting the ravages of the crisis and the onslaughts of the bosses, militant workers cannot expect any quarter from Wall Street and they must be vigilant against any compromise moves by bureaucratic trade union leaders. Moreover, they will have to cope with the most pernicious enemy within the ranks of the working class, that is, the Communist Party with its People's Front Program of class collaboration.

Having announced their intention to side with the "non-reactionary" monopolists against the "reactionary" ones, as discussed in a previous issue of the Socialist Appeal, the Stalinists will combat every plan and act that does not carry the stamp of approval from the New Deal wing of the Wall Street oligarchy.

What Can Be Expected of C. P.

Exposed, discredited and repudiated by the International Commission of Inquiry for the frame-ups beginning in Moscow and circling the globe, Communist Party leaders can be expected under orders from the Kremlin to use the trade unions, more than ever before, as pawns for class collaboration, and the unemployed groups to build a bureaucracy within the apparatus of government projects.

They can be expected also to resort, more than ever in the past, to gangster tactics of intimidating workers and criminally assaulting members of the militant opposition.

The counter-revolutionary actions of the Stalinists must be revealed in trade union meeting rooms, in shops, offices and in the halls of unemployed organizations. Labor must be rallied and placed on guard against the whole Stalinist set-up for terrorism, frame-ups and class treachery.

Especially must the C.P. ties with the New Deal capitalists be constantly counterposed to the Stalinist position on Roosevelt and his administration before the inauguration of the People's Front line. For instance, in a May Day pamphlet entitled "Day of Solidarity," published by the American Communist Party just

before the advent of the People's Front, the Stalinists said this of Roosevelt:

C. P.'s Old Position

"The Roosevelt program has had one aim—increase profits of the rich by cutting wages and raising prices. To increase prices, the Roosevelt administration destroyed cotton, corn, wheat, etc." (P. 7).

And further:

"Roosevelt tries to hide his refusal to establish unemployed insurance and his relief cuts with the 'cry' of 'security' and jobs. This 'social security of the New Deal' is a security of hunger. Roosevelt proposes a wage of \$50 a month on the much boasted public works. This means not only starvation of the unemployed. It is a vicious attack on the wages of all workers. This attack upon the prevailing union wage rates by the government is a signal to private industry to follow the government's example." (P. 87).

And yet again, in amazing contrast to the Stalinists' current cry of a "war for democracy," they said in 1935:

"The New Deal got the U. S. ready for war. The war budget for 1936 is 64.6 per cent over the actual cash paid out in 1933-34. The C.C.C. camps are for war. Plans are already made to increase these semi-military camps to train one million boys for cannon fodder. The bosses tell us that we will not get mixed up in a European war. Don't believe it. Wall Street is preparing not for peace, but for war." (P. 13).

All this from the pen of the C.P. leaders, who now are clamoring for support of Roosevelt, his wage, relief and war programs—hook, line and sinker. Were the Stalinists deceiving the workers in 1935, or are they lying today? They must be challenged and cornered on these questions again and again.

Effective exposure of the treachery of the People's Front will smash C.P. influence in the unions; strengthen the workers' fight against the crisis; aid in the growth of militant trade unionism, unhampered by orders from the Kremlin; help in the building of a strong revolutionary socialist organization, and broaden the movement against Reaction and for Socialism.

JERSEY CITY, N. J.—The C.I.O. scored a signal victory over "I am the Law" Mayor Frank Hague here last week when it obtained two contracts with employers after a one week strike.

The Standard Cap and Seal Corp., and the Fargo Cap Corp. signed up with the C.I.O., it was announced by W. J. Carney, C.I.O. regional director.

Mayor Hague's boasts that he would keep the C.I.O. out of Jersey City and the widespread belief in his invincibility were rudely shattered by these latest developments.

"Panay" Incident Unmasks Aims of U. S. Imperialism

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Japan at arms, have been obliged to rely for the protection of their "stakes" in the Far East on such opposition to the Japanese invaders as the Kuomintang government was able to put up.

Tragic Rout at Nanking

Events, however, have exposed the regime of Chiang Kai-shek as a frail reed for the British and American imperialists to lean on. Incompetence, corruption, treachery, and the Kuomintang's fear of mobilizing the Chinese masses, have converted China's defense campaign into a tragic series of retreats and routs. Living forces have been heedlessly sacrificed. The "defense" of Nanking became a sacrificial display of self-immolation by thousands of brave Chinese soldiers who had been deserted by their officers. Results of the fighting to date have proved the Kuomintang to be incapable of defending itself, let alone the interests of the British and American imperialists.

In London and in Washington there is a lively appreciation of this fact. Roosevelt, in his Chicago "peace" speech, told Japan in no uncertain terms that American imperialism was preparing to defend with more than words its position in the Far East. British imperialism, spurred by the threat of a fresh Japanese military drive—this time into South China, nerve center of Britain's Far Eastern interests—is considering the dispatch of additional warships to China waters and is feverishly building fortifications to protect its Hongkong territories against possible Japanese assaults. The touch-off of the new world war conflagration may well occur in the Far East, and that in the not distant future.

War Sentiment Created

In preparing for this event, mass sentiment in the United States is being created for war against Japan. Roosevelt has given the cue: America (meaning the American working class) must prepare to go to the shambles to preserve "democracy" against the fascist and militarist aggressors. The time is coming to "save" poor defenseless China from the Japanese bully. All the old deceptive phrases are trotted out.

All the liberals and pacifists are busy sowing illusions about the "peaceful" role of American imperialism. The editorial and news columns of the bourgeois press are given over to the chauvinistic drugging of working class opinion so that the masses may be corralled into support of the coming imperialist war. Vile atrocities committed in China by Japan's armies help grease the wheels of the war propaganda machine. Agents of the bourgeoisie in the ranks of the working class, from the trade union bureaucrats who sponsor consumers' boycotts of Japanese goods while doing nothing either to prevent shipment of munitions and supplies to Japan or to stop the landing of Japanese goods in this country, down to the Stalinists who call on the Washington government to take "collective security" action against Japan in the name of "peace," are the budding recruiting sergeants of American imperialism.

Meaning of "Panay" Incident

American trade with China amounts to about 3 per cent of the total foreign trade of the

United States. This percentage, relatively insignificant, assumes importance when it is remembered that in the foreign trade of China the leading place is occupied by the United States. A steady increase of American trade with China over a period of years gave promise of a growingly profitable export market for the throttled industries of this country. As this prospect recedes before the advance of Japanese imperialism, it becomes more and more apparent to the American ruling class that war, in the final analysis, is the only means by which the positions of American imperialism in the Far East can be guaranteed and extended.

U. S. Plans for Future

American investments in China, totalling less than \$200,000,000, are only one-tenth of British investments in China and one-tenth of American investment in Mexico. China's importance to Yankee imperialism, however, lies less in present investments than in prospects for the future. The maintenance of the capitalist system requires not only foreign markets but also fields for investment. In the period of capitalist decline, the search for these economic outlets assumes added urgency. Apart from Soviet Russia, China is the one large undeveloped country which has not yet become the colonial property of one or several of the imperialist powers. The world role of American imperialism is therefore closely linked with the fate of China.

Revolutionary socialists seek a revolutionary solution of the problem involved in the Sino-Japanese conflict. In China, they direct their efforts toward the independent mobilization of the masses in order to continue, on the plane of the revolutionary class struggle, the war for China's independence from imperialism. In America and other strongholds of imperialism, they promote the class struggle of the workers with the aim of overthrowing the imperialist bourgeoisie and establishing workers' governments, which alone would be true friends and allies of the Chinese masses.

Position of Revolutionists

Scorning appeals to the imperialist government at Washington to save China from Japan—which is the line of the Stalinist traitors, serving only the interests of American imperialism—the revolutionary socialists turn to the American workers with a plea for solidarity with the Chinese masses. Such solidarity will not only aid the Chinese masses in their struggle, but will also advance the historic interests of the American workers. Every blow struck at imperialism advances the cause of the international proletariat, and therefore the interests of the American workers as well. If the American imperialists should succeed in realizing their aims in China, they will be able to fasten the shackles of wage-slavery still more firmly on the toilers of this country.

Not a shipload of munitions or supplies for the Japanese imperialists!

Refuse to unload Japanese merchandise arriving at United States ports!

Unmask the imperialist aims of the Washington government!

For the fraternal international solidarity of all the exploited and oppressed!

Forward to the class struggle and the socialist revolution!