

RUSSIA'S OCCUPATION OF RUMANIA EXTENDS HITLER-STALIN BALKAN HOLD

AN EDITORIAL

We Are Opposed to Conscription!

The Workers Party is against military conscription of manpower in the United States today.

Why? you ask. The answer is plain: conscription today serves the interests of the moneyed rulers of this land—and only them.

Were this to be conscription in a people's army organized to defend the gains of a Workers' government and to beat off a fascist horde, then we would favor it. But such a people's army would not require conscription. Just as labor has organized itself in the past to defend its own interests, so would it today rally under its own banners to fend off its enemies.

But the army into which Roosevelt and Congress now seek to drive American youth is not labor's army, is not a people's army. It is an army organized by a government that speaks and acts for the bosses, an army consequently that acts exclusively for the bosses. This army will not defend labor standards, this army

will not defend civil liberties, this army will not truly fight fascism.

This army exists but for one purpose—to strengthen the hand of United States imperialism, to contest with the other imperialist powers the right to exploit the territories of the world.

For What Will the Army Fight?

Roosevelt seeks to build the army. To oppose the fascist menace from abroad? But how does this square with what is happening in the United States today.

You must join the army, says Roosevelt (says Wall Street) to oppose a fascist invasion on your freedom as American citizens. Yet, with each passing day, the United States government becomes more totalitarian in its outline. And while you are being stripped of your civil rights, the bosses dare pretend that they want you to fight . . . fascism (!).

Oh no, the history of capitalist rule has been too long and too bloody. We can-

not be deceived with that hokum. Wars are fought by capitalist nations for one purpose—to strengthen their capitalistic rule, and to hell with labor! Labor does the dying, labor does the suffering; capital reaps the harvest in dollars and debentures.

And make no mistake. Conscription is only a proposal today; tomorrow it may be law—unless mass demonstrations, petitions, the threat of organized labor, compel its defeat.

The Truth of War Is Well-Known

Youth, even jobless, hungry youth, has refused to swell the army's ranks. Senator Burke who introduced the conscription bill into Congress admitted so much. In their own way, these young people who have resisted the tremendous propaganda of press and politician understand why they are being asked to join the army—to die not in their own interest, but in (Continued in Editorial Column, Page 4)

By JOSEPH CARTER

With the complete approval of Hitler and Mussolini, Russian troops occupied Bessarabia and Northern Bukovina following a twenty-four hour ultimatum to the Rumanian government calling for the ceding of these territories.

Hitler gained control over Rumania and the Balkans, as King Carol accepted the ultimatum and renounced the guarantee of protection pledged a year ago by Anglo-French imperialism. The country is now facing complete dismemberment as Hungary demands the return of Transylvania, a province taken from her after the first world war, and Bulgaria asks for Dobrudja, a province seized from her in 1913. Hitler will decide how and when these demands will be met.

At some points the Russian troops clashed with the Rumanian army because of the rapid occupation of the ceded territory and, according to reports, because they went beyond the frontiers established by the agreement, apparently by mistake. Fighting also broke out between Stalinists released from prison and local police, and as a result of the increased anti-semitic drive in Rumania which caused Jews to flee to Russian-occupied territory.

At the same time there are persistent reports that Stalin has demanded from Rumania naval bases at Constanza and at the mouth of the Danube; and from Turkey, participation in control of the Dardanelles, the narrow straits linking the Black Sea and the Mediterranean. These reports although not confirmed are in harmony with the general course of the Stalin-Hitler alliance.

The official Russian explanation for its new annexations are given

in Molotov's ultimatum-note of June 26. The communique declares that the Soviet Union has never reconciled itself to the seizure of Bessarabia by Rumania at the end of the last world war. It claims that the overwhelming majority of the people of that province are Ukrainians and should therefore be united with the Ukrainian Soviet Republic. This change, it continues, is made both possible and necessary by the new military strength of Russia, and the "present international situation;" and is connected with the need of transferring to Russia Northern Bukovina whose people are bound to the Soviet Ukraine by language and national composition. At the same time the transfer of this province would also be a partial compensation for the 22 year domination of Bessarabia by Rumania. The note concludes by demanding the two provinces within twenty four hours, by June 27.

GERMANY AGREED — STALIN MOVES

Meanwhile, speculation was rife as to the meaning of Russia's invasion and as to what Stalin's next steps would be.

Both Berlin and Rome affirmed that they had approved Russia's action beforehand, and had advised King Carol to accept Stalin's demands. According to a United Press dispatch from Berlin:

"A tri-power agreement between Germany, Italy and Russia dividing zones of interest in Southeastern Europe opened the way for the Soviets' ultimatum against Rumania, it was stated in well-informed Nazi quarters early today." (New York Times, June 28).

Stalin's action was therefore no surprise to Berlin or Rome. Nor was Washington unaware of the agreement for control of the Balkans by Germany, Russia and Italy. Last week LABOR ACTION quoted Frank L. Kluckhohn's Washington dispatch, written before the public announcement of the ultimatum:

"Germany has an agreement with the Soviet Union under which the Russians will be permitted to take over Bessarabia and the Reich is urging the recently constituted Rumanian government to concede this territory without fighting, it was reported in well-informed diplomatic circles here today." (New York Times, June 26).

In the same dispatch Kluckhohn wrote that Stalin will seek to give his annexation move a "stop-Hitler" appearance. And it appears that he has succeeded in this.

With Russian troops only 100 miles from the Rumanian oil fields, vital source for Hitler, and apparently in control of the Danube, London looks at Stalin's actions as anti-German, and some people here credit the new British ambassador to Mos-

(Continued on page 4)

Axis Hits At Allied Position In Far East

Japan Applies Own "Monroe Doctrine" To East Asia

Eager to acquire control over the colonies left "motherless" by the defeat of France and the Netherlands, Japan last week took decisive steps to enforce its domination in the Far East.

Foreign Minister Arita informed the Western powers that Japan considers East Asia the private domain of Nippon, and announced to the world a "Monroe Doctrine" for East Asia.

This Is No Time for Social Legislation Says the President

Mrs. Roosevelt recently arranged for an informal conference between leaders of the American Youth Congress and the President. PM, the New York tabloid, reports that the questions and answers went somewhat as follows:

"Q. What are you going to do about the Poll Tax? (Used in the South to disenfranchise the Negro.) A. This isn't the time to take that up.

"Q. What are you going to do about conscription in the next war? A. Just what we did in the last war.

"Q. What about the report of the Senate Naval Affairs Committee saying that the U.S. cannot be invaded? A. Never heard of it.

"Q. What are you going to do about more social legislation? A. You can't add apples and pears. You can't mix social legislation and National Defense." (Quoted as reported in PM, June 27.)

Need we comment?

Said Arita, "Japan expects the Western powers will do nothing that will exert any undesirable influence on the stability of East Asia."

Referring to the rich Dutch East Indies, Arita stated, "The countries of East Asia AND THE REGIONS OF THE SOUTH SEAS are . . . very closely related. I desire to declare that the destiny of these regions is a matter of grave concern to Japan." Simultaneous with Arita's "hands-off" order, Japan dispatched her fleet (Continued on page 2)

Is It Five? No, It Is . . . Twelve!

How many billions of dollars is proposed in the government's program for military and naval expansion?

At the present time the war budget stands at the figure of \$12,000,000,000! If you read the individual preparedness bills as they have been introduced, only the separate figures seem to stand out. In the July 1 issue of the New Republic, however, John T. Flynn examines the various bills, how they were increased from the moment of writing to actual passage, and finds that the figure now stands \$11,988,000,000.

Flynn points out that during the invasion of the Low Countries the President talked about adding half a billion dollars to the two billion already provided for national defense. But on May 17, in addressing Congress, Roosevelt raised the ante to \$1,823,000,000. In his January budget Roosevelt asked for \$1,823,000,000 for national defense, but later increased the request to \$3,000,000,000.

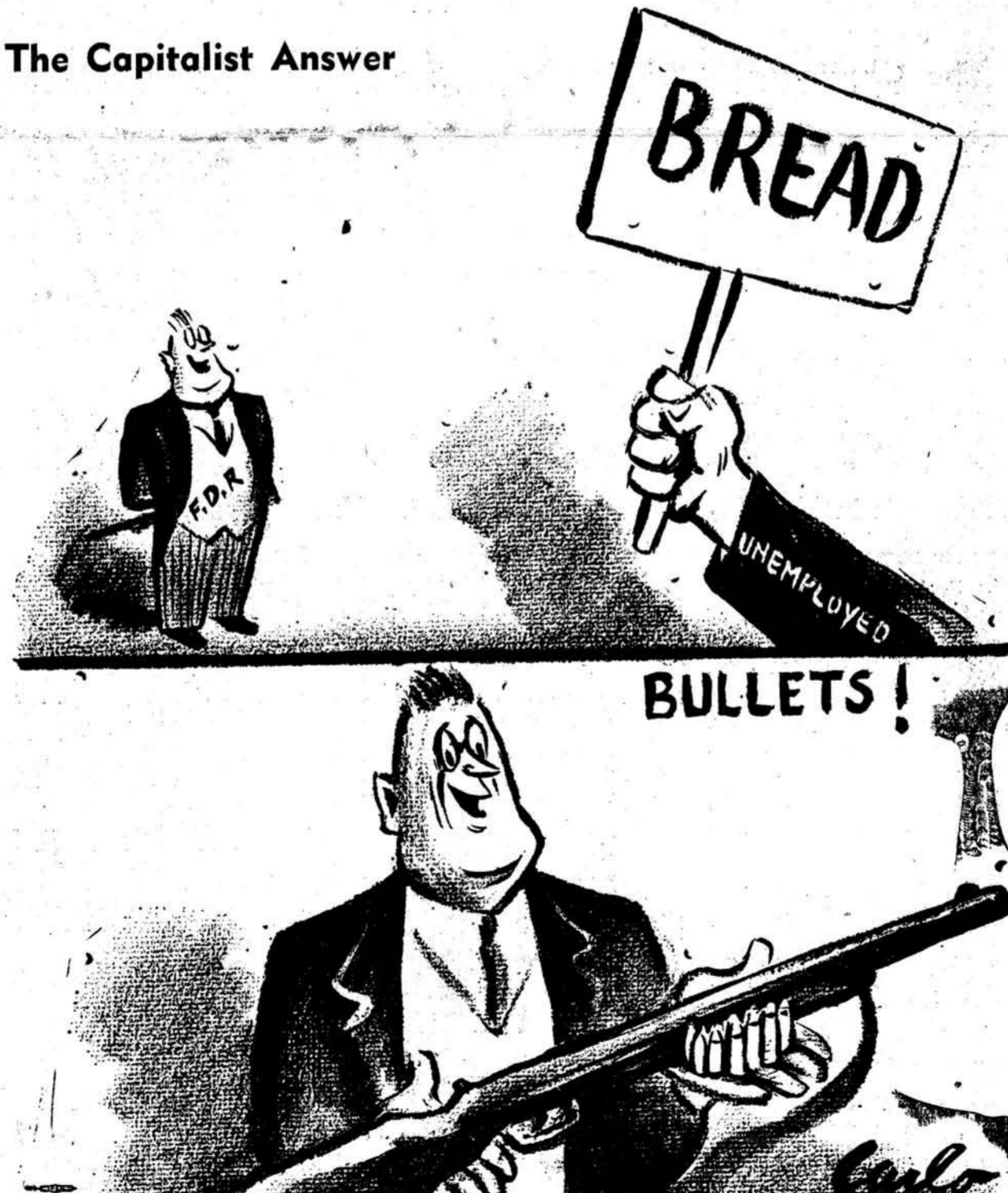
Following the Flanders battle, the President asked for an additional billion dollars. The bill passed the house at a figure of \$1,706,000,000. That was on June 13.

On June 18, Representative Vinson, the big navy man presented his bill for 84 new warships at a cost of \$1,200,000,000. On the very next day, following the House Naval Affairs Committee hearings with Admiral Stark, this bill was boosted to \$4,000,000,000. At that time the total war budget was twelve million dollars short of nine billion! Yet on June 20, another bill was introduced calling for an expenditure of a new \$3,000,000,000 for the army.

All of these bills were pushed through with amazing swiftness and before one could actually understand or surmise what was happening. Despite these tremendous expenditures, the President now contemplates a new program for army mechanization and armaments budgeted at almost \$5,000,000,000. It is not yet entirely clear how it is proposed to allocate this fund, whether part of this sum is already contained in previous bills or not. If it is regarded as a completely new and additional expenditure, the cost of the war program at this stage will reach a figure of nearly 17 billion dollars!

Who is going to pay for this staggering sum to be spent for war preparations? Labor. Government spokesmen have already warned labor that it must pitch in accepting a reduction in the standard of living. At the same time, the government is debating at what figure profits shall be guaranteed to the great financiers and industrialists!

The Capitalist Answer



New Taxes Add to War Burden on U. S. Masses

Under FDR's Direction, War Measures Hitting at Labor and "Aliens" Follow One After the Other in Rapid Succession

By ALBERT GATES

Another week has passed. But there has been no let-up in the preparations for war. Increased taxes, measures for the suppression of militant working class organizations, defense of profits, persecution of aliens—these are part of the general campaign.

The Alien's Bill

The President signed the bill requiring the registration and fingerprinting of all aliens. Already the Post Office and Justice departments have started their work which will stretch over a four month period.

An "educational" campaign is to precede the registration and fingerprinting, in which 45,000 post offices will cooperate. Thus, one measure to control the population in the ensuing period has become a law.

This legislation on aliens has been followed by a number of bills introduced in the House and the Senate calling for the liquidation of all political organizations advocating the abolition of capitalism. The bills aim at the severest censorship of political activities as a means of bringing about their complete organizational elimination.

Along with the passage of the anti-alien bill, Roosevelt announced

an emergency situation and provided for the control and seizure of all shipping, American and foreign. It is not difficult to understand at whom this measure is directed. It is directed against French and British vessels, or neutrals engaged in carrying materials to the Axis powers. German and Italian shipping has been driven from the seas. Therefore, the only possible conclusion is that the United States is preparing for any eventual-ity, perhaps the complete defeat of England. To prevent vessels, both warships and merchant marine, from falling into the hands of Germany or Italy, Roosevelt intends to seize them for the United States.

Simultaneous with these measures, the State Department at Washington is strenuously engaged in preparing for the Inter-American conference to be held in Cuba on July 20. The drive for hemispheric unity, which is another way of saying United States domination of the western world, is meeting with some opposition from Argentina, Brazil and Uruguay. Argentina has already protested the presence of an American warship in her waters. Uruguay, which only two weeks ago under investigation from Washington, unearthed the shocking Nazi plot, has suddenly, under the sharpest pressure from Germany, dropped the whole matter.

Brazil continues to hem and haw. It demands that the United States lay it on the line in the form of huge loans. That is a cheap price indeed the United States must pay for the inter-American front against the Axis.

At the time of this writing it is still not known how many Latin-American countries will participate in the Cuban conference, and if they attend, how far they are willing to go in lining up with the United States. But Washington does not intend to let the matter rest there. The government will exert the greatest pressure upon the most important (Continued on page 2)

With the Labor Unions On the Picket Line

By David Coolidge

CUTTING A SLICE OF BOLONEY FROM THE REPUBLICAN PLATFORM

The first sentence in the "Labor Relations" section of the Republican Party election platform reads: "The Republican Party has always protected the American worker." This will be news to workers who have been clubbed on picket lines, who have had their wages slashed, who have been set out to starve and freeze by Republican employers while their stooges in Washington were raising the tariff and lowering corporation taxes.

Are we to suppose that Hoover, was protecting the American worker when he had the army shoot and gas the unemployed—including the babies—out of Washington on that Bloody Thursday in 1937? Are we expected to believe also that the GOP was protecting labor when Republican senators opposed the La Follette Civil Liberties Bill? By their opposition they defended the right of the big corporations to maintain their spies, stool-pigeons, flunks, armed thugs and private arsenals to be used against the unions.

Another sentence reads: "When differences arise (between employer and employee) they should be settled directly and voluntarily across the table." This of course came right out of the mouth of Sam Gompers and was picked up by Bill Green. Gompers' position was that strikes are out of style. The Republican platform agrees with Gompers. When the worker and the boss have a difference over such little matters as wages, hours, charged barbed wire or stool pigeons, they should get together with the boss in his mahogany office, forget such trivial matters, kiss and make up.

The final paragraph says that the National Labor Relations Act should be amended. The present act is not fair to the employers and some groups of employees. Some groups of employees of course include the company unions, the scabs and the stool pigeons.

The Republicans also shed a few tears over the unemployed. They want the unemployed to get a larger share of the money appropriated. They want relief on a "fair and non-political basis." And how do they propose doing this? By turning relief administration back to the states with "Federal grants-in-aid." That is, the federal government will continue to put up some money (not much of course) but it will be handled exclusively by each state.

If we can understand this it means that the Republicans are telling the unemployed workers that there are no politicians in the various capitals, not even in Louisiana! Furthermore the Republicans seem to believe that the workers have very short memories. At the beginning of the thirties, the states had complete charge of relief. The unemployed were nearer to starvation than they are now. They went into the streets ("not across the table") and fought. This forced the New Deal administration to appropriate money from the federal treasury. The Republicans intend to return to the Hoover era and the Hoover methods.

We will have to wait until August to see what the Democrats hand out. We know however that their platform will not be in any important way different from the Republican. They will use other words to put over the same line of bunkum.

DID BILL GREEN GET AN HONORARY DEGREE FROM THE FEDERAL BUREAU OF INVESTIGATION?

There was a queer piece of news hidden away in the New York Times on Sunday. Tacked on to the article informing us that the President had signed the bill to fingerprint all aliens was the information that Bill Green had attended the graduating exercises of the Federal Bureau of Investigation. He made a speech but the report did not say whether or not he was the commencement orator wishing the graduates success in their careers. Nor was anything said as to whether or not Mr. Green received an honorary degree.

THERE IS NO DOUBT ABOUT IT—PATRIOTISM IS A PAYING PROFESSION

If workers have any doubts that patriotism, as practiced by the bosses, is a paying profession they can cast an eye at some profits for the first quarter of 1940. Aircraft went up with a roar. Douglas profits were \$771,552 in the first quarter of 1939 and \$1,804,877 in the first quarter 1940, an increase of 134%. Glenn Martin rose from \$682,496 to \$2,162,670, an increase of 218%. In automobiles GM was \$53,177,928 in 1939 and \$60,028,461 for the first quarter 1940. Studebaker profits increased 800%.

U.S. Steel made \$660,551 in the first quarter of 1939 and \$1,713,195 in the first quarter 1940, an increase of 250%. Bethlehem, Youngstown and Republic Steel increased profits by millions. General Electric went from \$7,373,431 to \$11,951,450. Westinghouse profits were \$2,356,150 in first quarter of 1939 and \$4,041,428 for first quarter of 1940.

This is a sample of what is taking place in the war industries. These profit figures are the answer to any demands made on the workers to slow up in their demands for more wages. The workers must demand and get more and more of these huge profits (and they will increase!) in the form of wages, right now. Who makes the airplanes, the automobiles and electrical equipment? Who sweats and toils in the steel mills while the bosses play? Any employer or government official who tells workers that patriotism calls for no increases in wages or hours is a scoundrel. Any worker who falls for this blarney is a Scissor Bill Sam and a fool.

FBI GIVES STRIKERS A LESSON IN DEMOCRACY

President Robinson, of the Mine, Mill and Smelter Workers says that the FBI gave 20 strikers in Polk County, Tenn. "some kind of narcotic that left them with such severe headaches and so violently ill that a doctor had to be summoned for one of them while he was being tortured into 'confessing.'" The strikers had been arrested in connection with the alleged dynamiting of TVA power lines during a strike against the Tennessee Copper Corporation. Robinson also claimed that the G-men threatened the striker's families and put them through other cruel third degree treatments.

BUSINESS DOESN'T WANT TO BE HAMPERED BY WAGE-HOUR ACTS

The bosses want to get rid of the Walsh-Healy Act. It interferes with their patriotism. They can't support the national defense program if they have to pay prevailing union wages on government contracts. The Model Blouse Company, of New Jersey, has been caught chiseling and ordered to pay \$16,000 in back wages. The company evaded the minimum wage rate, crooked its payrolls and employed child labor on government contracts.

Of course this sort of business is not confined to the little fellows like Model Blouse. The big steel companies all want the Wage Hour Act, the Walsh-Healy Act and the Wagner Act all put on ice—at least for the duration of the war-time big-profits period.

Calif. CIO Shipyard Workers Push Protest

Special to Labor Action

LOS ANGELES, June 23—Determined to picket "until the ships are launched, if necessary," CIO shipyard workers continued to demonstrate here this week against the Consolidated Steel Corporation which is building \$7,500,000 worth of U.S. Maritime Commission freighters on which only AFL workmen are employed.

The IUMSWA local struck the Consolidated Plant six weeks ago when it was learned that the company had signed a so-called "closed shop contract" with the AFL while apparently in negotiation with the local.

The most widespread support in the history of the Los Angeles harbor district has rallied behind the local to protest this freeze-out backdoor agreement.

As a result, needed materials have not been delivered into the Consolidated yards.

Late last week 150 pickets stopped two trucks entering the yards. The situation for a while was threatening, but there was no serious disturbance. Police claimed that they averted a battle, but a CIO striker told a reporter of LABOR ACTION "there were no cops within miles," and added that a patrol car arrived

only when it was all over.

Both the CIO local and the Consolidated plant have taken out injunctions which are to be heard

On the GOP Convention

The Republican Party convention is now over. It selected presidential and vice-presidential nominees. It drafted a platform that speaks vaguely on all questions, and promises "peace".

Because the platform says little on the questions of war and of peace, it will play no role whatever in the coming election campaign. Actual decision of party policy was deliberately left in the hands of the candidate. The candidate in this case is Wendell Willkie, utilities magnate, whose interventionist views differ in no essential respect from Roosevelt's. So that, while the GOP will try to parade before the electorate as a "peace" party in order to win votes, it is in actual practice as much a war party as is the Democratic Party. It's "peace" promise is worth as much as Hoover's promise, of a chicken in every pot.

Willkie is a strong candidate and has the support of powerful interests. "National Defense" has only one meaning for Wall Street: prepare the country to wage war for profits. And Willkie is Wall Street's man.

The nomination of Willkie, champion of the anti-New Deal capitalists, has increased the third-term-for-Roosevelt pressure in Democratic ranks. Roosevelt no doubt feels this pressure.

Willkie is a strong candidate and has the support of powerful interests. Because the differences between the Republican and Democratic candidates are extremely narrow, and because their agreements cover a wide field, the issue in the election will revolve around which candidate can best carry through the war program.

Roosevelt has already cast aside numerous of the New Deal measures. The struggle for power between the two boss parties will be intense because control of the National government means an enormous patronage. The booty is tremendous. But whichever party wins, Labor will lose!

Truck Union Will Appeal Convictions

Court Decision is Handle to Use Against All Labor

Local 807 of the Teamsters' Union, New York, which on May 24, was convicted of alleged racketeering and violation of the anti-trust law, has filed an appeal to the Federal Circuit Court of Appeals.

Following the conviction Judge Murray Hulbert fined the union \$10,000. William Campbell and Justin Furey, the union delegates described by Federal attorneys as the "brains" of the "racket", received two-year prison sentences. The other twenty-four defendants received shorter sentences.

However, Judge Hulbert fixed three-year probationary terms for each of the twenty-six defendants, all union teamsters. He said that he was being lenient in view of the fact that this case was the first in which a jury found defendants guilty of violating the Federal anti-racketeering Act, which makes it a felony to interfere with interstate commerce.

Anti-Union Weapon

In the case of Local 807, the teamsters were trying to keep up wage standards in New York. These standards were threatened by over-the-road companies that were not organized and paid lower wages than the New York scale. The union insisted on placing union men on trucks entering New York.

To allow this conviction to stand would be to give the government a club against legitimate union activity. It would be a simple matter to convict a militant union of "racketeering" or of interfering with interstate commerce. The union has therefore decided to appeal the case.

The Federal judge fixed October 1 as the date when the union must file its record on appeal. The outcome of this appeal is of tremendous importance to union labor.

Japan—

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towards Haiphong, chief seaport of French Indo-China. The intent of this move was two-edged. First, Japan wished to cut off from her Chinese rival access to the port of Haiphong, for years the chief source of supplies to the resisting Chinese armies. Second, Japan had begun to back up her own Monroe Doctrine with an initial show of force.

At the same time, Japan began to threaten the British owned port of Hong Kong. Hong Kong is a strategic naval base in South Chinese waters and its acquisition might prove valuable in any move against the Dutch East Indies.

That these moves are undertaken

"Lambs" Don't Volunteer for Sacrifice, Cal. to Use Pressure

Special to Labor Action

LOS ANGELES, June 23—Minute preparations have been made throughout California to force "voluntary enlistment" into the armed forces of the nation.

Governor Olson is taking no chances. Apparently he doesn't have much confidence that a sufficient number of young men will "volunteer" to throw away their lives in Wall Street's war. Olson, therefore, has already set up a far-flung organization whose purpose it is to "encourage" the men of the state to "volunteer."

In every community of 1,000 inhabitants or more, "citizen recruiting offices" are being installed. In plain words, this means that every young man who walks down the street in his home town will be button-holed by patriotic zealots and asked why he hasn't joined up. If he says simply that he doesn't want to volunteer, well . . .

The plan is neat and efficient. Nearly three weeks ago Superior Court Judges in each of the state's 58 counties received secret notices of their appointments as heads of the "voluntary procurement plan" in their respective counties.

Under the plan, "volunteers" will

at this time indicates the confidence which Japan displays in the eventual eclipse of the British Empire. Japan functions in the Far East as a partner of Hitler and waits impatiently for the moment when it may enrich itself with the Fuehrer's approval.

Alarm in U.S.

However, the threatening attitude of Japan is being viewed with alarm in the United States. Although Secretary of State Hull announced some time ago that the United States would react sharply to a Japanese move against the Dutch East Indies, certain circles in this country are advocating a more moderate policy. Their aim is to break Japan from the Axis.

Writing in the New York Times of July 1, Rear Admiral Yates Sterling, retired, states, "It is becoming increasingly clear, in my opinion, that our interests as well as those of Britain lie in REACHING A FRIENDLY UNDERSTANDING WITH JAPAN, if one can be attained."

As the price of this "understanding," Admiral Sterling proposes that, "the British and French . . . agree that they are ready to give up their possessions in China proper, including Hong Kong."

This American version of "appeasement" (which yields British and French property but sacrifices no American "interests") has not yet been taken over by Washington. The administration is awaiting the final outcome of the war in Europe before it adopts a new attitude toward Japan.

In the meantime, the Pacific fleet rides in Hawaiian waters ready to make a dash towards Asia should Japan immediately threaten American holdings there.

file their preliminary enlistment papers at the local station prior to transfer to the regular army, navy, marine or national guard recruiting offices for formal enlistment.

Each county has a recruiting staff, a publicity director, medical director, including an administrative assistant, and a recruiting board organizer.

Similar programs eventually will be set up in other states, but as usual in matters of this kind, California takes the lead. Olson, the liberal, is anxious to prove his subservience to the bloody plans of Wall Street.

Court Acquits Fascist Gang

Coughlin Sees Gain For His Movement

Uncle Sam is a palooka when he's fighting the fascists. That's the final word on the conspiracy case against the 14 Christian Fronters, prosecuted Brooklyn Federal Court. Last Monday the U.S. government in the day the trial dragged to a weary end, the jury bringing in acquittals for nine of the defendants, and the Judge handing mistrials to the remaining Coughlinites.

Originally there were 17 defendants. They were rounded up in a series of raids by FBI men last Jan. 14. Soon after the trial began, two were exonerated by the court. Another, Ernecke, hanged himself April 13.

Charged with the ultimate crime of plotting to overthrow the government, the prosecution paraded a fantastic tale of stolen National Guard ammunition, plans to kill a dozen Congressmen, seize power plants and blow up the Daily Worker.

100% Americans (!)

Defense answer to charges was disarming and disastrous for Uncle Sam. The defendants were 100 per cent Americans, intent on defending the government against the Reds, said the Coughlinite lawyers. Faced with this argument, the Prosecution went into a patriotic collapse, forced to second the red-baiting of the fascist defense. From there on the Coughlinites breathed easier and the trial waxed more farcical.

Coughlin, upon hearing the final verdict, said: "Now our movement can come up out of the catacombs." Government Attorney Kennedy declined to comment. Next day rumors emanated from his office that the remaining defendants would be set free, the alibi given: a new trial would take too long and cost too much. Thus ends Uncle Sam's brief but inglorious bout with the fascists at home.

Adopt Anti-War Resolution

A group of progressive workers, members of the Social Service Employees Union, a local of the United Office and Professional Workers of America, have submitted the following resolution to the SSEU for adoption and presentation to the Constitutional Convention of the UOPWA to be held in Chicago, August 31—Sept. 6.

WHEREAS, the Second World War is not a struggle for DEMOCRACY but for the re-division of the world for markets, raw materials, colonies and for the domination and oppression of the peoples of the world.

WHEREAS, the war is a struggle between Anglo-French imperialism and German-Italian imperialism with the support of Moscow which joined Hitler in the conquest of Poland and conquest of Finland, Latvia, Estonia and Lithuania.

WHEREAS, the working people have nothing in common with the imperialist aims of the belligerents but are only victims of their bloody conflict.

WHEREAS, the defeat of German-Italian Fascism, barbaric destroyers of the labor movement and all civil liberties, cannot be entrusted to the allied ruling classes who financed and helped Hitler come to power and re-arm, and who themselves exercise a brutal, dictatorial rule over 500 million colonial peoples of Africa and Asia, the condition of whose lives is no better than that of the Jews under Hitler and Mussolini, but can be achieved only by the unity and joint action of the working classes of all lands.

WHEREAS, President Roosevelt in defiance of the expressed will of the overwhelming majority of the American people, has taken and is taking steps to support the Allied imperialists and oppressors and involve the U.S. in the reactionary predatory war.

WHEREAS, such an act would mean the slaughter of the youth of the country, the regimentation of our unions, the destruction of our labor standards and social legislation, and the blackout of civil liberties and political democracy in the United States.

RESOLVED, that the SSEU stands opposed to imperialist war and militarism, denounces the plan of the Roosevelt Administration to drag the United States into the war.

RESOLVED, that the SSEU stands instructed to cooperate with other labor organizations for a concerted drive against the war mongers, against compulsory military training; against anti-alien legislation; against the denial of all civil rights; for a referendum of the people before the U.S. enters any war; for the defense of the unions, social legislation, and democratic rights, and for a job and decent living for every worker.

New Taxes—

(Continued from page 1)

South American countries to force through pan-American "unity."

The new tax bill enacted to defray part of the cost of the huge war budget is now in operation. The bill presumably effects "luxuries." It is quite clear, since consumers goods or so-called luxuries are involved, that the American masses will be subject to additional penalties to help pay for the war. And this is in addition to the drive against the actual living standards of the American workers and their working conditions.

The new tax bill applies to future manufactures on a number of products. "Floor taxes" are immediately applied to cigarettes, beer and liquor. (Floor taxes are those applied to stocks on hand.) For stocks now on hand, the following taxes are assessed, a half a cent on a package of cigarettes, seventy-five cents on a gallon of liquor and one dollar on a barrel of beer. The tax on movies, with a penny for every ten cent ticket, beginning at an admission of twenty-one cents, starts at once. Other articles taxed are toilet preparations at ten to eleven per cent; automobiles, radios, refrigerators, matches, gasoline, lubricating oil, playing cards, club dues and initiation fees.

To sooth the deep resentment of wide sections of the population against these taxes, Roosevelt, in his

congressional message of July 1, called for an excess-profits tax for the purpose of spreading the cost of war preparations over all classes. This is presumably the measure designed to prevent the growth of new millionaires out of America's war preparedness measures.

The demand for a measure to limit profits is not unfamiliar. Such steps were taken in the last war—but they did not prevent enormous profits and a new crop of millionaires. It is well to bear this fact in mind since Speaker Bankhead has already declared that the bill would be "along the lines of the World War excess-profits tax, aimed at stopping the creation of war millionaires." England enacted similar measures with the outbreak of the present war, yet reports on British industries, especially the war industries, showed the greatest profits in years, and this in the midst of England's life and death struggle.

No one really takes the excess-profits tax seriously, because it is obviously offered to allay resentment among the workers and poor farmers who are asked to give everything for the sake of "national defense" while the bosses enjoy greater and greater profits. Thus, while the war-monger in Washington prepares to conscript the youth of the nation as cannon-fodder, and the workers in industry as industrial slaves to the war machinery, not a single step is taken to conscript the great wealth of the Sixty Families. On the contrary, all measures are taken to guarantee their property and profits.

What Are the Facts on the Food Stamp Plan?

While It Is in Many Respects Favorable to the Unemployed, It Has Its Dangers

By DAVID COOLIDGE

The Food Stamp Plan initiated about one year ago by the Roosevelt Administration through the Federal Surplus Commodities Corporation, is now in use in over 100 cities. The latest is Brooklyn, N.Y., where the plan will begin sometime near September. Newark, N.J. started the plan most recently in the latter part of June.

The operation of the plan in some respects is simple but in other respects somewhat complicated. Peo-

ple on relief, and in certain cities WPA workers and old age pensioners, are given fifty cents in blue stamps for each dollar's worth of orange stamps they buy. The blue stamps can be used only to buy what the Department of Agriculture calls "surplus commodities." These are the food-stuffs that the farmers can not sell.

Heretofore the government bought this food and distributed it to the unemployed as a supplement to their relief money. The government will continue buying this "surplus" food, these farm products of which there "is more than the market will absorb." The government advertises that this distribution is made possible at a "low price due to abundant crops." Now however, the unemployed will be given blue stamps with which to purchase such of these products as they need or want. This will eliminate the necessity of an unemployed family having to increase the small food supply with a bag of two dozen surplus grape fruits or a single man finding himself in possession of two pounds of butter.

It is also a fact that the unemployed will be able to get a little more food. It is estimated by experts in such matters that meal costing five cents can be expanded to the equivalent of one costing 7½ cents. Since this does not take into account the present direct distribution of food surpluses, the actual increase is less than 50%.

Great emphasis is placed on the provision that the Plan is voluntary. You don't have to participate. However, if you don't participate you will not get the free blue stamps. This means that those who do not accept the plan will be confined to the five cent meal while those who accept will have an opportunity to expand a five cent meal into a 7½ cent meal. The "clients" will therefore, and correctly, participate in the plan.

A Few Things to Watch

There are a few things that the unemployed will have to keep an eye on in connection with the Food Stamp Plan:

1. Stamps are issued in denominations of twenty-five cents. There may be a tendency by little store keepers to raise the price of an article from say, 23 cents to a quarter. That is, the little fellows whose business comes largely from the unemployed, may connive to raise prices a few cents all along the line.

2. The unemployed will have to be on the alert to see to it that storekeepers do not palm off inferior and stale produce on them.

3. Under the Stamp Plan there is an increase in red tape: a) the unemployed must carry identification cards to the store each time. b) the whole stamp book must be taken to the store—the customer is not permitted to tear out stamps.

4. Special diets and emergency orders will be more difficult to get. The Plan as arranged for Brooklyn differs from other cities in at least one important respect. The city will purchase the stamps and there will be no Stamp Issuing Office. Instead the City will ask the relief family whether or not they would like for the City to deduct \$3.00 each month from the cash relief allowance. Those who accept would then receive \$3.00 in orange stamps and \$3.00 in blue stamps. The "client" may refuse, of course, to permit the City to make the deduction from his relief check but if he does he will not get the \$3.00 in blue stamps. Refusal will not injure his relief standing. He will only be confined to the five cent meal and will not get the extra 2½ cents worth of pork, beans, lard, cabbage etc. Mayor La Guardia says that by eliminating the Stamp Issuing Office administrative costs will be reduced about 80%.

The main point for the unemployed to keep in mind is the reason for the existence of the surplus commodity distribution and its offspring the Food Stamp Plan. This "free" distribution of food was originally conceived to aid the farmers. Scientific agriculture on the farm combined with vast unemployment and low wages for workers in town and city produce what the government calls a "farm surplus." The farmers can't sell their produce. This means they will have no money. No money to

pay wages which means increase of unemployment among farm workers. Also and more important there will be no money to give the Metropolitan Insurance Co. for interest on the mortgage held against the farm.

Secondly, the Plan is intended as a help to local grocers. Helping the local grocers means helping all other business, including the banks. When the government distributed the "surplus" food direct, the little grocer and butcher did not participate.

A Few Dangers

It is possible for any number of things to happen in connection with this Food Stamp Plan. The unemployed and their organization will have to be always on guard. The Plan can be turned into a scheme for cutting relief or for eliminating cash relief through the introduction of the "voucher system." Furthermore, should conditions arise making it possible for the "market" to "absorb" more or all of the "surplus" produce the unemployed might find themselves out on a limb.

If business improves and prices rise the farmers will sell in the open market. This will mean that the main articles of food, and the most nourishing will no longer be on the Food Stamp list. Instead of 17 foods to choose from, including

butter, eggs and pork, the unemployed might find themselves regularly in possession of large quantities of prunes, grapefruit and onions.

Lastly, under war conditions, whether or not the plan is in operation, almost anything can happen. Undoubtedly there will be an attempt to reduce the living standards of all the workers. The tendency will be to soak the unemployed worst of all. The bosses will feel that there is no more need to feed an unemployed worker than an unemployed mule. An unemployed worker can go into the army or starve.

Be On Alert!

All this is true and while accepting the Food Stamp Plan because it means an increase in Food allotment, the unemployed must remain alert and be prepared for action whenever they see any shifts in the Plan that are against their interests. The answer to any potential evils in the Plan, is strong and aggressive organizations of the unemployed, led by intelligent and militant fighters. It is especially important now, in this period of war fever and patriotic fervor that workers organizations tolerate only this kind of leadership.

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Where You Do as You Please

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To See or Not To See

by Susan Green

Workers Excluded

"OUR TOWN" (from Thornton Wilder's Pulitzer Prize play).

If you had been a worker in Grovers Corner, N.H., in 1901, you would not have been included in the population of "Our Town." Those who lived down by the railroad and worked in the mills, did not live in "Our Town" but in Polish town. Your existence would be admitted by Frank Craven, the kindly narrator of the film, and then you would be brushed aside as of no further importance. So you see "Our Town" is rather exclusive. It is populated by such people as the Gibbess and the Webbs, the families of the town doctor and editor, the people in the "right" part of the town.

Furthermore a charmed circle is drawn around the purely personal things—birth, love, marriage, death, and excluded from it are the nasty economic things of life. A strike that might have taken place in Polish town is strictly kept out of this charmed circle.

This limited population and their limited personal affairs are treated with extreme tenderness and absolutely uncritically. Ah, wasn't life touching, beautiful, simple, unchanging; choir singing and moonlight evenings; sons thinking their mothers perfect; and daughters paying their fathers that compliment. And isn't it just too bad that the automobile came to disturb it all. On this sigh for idealized small town life United Artists has lavished a truly beautiful production. The scenes, the dialogue, the actors, all strike exactly the right note to produce the effect Thornton Wilder desired. The narrator, who ambles along with the story, giving the audience bits of town history and gossip, fits in perfectly and in fact becomes the embodiment of small town goodness.

In a word, we have here perfection of form, but where, oh where, is the substance?

Fanning the Flames of War

"THE MORTAL STORM" (from the story of Phyllis Bottomo).

In 1933 a non-Aryan scientist who stubbornly held to the fact that blood cells show no racial distinctions, was killed by the Nazis in a concentration camp. His two step-sons and his favorite student became Nazi. His wife and youngest son escaped to Austria. His daughter, in love with an anti-Nazi, was killed trying to flee across the border. Thus the Nazis wiped out a home and family of culture and refinement.

Seven years after the event, Hollywood comes forth with this film of the unspeakable barbarism of Hitler's

advent to power. The direction is so skillful that the burning of books, the beating of an old school teacher, the unreasoning cruel conduct of the Nazis in general, seem like contemporary happenings, almost like a newsreel. As a result the audience responds as it does to events of the day, with hissing and muttered curses at Hitler. Whether or not Metro-Goldwyn-Mayer meant "The Mortal Storm" to be pro-war propaganda, the fact is that it can serve no other purpose at this time.

It should be noted that the story does not concern itself at all with the burning of union headquarters, the wrecking of labor presses, the murder of revolutionists.

Just Plain Repetitious

"MY SON, MY SON" (from Howard Spring's novel).

Literature is replete with slum dwellers who climb to fame and fortune either by becoming great novelists, playwrights or actors. These escapists also become a little tiresome.

Apparently United Artists has a different opinion because it presents the public with a long story of how a young man pulls himself out of the slums of Manchester, England, into the bright lights of Trafalgar Square, at the same time making a thorough job of spoiling his son. In his determination to give his son all the things he himself missed in youth, he does not see that he is bringing up a reptile and a rake, until the son tries to make free with his own stepmother. The vile fellow also causes the death of a beautiful young actress, his childhood playmate. Then comes remorse.

The ending is one you have seen many times before: The no-good skunk becomes a hero by the simple process of single-handedly disabling a German machine gun during the last war. So the sad father collects the medal for the dead son, and all is well.

Except perhaps the acting of Brian Aherne as the father. His limp sweetness is too too much.

Rosès vs. Rackets

"BROTHER ORCHID"

Edward G. Robinson, a gangster down on his luck, crawls wounded into a monastery where the monks raise flowers for a living and to aid the poor. When he gains consciousness and opens his eyes on his surroundings, he exclaims: "I made it. I'm in heaven." His conceptions of life soon make themselves felt at the monastery. For instance, the cow begins to yield more—though very much thinner—milk.

If you take this one in its stride, you will have some fun watching it.

How a Couple of "Poor" American Boys Made Good

Wall St. Picks Its Republican Nominees

Willkie

By ALAN SELKIRK

Eighteen Pine Street in New York City stands on a slight hill just one block north of the Stock Exchange and the House of Morgan.

For years it has been the address of the world famous, Rockefeller-controlled Chase National Bank.

Until recently, few people knew that it was also the address of one of America's largest corporations, a vast, privately owned, billion dollar utilities empire.

Until recently it was still less known that at the head of this powerful empire stood a hulkish, blue-eyed, tousle-haired, Hoosier, born lawyer.

The name of the corporation is now a byword in every American home: Commonwealth and Southern. The name of the man is now on everybody's lips: Wendell Louis Willkie.

WALL STREET PAYS ATTENTION TO WILLKIE

Wendell Willkie first began to attract attention several years ago. The notice he received was limited but significant, confined, as it was for the most part, to Wall Street.

On "The Street," the magnates, brokers, bankers and lawyers were beginning to show interest in Willkie's criticism of the Washington Administration.

Willkie made it known to all who would hear that he was opposed to "government interference in business."

In particular, Willkie opposed the government owned Tennessee Valley Authority. TVA interfered with the business of his Commonwealth and Southern Corporation.

Government owned TVA was beginning to sell electric power to several States that for years had been serviced by Willkie's utility. The private corporation didn't like the competition. Its president argued that the government "was hurting private enterprise." The big gas and electric man from Indiana accused the government of "waste and inefficiency." He charged the government with "killing private initiative."

BLACKJACKS A FANCY SUM OUT OF THE GOVERNMENT

The Roosevelt Administration tried to soothe Willkie's initiative. TVA offered to buy out Willkie's Tennessee power subsidiary for fifty five million dollars. But Willkie didn't consider the offer a fair return on his investment. He turned down the offer, held out for more money and continued his crusade against the Roosevelt "Radicals."

A section of the Wall Streeters gladdened with every charge Willkie made against the Administration. They too were opposed to the government butting in on their stock deals and swindles. In particular, they didn't like the Securities and Exchange Commission. Its rules interfered with "Free Enterprise."

Willkie hit hard and often. He accused Roosevelt of "telling a man how to run his business."

The Administration continued to explain patiently. It was only trying to eliminate a few abuses. After all—

Willkie turned a deaf ear.

Finally Roosevelt made Willkie another offer. Proposed was the payment of seventy eight million dollars for Willkie's Tennessee Company. This time the magnate grabbed the offer.

This "crusader" against waste and inefficiency had maneuvered and blackmailed the Administration into paying him twenty three million dollars more than was originally offered. Wall Street was overjoyed. Their new found knight in gilt armor had licked the governments "oppressive" practices. That part of Wall Street which didn't see things in Roosevelt's way took new heart and courage.

But the Administration wanted peace with Wall Street. It had settled its feud with Willkie for that purpose. But Willkie and his Wall Street friends rejected the olive branch.

THE PRESIDENTIAL BOOM GETS UNDER WAY

The fight had just begun, they argued. These particular Wall Streeters wanted a man more exclusively their own in the White House, a man who "understands the problems of business and industry."

Last fall the Willkie boom began to get under way. The former small town lawyer for the Firestone Rubber Company began to be the guest speaker at Wall Street forums and luncheons. His blasts against the administration were, ointment on the sores of the magnates.

The boom continued throughout the winter. On "The Street" his name was loudly whispered in connection with the Presidency. Upstairs, in the exclusive clubs, the smart lawyers began to figure out his chances.

Early this spring came the first public recognition of Willkie as a likely candidate for the presidency. General Hugh S. Johnson, writing in his Scripps-Howard syndicated column, proposed the utilities magnate for the White House. General John-

The Republican Convention again proves that every American boy can become President some day. If he first gets to be head of a big utilities outfit, if he shows Wall Street that he is just the man to do its bidding, why then it doesn't matter how lowly his beginnings—he's a cinch to be nominated, at least, for the Presidency.

McNary

By SUSAN GREEN

Senator Charles McNary's nomination on the Republican ticket as Willkie's running mate is very obvious political strategy. McNary will serve as perfume to dispel the bad smell created in the public nostrils by Willkie's business connections. Mr. Willkie is so unmistakably Wall Street's darling that a counterbalance was necessary.

McNary has supported the NRA, the AAA, Social Security, the Stock Market Control law, the Labor Relations Act. While such measures have been much greater in promise than in fulfillment, as far as the masses are concerned, McNary's support of them has given him the reputation of being progressive. His record will be utilized in the Republican campaign to gain mass support for the Wall Street ticket.

As the representative of the well-to-do farmers and small business—elements to whom cheap electric current is important—McNary has opposed private utilities. After the World War he was for government operation of Muscle Shoals and during Roosevelt's administration he has supported the TVA and the Utilities Holding Company law, all of which was very distasteful to private utilities, including the Commonwealth & Southern group, of which Wendell Willkie is president.

The Republican manipulators furthermore hope that McNary will serve as the link between the farmers and Wall Street's candidate. For not only has McNary been behind the AAA but back in 1926 he sponsored the McNary-Haugen farm bill which, if not vetoed, would have been of benefit to the big grain farmers.

CAN WISE UP WILLKIE ON POLITICAL ROPES

As minority leader in the Senate McNary is known for his parliamentary shrewdness. It is said that he rarely wastes time on long speeches on the floor—fifteen minutes at a clip being about his limit—but his skill is felt in cloakroom negotiations. He has been in the Senate since 1917, and knows his way about in Washington's labyrinthine politics and in the well-oiled Republican party machine. In comparison, Willkie is a mere political rooky, which is another reason why McNary was chosen his running mate. If occasion arises, he will show his chief the ropes.

He is reported to have been reluctant to accept the vice-presidential nomination. Second place on the ticket did not appeal to him as against his important and successful job as minority leader in the Senate, in which capacity he served well the interests he represented. However, if he had any principled objection to himself, a so-called Progressive Republican, sharing the ticket with a Wall Street candidate, he did not voice his objection.

The New York Times, mouthpiece of the top capitalist class which wants things tightened up towards a totalitarian regime, expressed its pleasure at the Willkie nomination, but is not enthusiastic about McNary, who represents the well-off farmers and the bosses a rung or two below the top. The Times said the Republican convention might be making "a deliberate attempt to resort to the old game and the old folly of making a party face two ways at once."

LABOR ACTION, speaking for the class interests of the workers, opposes McNary, as it does Willkie, Roosevelt and all politicians who act for the exploiting bosses—big and little alike.

Shachtman to Resume Tour In St. Louis

Illness has compelled the cancellation of part of Max Shachtman's national speaking tour. On the road for two months during which time he has presented the socialist position against war at an unusually successful series of meetings, Shachtman was forced by his illness to stay over in New Mexico for several days.

With the Texas dates cancelled, Shachtman will resume his tour in St. Louis on July 7.

TOUR SCHEDULE

MAY 16—JULY 20, 1940	
City	Date
ST. LOUIS	July 7, 8
STREATOR	July 9
CHICAGO	July 10, 11, 12
LOUISVILLE	July 13
COLUMBUS	July 14
AKRON	July 15
PITTSBURGH	July 16
WASHINGTON, D.C.	July 17
READING	July 18
ALLENTOWN	July 19
PHILADELPHIA	July 20

Sparks in the News

MY COUNTRY, 'TIS OF THEE

The International Union of Mine, Mill and Smelter Workers (CIO) charge the FBI with using "Gestapo" methods in an effort to break a nine-month-old strike of 1,200 colored and white workers against the Tennessee Cooper Co. Twenty unionists have been arrested and herded into a literal concentration camp at Cooperville, Tenn. Their wives and children were refused permission to see them. Confessions have been forced under duress from several of the arrested men that they conspired to dynamite TVA property.

—The Northwest Organizer, June 13, 1940.

Just part of the preparation for the war in defense of democracy.

love to the things we are against.

—Mayor William Morrison of Hamilton, as reported in the Toronto Daily Star.

In Canada they're doing their bit for "democracy" too.

A RETAILER WHO IS A MASTER APPROVED BY THE GUILD IS ENTITLED TO BEAT HIS APPRENTICE IF THIS IS A PURELY EDUCATIONAL MEASURE AND NOT PUNISHMENT. THE APPRENTICE IS NOT ENTITLED IN SUCH CASES TO LEAVE HIS JOB.

—Official ordinances of a German retail guild, as quoted in Labor Power.

THERE ARE TWO CLASSES

1. The Pan American Petroleum and Transport Company and its subsidiaries had a net profit of \$2,253,991 after depreciation, depletion, Federal income taxes and other charges. . . . The result is equivalent to 48 cents on each share of common stock, (which) compares with 16 cents a share earned in the March quarter a year ago.

2. The pay of men during their training and service period of eight months provided for in this Section 2 shall be \$5 per month and traveling expenses.

—Conscription bill now before Congress.

There are two classes in society: those who get dividends on oil stocks, and those who fight for those who get dividends on oil stocks.

WHOSE HOME?

Britain has found a new use for its stately homes. Young soldiers who have completed their training and are due to leave for France are taken to these monuments of a golden age of squirearchy. They spend their last few days in the home country amid surroundings calculated to leave a rich and lingering memory of a homeland worth fighting for.

Principally the idea is a psychological one. Like any who come into contact with this atmosphere, they unconsciously feel a stronger determination that such things must never be sacrificed. This is home. This is freedom.

—London Daily Mirror.

Those for whom there isn't room are given three meals a day for the last week or so. Principally this idea is a gastronomic one.

COUGHLIN STARTS NEW ANTI-ALIEN DRIVE.

—Healine in New Leader.

On the mountain of the Roosevelt anti-alien moves, our social demagogues, with the peculiar kind of glasses they wear, can see only the ant of a new drive by the fascists.

Milking the Poor with Insurance

By GARY REYNOLDS

Two years ago, the New Dealers put on a little bread and circus show which convinced every doubting liberal. The show was the "Temporary National Economic Committee" to investigate the concentration of economic power in industry. As they have done with the revelations of the Nye ("Munitions") Committee, the New Dealers have entrusted the TNEC revelations to the sacred trust of their archivists. But there is no need for the workers to overlook its findings. On the contrary, Part 12, Industrial Insurance, will be of considerable interest to them.

The most dramatic fact about industrial insurance is that the "Big Three" (Metropolitan, Prudential, and John Hancock) sold over 88% of all industrial policies in 1938. Pillars of respectability, these huge companies are "mutuals"—that is, companies in which the policyholders share the profit until they lapse their policies and lose their investments. The three have over 20 billions of insurance in force.

Industrial insurance defines itself . . . it is the kind that workers buy. Usually it is bought for a burial fund, never exceeding \$500, and without medical examination; its premiums are usually paid weekly, occasionally monthly, to collection agents. Higher costs result from the two features which distinguish it from ordinary insurance: (1) the absence of medical selection produces higher risk rates and (2) the collection agents must be paid.

A comparison of the costs is very revealing. Mr. Mehlman, of the SEC, has made some computations. Sur-

prisingly enough, if you buy insurance at 25, industrial or ordinary, it is an obligation not a benefit! It is a loss not a gain! Let us look at some actual figures. If you buy a \$250 Whole Life policy at 25, and if you surrender it at the end of one year the average cost will be between \$4.71 and \$5.91, depending on the company. If you give it up after 20 years, the cost will be as high as \$48. If you buy a \$250—20 year endowment policy at 25, the average cost will be between \$11.83 and \$14.33 after one year, and between \$36.82 and \$81.04 after 20 years. That is, the cost is from 15% to 32% of the policy.

Mr. Mehlman found that as between industrial and ordinary insurance there are the following increased costs: For a \$250 Whole Life, age 25, surrendered at the end of 1 year, 7% to 62%, depending on the company. After 20 years, the increased cost runs from 54% to 142%.

LAPSE RATES

Lapse rates on industrial policies are generally admitted to be very high although comparative figures were not presented to the TNEC. There are several reasons for this. The most obvious reason is the irregularity of workers' incomes and their lack of savings. Moreover, the companies exert pressure on the agents to sell new business; they make the agents' salaries and continued employment depend on this in part. This has two effects. In the first place, the agents load insurance on families with little sales resistance so that families earning \$30 per week often pay 12 to 15% of their

income for premiums. One famous family named Fortune paid 55% of their \$35 per week. People have been known to insure not only relatives, but also neighbors on the chance that they will die soon. These continue to pay the premiums as long as they can and even after the relative or neighbors have moved. The slightest financial adversity causes a lapse. In the second place, the agents, trying to maintain their income and employment, pay policyholders' premiums and sell "tombs" to persons whom they know have no intentions of maintaining the insurance. If they are caught at either practice, they are fired.

Lapses are a source of great profit to the companies. Lapses are measured by "lapse rates", the ratio of lapses to the number of new policies in a given year. The lapse rates for the Metropolitan in 1938 were 49%, the lowest for all companies having over 100,000 industrial policies in force at the end of 1938. The lapse rates for the Prudential and John Hancock were 54% and 63% respectively. This netted the above companies \$13,400,000, \$19,600,000, and \$3,800,000 in 1938 from industrial insurance alone. The total "take" for all three companies from both types was over \$46,000,000. It is not only the bosses that exploit the workers; the "Big Three Mutuals" gypped them to the tune of \$36,800,000 in 1938.

Of course, the mutuals do not make a "profit." But control of the "Big Three" means control of banks and industries. Indeed, it is a fundamental source of American finance capital.

Editorials

OUR PROGRAM AGAINST THE WAR

1. Not a man, not a cent for Wall Street's war. All war funds to the unemployed.
2. For a rising scale of wages to meet increasing cost of living. Thirty Thirty—\$30 weekly minimum wage—30-hour weekly maximum for all workers.
3. Expropriate the Sixty Families. For Government ownership and workers control of all war industries—aviation, steel, chemicals, railroads, public utilities, etc.
4. Against both imperialist war camps. For the Third Camp of World Labor and the Colonial Peoples.
5. Let the people vote on war. For the right of youth to vote at the age of 18.
6. Abolish secret diplomacy. Open the files of the State Department.
7. Withdraw all armed forces from territory outside the United States. Free the colonies. Hands off Latin America.
8. Against compulsory military training and conscription.
9. For the defense of civil liberties and workers' rights. Stop the persecution of aliens. Against the M-Day Plans and war-time dictatorship.
10. For full social, economic and political equality for Negroes. End discrimination against Negroes in industry and trade unions.
11. For an independent Labor Party.
12. For Workers' Defense Guards against Fascist and vigilante attacks.
13. No confidence in the Roosevelt government. For a workers' government and a people's army.
14. For Peace through Socialism. For the Socialist United States of the Americas, for the Socialist United States of Europe, and for the World Socialist Federation.

Conscription will benefit the Standard Oil Company whose interests and properties are at stake . . . in China.

Conscription will benefit the Firestone Rubber Company whose interests and property are at stake . . . in Africa.

Conscription will benefit the Wall Street bankers and industrialists whose interests and properties are threatened . . . in the WHOLE WORLD.

That is why the Workers Party is against conscription. That is why you too must oppose conscription.

The Senate and House Military Affairs Committees are now holding hearings on the conscription bills. These are "must" legislation for the bosses, and they may be enacted by Congress before they end—by the same Congress that is guaranteeing the bosses a fat profit on war orders.

There is no proposal in Congress to conscript wealth. Expropriation of all war industries, government ownership of all war industries—that kind of conscription we are for.

Now is the time to act! Let Congress know that you who are the might of the land, oppose conscription! **Let Congress know that when fascism raises its head you, and you alone, without benefit of Congressional authorization, will be the executioner!**

The YPSL Meets

The convention of the Young Peoples Socialist League which opens this weekend meets at a very appropriate time. While boss politicians are working overtime to drive the nation's youth into the war machine, a group of young people will meet in New York to give answer to the patriots and the war-mongers, to challenge the boss class with youth's revolutionary opposition to war.

These youth have no subsidies, no money. But what they do have stacks up larger in the scale of history than all the propaganda and publicists the bosses can buy. Theirs is the greatest inspiration of all—the will for human emancipation. For these are youth who, in planning today's fight, look ahead to tomorrow's task.

We greet as comrades-in-arms the National Convention of our youth organization. We extend our hand of comradeship in the struggle. Together, young and old, we will march forward to the final victory of the working class.

Italo Balbo

"Heroic" Italo Balbo is dead. He was, say the papers, shot down in aerial battle over Libya. It may have happened that way—or it may have happened as a result of inner-fascist conflict. Balbo hasn't been very chummy of late with the Big Boss. Whichever the case, it hardly matters.

"Heroic" Balbo will be saluted by some of the press. The Sunday supplements will no doubt carry accounts of his "bravery", his mass flights, his exploits. But while the hypocrite press may shed glycerine tears, it is doubtful if the workers of Italy will mourn for long the passing of this "brave" man.

And "brave" he was. Did he not introduce that "brave" method of torturing opponents—the castor oil treatment? Did he not lead a band of hooligans and ruffians in the noble March on Rome that crushed the liberties of an aroused populace? Did he not, too, steal up on Giacomo Matteotti, spirit him away in a car and stifle with a dagger thrust the voice of that militant anti-fascist who could not be terrorized into silence. "Brave" Balbo had assistance in that of course. He didn't do it himself. He had a couple of cutthroats to help—and they later told the whole story.

"Brave" Balbo is dead. But those millions of oppressed people in Italy who mourn his passing, mourn only because in passing he did not take with him the whole gang of fascist monsters. Balbo's death will evoke no sorrow—as did Matteotti's. For Matteotti's death was truly mourned—and so it still is in the heart of every peasant and worker who looks forward to the day of liberation.

Balbo is dead. Good riddance, say we. Long live the enemies of fascism! Long live the spirit of heroic Giacomo Matteotti.

"The U.S. M-Day plan is perfect, so perfect that the actual Nazi program of complete national mobilization was based on it, after a six-month study in 1934." — Time, June 10, 1940.

The "Democrats" Act: (4) For U.S. War-Time Dictatorship

By WILLIAM PETERSEN

"Whenever the President, by proclamation or executive order, declares a national emergency to exist by reason of actual or threatened war, insurrection or invasion, or disturbance or threatened disturbance of the international relations of the United States . . ."

So begins Section 191, Title 50, of the National Defense Act, passed in 1917 and still in force. What follows is a list of things the President may do, couched in terms so vague that his powers can be interpreted as practically without limit. No one, not even the highest legal authority, is willing to say just how complete America's war dictatorship will be.

Last October, for example, Attorney General Frank Murphy refused to give an opinion on Roosevelt's "emergency" powers, although this information had been requested in a resolution passed unanimously by the Senate. Desiring, he said, to be "of all possible assistance," he gave a list of a hundred laws now in force relating to presidential powers in an emergency or war. But, he added, "it is not claimed that this list is complete." And in addition to these statutory powers there are the President's constitutional powers,

which "have never been specifically defined and, in fact cannot be, since their extent and limitations are largely dependent upon conditions and circumstances."

NO LIMITS TO PRESIDENT'S POWER

In short, once the President has declared a national emergency no one can say where his powers stop. And so impatient was Roosevelt to try out these powers that before the war was a week old he had declared a "limited" national emergency. It is impossible, then, even to summarize the emergency powers of the executive, and what follows is only indicative of their scope.

All shipping, belligerent or neutral or American, as well as all railroads, would be under the President's control. All dams and powerhouses would be at his personal disposal. He may restrict or expand foreign trade, an economic club that could be decisive in a war. He may suspend all stock trading for a period of ninety days and, much more important, he is given the power to order the Federal Reserve System to expand credit by purchasing Government obligations in the open market, "notwithstanding any provision

of law or rules and regulations to the contrary."

Under the act setting up the Federal Communications Commission, he may suspend radio communication, as well as the wire services on which the modern newspaper is built.

He may juggle with the budget, appropriating money where he thinks it necessary without the approval of Congress.

LABOR LAWS WILL BE ABOLISHED

He may repeal all labor legislation. Most labor laws contain a section permitting this; for example, the Walsh-Healey Act specifies that its provisions shall not be enforced "when justice or public interest will be served thereby." In addition, there are several general laws that make possible the annulment of social legislation.

These are all laws now on the books, which could be put into force tomorrow. They are not the famous, and infamous, M-Day Plan, which was intended as a general guide to legislation to be enacted the day the United States goes to war. Roosevelt, typically, has run ahead of schedule, and several of the important laws planned for mobilization day are either already on the books or now in Congress for discussion.

The Burke-Wadsworth Conscription Act, for example, is all the legal apparatus that will be required at any time for forcing the people into war. Similarly, the newly reassembled National Defense Advisory Commission, once again under the head of U.S. Steel Boss Stettinius, but this time also grace by Labor Faker Hillman, completes another plank in the Industrial Mobilization Plan. True, it is not yet the complete War Resources Administration outlined in the M-Day Plan; in the words of the President, it is to be kept "flexible" for the time being.

More important perhaps than either of these is the recent anti-alien legislation, which is in actuality the first step in the coming attempt to wipe out the radical movement.

BASIS OF CONTROL ALREADY EXISTS

In the further steps to totalitarian rule, the various agencies of the New Deal form an excellent basis for centralized control. For example, the relief agencies, the WPA, the CCC, the NYA, are now being used under the direction of Mr. Hillman for the training of some 1,500,000 for war work. The FBI, with its 500 new snipers in a "national defense unit," is primed for its job in war time, the smashing of workers' opposition. The AAA would control farm produce for war purposes. The

WELL . . .

Republican nominee for the Presidency, Wendell L. Willkie, announced this week his resignation as head of the billion dollar Commonwealth and Southern Corporation.

In dumping his \$75,000 a year job with the utilities company, Willkie tried to make the record with a gesture of "disinterestedness."

However, Mr. Willkie has still to resign as a member of the Board of Directors of the immensely wealthy First National Bank of New York.

Civil Aeronautical Authority has begun the mobilization of air forces, and the Maritime Commission of the merchant marine. Various small agencies, like the Bituminous Coal Commission, are all set to conduct their work so as to win the war.

In short, once this second war for democracy starts, it will be impossible to find any democracy in this country. The 1936 edition of the Industrial Mobilization Plan put it bluntly, and all the talk about democracy does not gainsay this:

"The objective of any warring nation is victory, immediate and complete. It is conceivable that a war might be conducted with such great regard for individual justice and administrative efficiency as to make impossible those evils whose existence in past wars is well known. It is also conceivable that the outcome of a war so conducted might be defeat. In all plans for preparedness and policies to be pursued in event of war it must never be overlooked that while efficiency in war is desirable effectiveness is mandatory."

And nothing, they might have added, is so effective as dictatorship, no rule so efficient as that by one man.

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THE NEGRO'S FIGHT

The Speech That Was Not Made at NAACP Meet

By J. R. JOHNSON

Mr. Chairman and Delegates:

The National Association for the Advancement of Colored People is holding its conference, and we can truly say that it has never held a conference at a more critical period in the history of humanity. Today we live while one war rages in Europe and Africa, another rages in Asia and preparations for American entry into one, the other or both, are going on openly before us.

We speak in the name of the Negro people but we are all Americans. We must think in terms of the country as a whole. If the country goes to war, then the Negro people are at war.

The war, we are told, is a war for democracy and Mr. Spingarn, our president, has just told us that "No Negro will be found in the ranks of the Fifth Column."

Now the Fifth Columnists are the enemies of democracy, the men who preach and practice race-prejudice, the enemies of human equality, the persecutors of the poor, all the things for which Hitler, France and Mussolini stands. We of the NAACP know that these enemies of the people and friends and admirers of Hitler are found in every country and we openly declare war against them. In this country you can look for them in those who propose an end to social legislation and labor unions.

The NAACP therefore, calls upon President Roosevelt immediately to declare:

1. The American people are determined to stamp out race-prejudice in America so as to show the population that Hitler and Hitlerism will have no basis in this country for their criminal practices.

2. The President will summon Mr. Willkie to the White House and both will issue a statement in the name of the Democratic and Republican parties that all poll-taxes, grandfather clauses, violence against Negroes at elections and any discrimination whatever against them in the exercise of their lawful electoral rights shall henceforth cease and that Congress will mercilessly punish all those enemies of democracy in America who for 75 years have carried on Hitlerite practices against the Negroes.

3. The President will immediately publish an emergency decree which will prohibit any Jim-Crow practices against Negroes in any part of the country. The Federal government will heavily punish all breakers of this decree.

4. The President will summon William Green to the White House and inform him that if any union in the AFL should exclude a Negro from its ranks, or in any way discriminate against the Negroes, that union will thereby be considered an enemy of democracy and a supporter of Hitlerism and the Fifth Column.

5. The President will inform all employers that if any of them discriminate against Negroes, either as workers or office employees, they will be excluded from all government contracts.

That we think is the plain duty of the President, and we can assure him that if he were to take the lead in enforcing these elementary laws of democracy, we would be more impressed with his anger against Hitler and Hitlerism abroad and Fifth Columnists at home.

SUGGESTIONS TO JOHN L. LEWIS

Mr. John L. Lewis has also spoken to us and he seems to be asking us to support the Republican Party. We Negroes have supported the Republican Party and the Democratic Party in the past, and we have nothing to show for it. For the most part we are working people and Mr. Lewis is a labor leader. We therefore, as working people, propose to him the following:

1. Mr. Lewis should within eight weeks from today summon a conference of all the ranks of organized labor, poor farmers, Negroes, youth groups, and old age pension groups.

2. At the Conference Mr. Lewis should propose:

- a. A united working class organization on the basis of working class democracy.
- b. As an association of poor farmers which will collaborate with the workers organization for the attainment of common ends.
- c. A gigantic program of public works which will give thirty dollars a week for thirty hours of work to every worker in the country.
- d. Sixty dollars a month for all over 60 years of age.
- e. A special fund to provide training and special opportunities for the youth.
- f. The rich to be taxed and Wall Street bankers to be expropriated to find the funds for the above program.
- g. That the government take over all the war industries and run them under the control of the workers.
- h. That the government arm the people under the control of the unions and the workers themselves so as to constitute the best defense against the real Fifth Columnists at home and Hitlerism abroad.

On such a program the NAACP would support Mr. Lewis for President and it can assure him that it will not only mobilize 99% of the Negro vote in America but will make of every Negro a propagandist and agitator among the white workers for a real democracy in the U.S.

In this way the NAACP would advance the colored people, would make its contribution to the prosperity and the well-being of all Americans, and would carry on the only real war for democracy that can be fought today.

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