

THE FIGHTING WORKER

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The New Deal «Plans» -- for Scarcity

«Anti - Inflation» Program Is A Gift To Profiteers

MAY DAY, 1942

May Day, the day of international workers' solidarity, this year found the world's workers split in a fratricidal slaughter in the interests of their exploiters, without a single mass demonstration for working-class internationalism in any country on earth.

In the "democratic" capitalist countries, as well as in the Fascist capitalist countries, the workers behind the lines were chained to the war chariot, producing weapons for mutual destruction. But where in Fascist countries the workers were under open dictatorial compulsion, in the "democracies" the labor lieutenants were the chief instruments to restrain demonstrations of internationalism.

And in the Soviet Union, Stalin pledged himself against workers revolution in Europe and Asia, by whitewashing the "democracies," branding the Axis as the only enemy, and openly indicating he would not "interfere" in post-war Europe: i. e. as in Spain, Stalinism's only role would be to block the road to workers' power.

LOYAL TO BOSSES

In the United States, all the so-called working-class parties issued manifestoes on May Day, which pledged open or indirect support of the capitalists.

The Stalinist manifesto called for "A Western Front in Europe." "Strengthen National Unity behind the Government." From cover to cover the Stalinists raved about a "people's war," about winning the imperialist war. Not a

(Continued on page 2)

"The choice is between ordered SCARCITY and ruinous chaos."

In those terms a leading New Deal paper describes Roosevelt's "plan" to avert inflation.

The liberals, "socialists," and social-patriots of all stripes will now point to the "planning" as added "proof" of the basic strength of capitalism, added "proof" that the system can plan itself out of inflation and crisis, but the good Chicago Sun, New Deal apologist, hits the nail on the head in defining the system — ordered "SCARCITY."

Capitalism cannot for the life of it, plan an "ordered plenty" (production for use). Its only planning — in America now, precisely as in Germany—consists of plowing under, producing LESS of the needs of life (although more war

goods for death), LOWERING the standard of living.

Muddleheads all over the country see in the 7 point program of Roosevelt a stabilization of capitalism. If prices and wages are now frozen, they argue, we can no longer have a depression, and certainly inflation is impossible.

In precisely the same language, the Nazis in Germany introduced their price and wage-fixing program. But the German "stabilization" forced them into a desperate war to gain new markets for the greedy capitalist machine.

The "stabilization" of American capitalism will bring even worse results. Inflation is inevitable. A war or post-war crisis of unheard of proportions is already in the making.

(Continued on page 3)

an open letter to f.d.r. (to which we expect no reply)

Dear Mr. President,

In your speech of April 29 you stated:

"Ask the workers of France and Norway, whipped to labor by the lash, whether the stabilization of wages is too great a 'sacrifice'..?"

We are against Hitler and all forms of fascism, but why ask the workers of Norway, Mr. President?

What about the 39% of the American families of 3, 4 and 5 people each that is forced to live on \$19 a week or less?

"Ask the women and children whom Hitler is starving whether the rationing of tires and gasoline

is too great a sacrifice...?"

Again, Mr. President, why ask the people in Europe.

Why don't you ask the Negroes in Sikeston, Missouri, about the "four freedoms," the same Negroes who were terrorized only a few months ago in a "nice" lynching? By the way Mr. President, the members of your Party in the South weren't able to identify a single one of the thousand lynch-ers. Amazing, isn't it.

While we're dealing with the people of other countries, Mr. President, what about the 10 lead-

(Continued on page 4)

MAY DAY '42 SHOWS NEED FOR NEW COMMUNIST INTERNATIONAL

(Continued from page 1)

word about revolution. Not a word about Socialism. Instead—"The Communist Party has pledged and is giving unconditional support to the national war effort against Hitler..." Last May Day, 1941, these same prostitutes shouted "Down with the Imperialist War." In 1941 they called for the release of Earl Browder, the "fighter against imperialist war." In 1942, they demand his release because he is "a true patriot" who should be released to "help achieve victory" in the same imperialist war. Instead of "down tools," the Stalinites called for increased speed-up.

THOMAS' "FIGHT FOR SOCIALISM"

The Socialists (Norman Thomas' Socialist Party) reject jingoism, only to give **their** support to the war, by openly showing solidarity with "comrades" such as Walter Nash, of the New Zealand Labor Party, who is Ambassador to the U. S., and who contributed the usual "lofty-sounding" Socialist greetings sighing for a better world "after the war." Of course, "comrade" Nash, writes on the first page of the May Day issue of **The Call**, the "first responsibility" of the workers is to "provide the equipment essential for winning the war." Such questions as India are of course mere trifles to be ignored. Thomas sighs for a revival of international relations, such as — the Second International. And every militant worker still inside SP ranks still remembers how Vandervelde, Henderson, Wels, Bauer, Azana & Co. "fought for" Socialism. These gentry supported the War of 1914-1918, drowned workers and colonial revolts in blood after the war, and capitulated to fascism.

To top it off, Mr. Thomas **main** worry about post-war Europe, as revealed in radio speeches, is that Communism might triumph. (Of course, in the manner of an ordinary capitalist-liberal, Socialist Thomas cloaks this fear in the us-

ual blah about fearing Stalin's domination.) With the party and Thomas on record for support of the war, and the rank and file, especially the youth, still opposed to the war, it is no wonder that the May Day issue of **The Call** says nothing concrete on the war, satisfying itself with the harmless plea for a Socialist world that the most rabid jingo Social-Democrat of 1914 could endorse. This is the Socialists' "internationalism."

The Wobblies (I.W.W.) issued the most tight-lipped May Day manifesto in their history. Like the Socialists, (alho to do them credit they nowhere openly support the war) they merely opposed capitalism in general. Hitlerism is denounced, but not American capitalism, except by inference. Nor is the war exposed for what it is, an imperialist war. Vague phrases about the fact that "we look for a workers upheaval in Europe," cover the silence on the question of struggle against capitalism in the U. S. Since the first imperialist war, they have learned nothing, and like the Socialists can only repeat old outworn generalities. The defeat of their Spanish counterparts, the anarcho-sindicalist unionists (with whom they have only very secondary differences) revealed the bankruptcy of their program for the working-class, alho their rank-and-file fought with marvelous heroism. Thus 25 years after the first imperialist war, and the Russian Revolution, and 3 years after the Spanish Civil War, the Wobblies can only utter vague generalities on May Day. This is the I.W.W.,

who in the last war organized "free speech" campaigns, led giant strikes, and carried on a militant struggle against the war. How history has changed.

TROTSKYIST "INTERNATIONALISM"

The Cannon Trotskyites (Socialist Workers Party), of course, came out with a big splash. But while their manifesto opposes imperialist war, defend workers democratic rights, opposes Stalinism and defends the Soviet Union in general, **concretely** they support everything which leads in the opposite direction. They are for a Labor Party in the U. S., while the British and Australian and New Zealand Labor Parties support the war 100%. They support capitalist government's war control over factories, under the slogan "expropriate the war industries" (who should do it?) "under workers control." This is the time-worn reformist phrase with a left cover. And capitalist militarization is supported with the left phrase of "military camps under control of the trade unions" (i. e. under the control of the pro-war Hillmans, Murrays, Greens). Like the Kautsky centrists of 1914-18, their left phrases are only a cover for capitulation to the bosses and the open jingosts. They call for an "Independent Labor Party and a Workers and Farmers Government" (i. e., a left Peoples' Front government). And if the British Labor Party "takes over" the capitalist government, will the imperialist war be transformed into a "war against fascism"? Silence. Where the Socialists give general **reformist** phrases, the Trotskyites give fine-sounding **centrist** phrases. But both in their own way, support the war.

In sharp contrast to all these forces, came the clear internationalist position of the Marxists. The manifesto of the International Contact Commission stated: "The present war is merely an interlude between revolutions, merely another attempt by the capitalist
(Continued on page 3)

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"Anti-Inflation"

(Continued from page 1)

What does the Roosevelt program **really** mean?

1—If everything goes right with the "plan," the cost of living will be stabilized, but the **standard** of living will fall greatly. On the same salary, workers will be able to buy only half or two-thirds of what they buy now. The rest of their pay checks will be taken away in forced savings, higher taxes, and the shortage of goods.

2—The movement to **stop** inflation, thus achieves exactly what inflation does — it lowers the standard of living, only it does it in another way. Under the usual inflation, prices rise and the value of the dollar falls to the point where all commodities become so expensive that people can no longer buy them. Under "ordered"

scarcity, the value of the dollar is kept at a certain stable relationship to all commodities, but those consumer goods that can no longer maintain that relationship become "bankrupt" and disappear from the market altogether. The Roosevelt-Hitler plan (it is almost the same in both countries) serves only as a temporary palliative measure. In the old type of inflation almost all commodities fall out of reach of the buyers at once; in the new form of inflation the process is more gradual. But the end result is the same.

Let us illustrate this difficult point with an example.

Due to the war there is a scarcity of leather. Left to itself, the price of leather would rise to such a point that people would stop buying it. Now that the price is stabilized, however, the same thing will happen, but in a different way. Because of increases in the cost of production (losses in shipping, higher transportation costs, need of substitute chemicals for bleaching, new personnel, etc., the small marginal producers will not be able to stay in business long at the present price. Gradually as taxes mount, war costs go greater, dislocation of economy becomes more serious, other producers will also be forced out. Instead of the dollar (gold) being bankrupted and removed from the market, as under the old form of inflation, leather will be "bankrupt" and removed from the market.

The difference is only one in degree. The end result is the same.

WORKERS AT DISADVANTAGE

3—Prices have been rising at a much more rapid rate than wages, as usual. Leon Henderson, price administrator, admitted in January that price rises since the war have much more than wiped out all wage increases. At the point at which prices were stabilized therefore, the workers are at the greatest disadvantage. Their REAL wage is now lower than it was before the war.

Of the 4 items to be "stabilized," profits, rents, prices and wages, only one can really be frozen: wages. On all the other three, chiseling can and will take place. Rents, for instance, no sooner were frozen than landlords began to "LEGITIMATELY" raise rents on the excuse of small repairs, "remodeling" and so forth. A tin can of soup can be dressed in a new label or in a slightly different size and the price raised. Profits can be dissipated as expenses in many, many methods of crooked bookkeeping. Only wages will be kept down, even though a formal order of "freezing" has not yet been issued.

PROFITS STILL GO ON

4 The so-called steps against the capitalists are almost a joke. The plan to limit income to \$25,000 a year per person, in our opinion, was put forth by Roosevelt only as a club against Congress to stop

(Continued on page 4)

MAY DAY, 1942

(Continued from page 2)

powers to solve their contradictions." "America is fighting to organize the world for the needs of the American Dollar." "All the Imperialists are guilty," "Unite for the real war at home against the main enemy, our 'own' capitalists." Instead of the empty call for "peace" and "socialism," the manifesto says, "The struggle against the war begins with the struggle for proletarian revolution, in the major countries as well as the colonies. The Main Enemy is at Home. Defeat of our own imperialist is a thousand times to be preferred to the defeat of the revolution. The proletariat cannot serve two masters at the same time, the capitalists in the war and themselves. And ONLY the revolution can stop the war."

Concluding with a call for a New, Communist (4th) International, the Marxists thus upheld May Day as a day of proletarian internationalism, against Wall Street as well as against Hitler, and against all betrayers of labor, open and concealed,— in short, against capitalism and for a Workers' World.

A Letter on the War

Ed. Note: The following is a letter from a girl to her brother, regarding the departure of another brother for the army.

New York,
April 28, 1942.

Dear T. . .

The guns boomed, the flags waved, and the trumpets blared, A. left for the army this morning... I can't put into words what an effect all this has had on me. All our friends, the kids who used to come to the house. Where are they? What are they doing? Who knows if they're still alive. Is it worth all this sacrifice? Some-time I wonder.

. . . I can't concentrate on anything. My mind is in a whirl. Every time I think of all the hardships people are suffering and all the thousands of boys being killed, my throat chokes up. What for all this?

Cattle aren't slaughtered the way human beings are nowadays. Isn't a life worth anything anymore?

. . . please write. I must close this letter or I'll be crying all over these pages.

New Deal «Plans» Scarcity

(Continued from page 3)

it from tinkering with his delicate labor set-up. It was meant to be bargained away.

But let us assume that the plan was put forth seriously. Then what?

The bourgeoisie is using today a hundred different methods of evading taxes. Universities are giving new courses for accountants and lawyers to perpetuate this robbery. Take just a few of the common examples, over and above the old "watered stock" methods.

All firms are writing off their new machinery in three or four years time. Machines that will last for 20 years are written off as EXPENSE in one-fifth or one-tenth the time. Tremendous "reserves" are being put away for post-war reconstruction. United States Steel, for instance, in one such fund (it has many) put away 25 million dollars in one year. This profit is written off as expense.

Crooked methods are being found even to buy new machinery. Instead of buying them outright, they are being "rented" with the provision that the rentals for the last month shall entitle the company to outright ownership. The "rental," which is really company profit used to buy new machinery, is charged on the books as expense.

These are only a few of the methods used to avoid the war taxation. So long as the government is a bourgeois government, so long, in other words as capitalism exists, the capitalists will always find means of avoiding limitations on profit. Only the worker cannot avoid the taxes and the lowered standard of living.

5—The most basic fact of the whole Roosevelt program, however, is that it completely overlooks the fundamental capitalist contradictions. It skims only the surface.

When there is less goods put on the market and more people with money to bid for those goods, pri-

ces are bound to go up, says Mr. Roosevelt. That's why we must take these anti-inflation measures. Correct. But the fact that demand is greater than supply is only ONE factor in inflation, and not the important one by a long shot.

ANARCHY OF PRODUCTION

The other reason for inflation lies in the anarchic productive machine of capitalism. It is a very strange thing to behold, but while basic industry is learning within each factory how to produce goods in much shorter time — literally from day to day; while productivity is rising, the dislocation of capitalist economy **as a whole** is more acute than at any time in history. Hundreds of markets are cut off; thousands of substitutes are needed. World division of labor in production is at its lowest point. The nations are becoming more and more "closed-in economies." Agricultural nations are trying to build up manufacture; and manufacturing nations are desperately trying to grow food. Transportation losses, changes in personnel, higher taxes, and many other things, bring

out the complete anarchy of capitalist production as never before.

PRODUCTION OUTSTRIPS MARKETS

The meaning of this contradiction must be clear to all but the blind. Production is today outstripping markets at a rate never before encountered. The productive machine, once war production ends and "peace" production begins, will need infinitely greater markets for materials and capital investment. But meanwhile the closed-in economies are growing. The market is shrinking relatively from day to day. The resulting crisis — idle men and idle machinery — cannot be averted.

The Roosevelt 7 point program completely ignores this basic cause of inflation. What will happen after the war, with a 200 to 300 billion dollar debt; dozens of billions of dollars in idle machinery and 24 to 25 million idle men — on this question the New Deal is silent as the grave.

The present steps serve the same purpose as sleeping powder to the dying man. They relieve the pain for a moment. They cannot stop death.

open letter

(Continued from page 1)

ers of the Porto Rican masses who are in your jail in Atlanta, Georgia for the simple crime of demanding the four freedoms for Porto Rico?

When speaking of brutality, what about the 12,894 Haitian workers who were murdered in 1938 by one of your friends, a frequent visitor to the white house, Senor Trujillo, dictator of the Dominican Republic — an outrage which the State Department whitewashed and which the press kept from the American people?

Or what about the Maori tribesmen shot or killed only last year in the Phillipines?

But let's get closer home, Mr. President. How about the 11 work-

ers killed in the Memorial Day massacre in South Chicago in 1937 by the police of your strongest supporter, Mayor Edward J. Kelly of Chicago?

What about the murder of Negroes in the army all last year?

And while talking about racial persecution in Norway, why not tell the American people about the exclusion of Negroes and Jews and Catholics from American factories, about the Jim Crow and Negroes in the army?

Yes, Mr. President, the grass is always greener in someone else's back yard. But the class-conscious American workers are not fooled. Oppression of the American worker and minority groups here is growing.

The struggle for democracy begins at home.