Corporate Profits 18% Higher AFTER Taxes!

The Department of Commerce **Report Shows that Business Profits Are Higher Than Ever!**

By R. CRAINE

We are sure that every worker who has recently had a request for a pay increase turned down by the WLB, every coal miner who has had hurled into his face the insolent decision of the WLB "granting" him a twenty-centa-day increase, every working person who reads and listens to speeches about "holding the line against inflation"-will be cheered by the following bit of news. The workers will certainly feel happier to know that when it comes to sacrificing they are not alone, that the bosses are in on this equality of sacrifice business too-sweating, suffering, going without-along with the rest of the boys.

The Department of Commerce disclosed the other day that-AFTER TAXES WERE PAID-corporation profits for the first quarter of 1943 were EIGHTEEN PER CENT HIGHER than in the corresponding period in 1942.

From January 1 to the end of March of this year, profits were \$1,821,-000,000. If this keeps up-and who's to stop it?-by the end of the year the corporations will have "earned" \$8,000,000,000, AFTER TAXES. This is \$1,200,000,000 MORE than in 1942, and \$800,000,000 more than 1941, which was the peak year.

The automobile industry alone increased its profits by forty-one per cent over 1942. The workers of that industry will be inspired to know this. Poor automobile manufacturers-someone ought to take up a collection for them.

The corporation owners obtained these increases without having to incease THEIR production. That they increased the productiveness of their workers goes without saying. The bosses simply pocketed the difference.

There was no hue and cry about inflation, loafing, absenteeism, lack of patriotism, undermining the morale of soldiers who risk their lives for fifty dollars a month when this report was made public. The halls of Congress did not thunder with demands for investigations. No Connally-Smith bills were introduced to restrain big business from gorging itself on war profits. There were no presidential decrees about "holding the line." Nothing like when the workers in the coal mines, in auto and aviation get together and demand a decent, living wage. Just a routine statement by the Department of Commerce and a polite report in the back pages of the boss press.

Is the Government Owner or Custodian?

'Nationalize the Mines'-**Must Be Miners' Demand**

The indignation of the coal miners continues to be expressed by the continued refusal of tens of thousands of them to return to work in several of the country's largest mining centers.

As LABOR ACTION goes to press, work has not yet been fully resumed in the Pennsylvania anthracite and bituminous fields or in Alabama

All reports agree that even those miners who did return to work following the decision of the policy committee of the United Mine Workers of America, went back full of resentment and anger at the refusal of the government, which backed the operators, to grant the legitimate and modest demands of more than half a million of the country's hardest workers, engaged in the most hazardous occupation, and compelled to work at below a subsistence wage.

The general reluctance of the miners to return to work without a better contract, and the outright refusal of tens of thousands of them to heed the back-to-work decision, ought to be ample reply to the mud-slingers and professional liars of the capitalist press who tried to interpret their fight as a mere "political maneuver" of President John L. Lewis.

The miners have showed beyond the possibility of debate that they were fully conscious of what they were doing and why they were doing it when they so unanimously responded on three different occasions to the strike call of their union.

WORKERS MUST FIGHT TO REPEAL ANTI-STRIKE BILL

LABOR ACTION

A PAPER IN THE INTERESTS OF LABOR

We Gotta Bear the Burden Equally!

As was generally expected, President Roosevelt vetoed the Smith-Connolly anti-strike bill. He favored drafting all strikers up to sixtyfive years of age into the armed forces. But the Senate and the House, through a reactionary combination of the Republican Party, Southern Democrats and the rest of the anti-labor coalition, quickly voted to override the Presidential veto, thereby making this bill a national law. While the bill was passed as a wartime measure, plans are already afoot in Washington to make it permanent legislation.

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Using the war as a pretext, the congressional representatives of big business went to work with a vengeance to pass one of the most reactionary

Yank Them Off!

Up to now the presence of the labor members on the WLB has served to give this body the window-dressing it needed. Under the hold-theline order and the Little Steel formula, the WLB was stacked against labor. Eight to four!

With the passage of the Smith-Connally bill, there is not a single reason why labor's representatives should remain on it. They can only do harm to labor's cause by staying on this body.

The unions in the AFL and

the CIO must demand of

their officialdom that their

representatives get off the

WLB!

anti-labor measures in legislative history. While the bill seems to aim

ONE CENT

at the prevention of strikes in war industries, the purposely loose wording of its provisions will permit its application to all industry, transportation, domestic services and any form of business activity, on the ground that, in one way or another, they relate to the war.

The explicit aim of Congress is to tie the hands of the wholes organized labor movement and the working class.

The bill says: "It shall be unlawful for any person (1) to coerce, instigate, induce or encourage any person to interfere by lockout, strike, slow-down or other interruption with the operation of such (war) plant." In this way, not only will union leaders of militant workers be penalized for any kind of fight which the workers put up in their behalf. but any person, layman speaker or writer, may likewise be penalized for pointing out bad conditions of labor, criticizing low wages, war profits of big business or any abuses which the workers suffer through tyrant industrialists. Under the broad terms of the bill, all of the above may be interpreted as instigating work stoppages and any person may be prosecuted for the utterance of a single word which the authors of the bill regard as a violation of its provisions. It is now illegal to express sympathy for any group of workers engaged in a struggle for an improvement of their working or living standards. The bill destroys effective collective bargaining by granting to the WLB statutory rights not only for settling wage disputes but also "other terms and conditions."

Now that they have been forced back to work, however, they understand fully that nothing has really been settled. Nothing, that is, with the possible exception of the growing realization that "their government" is nothing but a government of the coal operators and the railroad magnates and bankers with whom they are linked.

The government stepped in to break the strike. The government stepped in to save the property and the tremndous profits of the coal operators, but not to protect the standard of living of the coal miners. The government stepped in to take over the mines only as "custodian," that is, hold the mines for the operators while the government itself forced the miners to go back to work under the terms of the old contract which the operators, by themselves, sought in vain to stuff down the throats of the miners.

Now, as if to make it still clearer on whose side the government stands, the official mine "custodian," Harold L. Ickes, has appointed Carl E. Newton as director of mine operations for the government. And who is Mr. Newton? He's president of the Chesapeake & Ohio Railway Co., one of the biggest coal haulers in the country, and as close to the coal barons as the House of Morgan is to Wall Street. Anyone who is in doubt as to how much good Mr. Newton is going to do the miners in his new job ought to have his head examined quickly.

At the same time, Mr. Ickes told the House Ways and Means Committee that the government had "no desire and no plans for the nationalization" of the coal industry and hopes to return the mines to full private ownership "at the earliest possible moment."

In other words, the government stepped in only to save the property and profits of the operators, and to batter down the demands of the miners for a decent standard of living.

In the meantime? In the meantime, the miners have no contract and have been given no increase in wages. With whom are they supposed to deal, with whom are they supposed to exercise their right of collective bargaining? With the operators, or with the government "custodian"? Or with neither one of the two?

The government, without saying so, recognized the inability of the operators to direct and operate the mines when Washington took them over as "custodian." At the same time, the government says it will not direct and operate the mines, but will return them to the operators "at the earliest possible moment."

THERE IS A WAY OUT: NATIONALIZE THE MINES UNDER WORKERS' CONTROL!

That must become the demand of the miners. They know all that is needed to organize and carry on production. And once they gain access to the company books, they will find that it is the easiest thing in the world to get a wage increase that may hurt the bankers and railroad bosses, but will not impair the mining of coal in the least.

NATIONALIZE THE MINES UNDER WORKERS' CONTROL!

In This Issue–Be Sure to Read

On Page 3-Story of shipping profits at the expense of dead seamen.

More on the Elk Hills scandal.

On Page 4—Complete report on Aluminum Shipshaw steal. Steal.



Thomas' Program Does Not Utilize Union Strength

UAW Should Organize against Klan

By BEN HALL

JULY 5, 1943

As an aftermath to the pogroms against the Negroes in Detroit, an eight-point program supposedly designed to make impossible its repetition has been proposed by R. J. Thomas, president of the UAW. The following is Thomas' program:

1. A special grand jury to investigate the cause of the riots and to return justifiable indictmets. 2. Construction of park and recrea-

tional facilities. 3. Immediate and practical plans

for the rehousing of Negro slum dwellers in federally financed housing projects.

4. Recognition by management and workers of the rights of Negroes to jobs in accordance with their skill and seniority. 5. A grand jury investigation of

the conduct of the police during the riots. 6. No discrimination by the courts

between whites and Negroes arrested for the rioting. 7. Creation of a fund by the city to make good losses suffered in person-

al injuries and property damage. 8. Creation by the Mayor of a biracial committee of ten to make recommendations looking toward the

elimination of racial friction. It is the elementary duty of the leaders of the most powerful union in Detroit to offer some solution designed to prevent the terrorist attacks upon Negroes. The CIO derives its strength from the complete unity of all workers regardless of race, creed, color, or craft. The recent pogroms in Detroit threaten to drive a wedge between the Negro and

white workers in the shops and to weaken the unions thereby.

But in the face of the actual events. what can Thomas' program accomplish?

The fighting, which began on Sunday, June 20, was the culmination of a well-planned and organized offensive against the Negro people. This is the FACT, regardless of who threw the first brick or which side first attacked a. person of the opposite color. The precise incident or incidents which provided the initial impetus for the fighting are shrouded in rumor and will never be satisfactorily proved. But the events which preceded the

Needs a Program



June 20 trouble and the very course of the fighting itself prove that the real force behind it all was the reviving fascist Ku Klux Klan!

Klan Organizes Attacks

The Sojourner Truth housing fight, the attacks by gangs on Negro neighborhoods in Ferndale, the West Side and elsewhere, the strike at the Arsenal against Negro guards and finally the outageous "strike" at Packard Motor Co., directly organized by the Klan against the upgrading of Negroes, all prove that the affair of June 27 was no spontaneous outbreak by "citizens" but a direct attempt by the followers of the Klan to bring their past work to a bloody conclusion.

In the course of the rioting, white gangs were organized on the outskirts of Negro neighborhoods and attempted to break through to beat and kill all Negroes in sight and reduce Negro homes to shambles. Negro groups formed in their own neighborhoods to beat off these attacks.

The police established barricades around the Negro areas to prevent attacks by white gangs under the leadership of the Klan elements. No such barricades were necessary around white neighborhoods because the Negroes did not threaten them.

The June 20 event was an anti-Negro pogrom organized by the Klan. The action of the Negroes in the fighting was primarily one of self-defense. And this FACT is in no way negated by the fact that Negroes under the direction of intensely nationalistic elements retaliated against the Klan offensive by beating all whites caught in

Negro neighborhoods and looting white-owned stores. . br.

By placing the issue on the basis of all whites against all Negroes, these elements among the Negro people play directly into the hands of the Klan and facilitate its work of playing on the reactionary prejudices of backward white workingmen. The very cause of the Negro people, and of white workers as well, depending as it does upon the unity of whites and Negroes in the labor movement, received a blow by these reactionary and nationalistic manifestations. Come what may, the Negroes will fight in self-defense. Only if the UNIONS organize and assist this defense will it be possible to check the

development of a trend harmful to labor.

The whole labor movement has the elementary duty of preventing the reorganization of the Klan by smashing its anti-Negro attacks. This is a task which is of immediate importance, not only for the Negroes, but for white workers as well. The very existence of the union movement is at stake!

It is in the light of these factsthe reorganization of the fascist movement in Detroit, which is beginning by attacks on the Negroesthat we must consider Thomas' pro-

Thomas Omits Most Important Point

Thomas' proposals fall under two main headings, 1. Proposals which are supposed designed to get to the roots of race antagonisms by providing greater facilities (housing, jobs, recreation) for Negroes and whites; and 2. Proposals designed to get fair

The bill practically makes the Little Steel formula a law, virtually barring any wage increases for the duration of the war.

The bill also gives the NLRB the right to state what the major issues are in any labor dispute in which it supervises a strike ballot. That means that even in the event of a strike ballot, labor unions will be unable to state 'their own case, but will have it stated for them by government bureaucrats. The bill seeks to tie labor's hands

in the field of political action by barring donations for election campaigns by unions. This means that if the labor movement does organize a Labor Party is will be unable to sustain such a party by its voluntary contributions.

These are only some of the highlights of this extremely dangerous, fascistic, anti-labor bill. Its application will show that it is even worse than appears by a reading of its various clauses.

In sharp contrast to this bill, the anti-labor hatchet men in Congress are now preparing the ground to prevent any price control and price

(Continued on page 3)

(Continued on page 2)

NEWS AND VIEWS FROM THE LABOR FRONT

Important Sidelights on the Detroit Massacre

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Special to LABOR ACTION DETROIT-Ku Klux Klanism has scored a bloody and shameful victory on working men in the streets of Detroit.

In this city, the mighty citadel of organized labor, a deep wedge has been driven into the ranks of labor, dividing Negro and white workers, threatening that very unity which it took years to create and which finally made, the CIO a reality. That is the victory of Klanism.

The CIO brought the powerful monopolies that rule the city's industries to their knees through the principle of LABOR SOLIDARITYthe complete unity of ALL WORK-ERS, regardless of color, religion, or craft. Any movement, idea or individual that creates conflict between Negro and white strikes a stunning blow at the heart of unionism.

That is what the Klan has long ago accomplished in the South. That is why the union movement in the South is weak.

That is why living standards for ALL are miserable in the South. These are the real aims of Klanism for Detroit.

If the labor movement does not take warning NOW it will take years to recover the ground lost in the swift space of one day and a half. * * *

The Detroit press is anxious to palm off a vicious lying interpretation of the fighting. The News says: "Negroes and whites, or rather benighted elements in each group, share equal blame." The, same hypocrisy is repeated by the Times: "Whites and Negroes were equally responsible for the continuing violence."

But the fighting, which began on Sunday, June 20, was carefully planned weeks in advance by elements following the leadership of

We are one hundred per cent in

favor of housing, recreational and

job facilities for Negroes. But, on

the one hand, Thomas' program is

completely inadequate for cutting off

race antagonisms at the roots. For

that, a sweeping reorganization of

society is necessary, a reorganization

which will abolish the fear of post-

war unemployment and end the fight

of one worker against the other for

On the other hand. Thomas over-

looks the fact that the need NOW

is for a program to smash the fas-

cist Ku Klux Klan bands which

will be stronger than ever after

jobs. Thomas merely scratches the

by rioters of both races.

surface.

white hoodlums invaded Negro neighborhoods in Ferndale and West Side Detroit, smashing cars, breaking windows and driving Negroes off the streets.

In the first week of June, the Klan organized a full scale strike at the Packard Motor Co. against the upgrading of Negroes. This was announced and proved by R. J. Thomas, president of the UAW.

The beginning of the fighting was ascribed to all sorts of fantastic rumors, as is usual in these cases: But the real fact remains that the "rioting" which began on June 20, was the continuation, the culmination of an offensive against the Negro population inspired by Klan elements. The whole course of events proves this to the hilt.

Who were killed? Out of the thirty-one dead, twenty-seven were Negroes. Who were arrested? Out of 1,300 jailed, eight-five per cent, or 1,100, were Negroes. The majority of the victims were Negroes. Of thirty convictions in the courts, thus far for disorderly conduct, ALL were Negroes!

* * *

and were barring white men from entering." But no such barricades were necessary for the protection of white residential areas!

That is because the big white gangs assembled on the outskirts of Negro areas threatening to invade the neighborhoods and reduce them to shamples. They were attacking Negroes. The Negroes assembled in the heart of their own neighborhoods as a measure of self-defense.

* * *

The criminal attitude of the police helped the attack on the Negroes. In discussing the causes of the out-

the Klan. A few weeks ago gangs of breaks, Police Commissioner Wither- turned their backs while Negroes to combat Jim Crow. Negroes recogspoon said: "Many Negroes have had were beaten, some to death, and re- inize the UAW as their most valuable big wages for the first time in their lives, and this sudden and unexpect- majority of those killed-Negroes! ed wealth may have given them an assurance and sense of independence they never had before."

A police department headed by a man who can ascribe the fighting, at least in part, to the fact that Negroes earn big money, and are "uppity," is guaranteed in advance to act as a Jim Crow outfit. The police were "unable" to crush the attacks when

they began because they were more concerned with acting against the Negro than against the Klan mobs. Of the twenty-seven Negroes killed, sixteen were shot by the police, most of them for "stealing," and seven others were killed by gunshots of undetermined origin.

The same police who so efficiently guarded property against Negroes,

Detroit Aftermath

By T. R. C. Walter P. Reuther's latest com-

ment: "As soon as they pull out the troops it will happen again. Our only hope is that some active committee is organized to arouse the decent people of this town so that this won't happen again."

Right under your nose, Walter, is the "active committee" that could have stopped the rioting in a short time-the strongest union of white and Negro workers in the world, the UAW, of which you are an international vice-president, remember?

"There has been murder committed in this town and no charge has been brought against anybody," says R. J. Thomas, president of the UAW.

And precisely what are YOU waiting for, Mr. Thomas? A revelation? Here's a practical suggestion. Publish in the UAW paper the pictures of the rioting hoodlums and their police accomplices, requesting identification for the purpose of indictment. Expel from the UAW as union busters any persons guilty of splitting the unity of Negro and white workers through suicidal race hatred and rioting.

Four sociological experts and fifty special interviewers began questioning 800 rioters still held this week in an

Detroit Press Calls for Anti-Labor Police Force

The Detroit daily press is utilizing there would be no rioting of any the anti-Negro riots to embark upon kind in Chicago, either through a campaign for a "strong" police strikes or racial discord. When riotforce to maintain law and order un- ing did start, he gave orders to shoot der all circumstances

It is common knowledge that the

police did little or nothing to pre-

vent the organization of anti-Negro

mobs by the followers of the Ku

in an effort to determine what goes

on in a hoodlum's mind. Who will delve into the minds of Detroit's police, who shot sixteen if continued, means death to the un-Negroes, one of them because he ions. mocked a surly cop with the cry "Heil Hitler"? And who will probe Ford Local 600, with thousands of into the mental vibrations, if any, of Negro members, held a membership Mayor Jeffries and Police Commismass meeting less than half a day sioner Witherspoon, both of whom before the start of the riots. A proannounced at the peak of the slaughgram of organized mass resistance to ter that there was no cause for Klanism AT THAT MEETING would alarm? have made the riots which occurred

The Hearst rag, the Detroit Times, says the cops did a good job-on the Negroes, of course. During and after the riots the Hearst sheet read like a polite apologist for the Ku Klux Klan.

A group of Negro youths who were stoning the windows of the Ford Highland Park plant were promptly dispersed by a handful of white and Negro workers, who left their work places for a few minutes and TO-GETHER showed Detroit the proper method of dealing with misguided youths or hoodlums. Not a single paper in town reported this, lest Negro and white unionists organize

similar patrols to cope with any future union-busting race riots inspired by the Klan, America Firsters, or other misled bigots.

> raises published in the newspapers: J. F. Metten, New York Shipbuilding Corp., Camden, got a measly raise in the 1939-41 period of from \$32,000 to \$60,000.

Metten reported that the New York Shipbuilding Corp. was "satisfied" with a \$12,000,000 profit (before taxes) allowed by the Navy Price Adjustment Board on a \$146,000,000 contract for the construction of the battleship South Dakota, the converted aircraft carrier Vulcan, and five cruisers.

later in the evening less likely. But

no such program was forthcoming.

Shipbuilding

Corporation

Boosts Take

Of Officers

Most of the shipyard workers in

the yards in the Camden - Philadel-

phia area are at present having ne-

gotiations with the companies for a

new contract. Needless to say, the

a new out: Take it to the WLB! We'd

the WLB took, up the following

The Editor's Comments Railroad Wages and the Miners

The "Little Steal Formula." which has served as the basis for preventing an improvement of wages of the workers, has been an excellent instrument for the bosses. Under this formula, the WLB has served as a reservoir in which thousands of wage cases have been held up, or bu-

ried altogether. The case of the coal miners of America was a test. If the miners had won their wage fight, it would of the Klan in the Packard strike. have been the greatest victory for the whole labor movement in recent years. The just grievances of all the workers were in a position to be satisfied. But the Administration, operating under Roosevelt's "hold the line" order, which is a completely one-sided instrument aimed at labor only, made it clear that it would not stand for pay boosts to the miners. By this action it let the country know that it would reject wage increases commensurate with the rise in the cost of living for any other workers. John L. Lewis was quite right in charging that there was a conspiracy between the coal operators and the WLB to prevent the miners from getting a fair adjudication of their demands. While the labor officialdom attacks Lewis, instead of rallying to his support in this wage fight, the whole labor movement suffers a de-The largest local union in Detroit,

Miners and Other Workers

Since the order to go back to work and since the passage of the Con-.nally anti-strike bill, the miners have given a demonstration to the whole country of where they stood. You will recall that an attempt was made to split off the miners from Lewis. All the so-called liberal rags charged that the demands made by Lewis were only his peronal demands. The No. 1 scabs of the labor movement, the Daily Worker and the Stalinists followed the same line. But the miners, by the thousands, refused to go back to work immediately after the miners' policy committee gave its order. As a protest against the actions of the Administration and Congress, additonal tens of thou-

sands of miners walked out. **Railroad** Profits and Wages

The immediate effects of this wage boss can't give you a raise. He's got defeat for the miners (the fight isn't over by any means) is to be seen in like to know whether the bosses or the effort of the railway workers to get a wage increase from the railroad barons. The railway unions asked for a twenty cent an hour increase for their men. The railway workers were especially incensed when they knew that the companies, exercising a monopoly over transportation, were getting theirs - and plenty, too. Railroad profits are the

greatest in history. The WLB panel, unable to avoid the granting of any increase, finally and piling away riches for the postrecommended an eight-cent an hour increase. But even this recommended increase was rejected by Stabili-

zation Director Fred Vinson. Vinson ordered a "reconsideration" of the recommendation!

Hearings are now being held before an emergency board of the National Railway Wage Panel. At its first hearing, the case of the railway companies was presented by Dr. J. H. Parmalee, director of the Bureau of Railway Economics of the Association of American Railroads (a high-sounding name for a boss organization whose purpose is to prevent wage increases and to devise ways and means of increasing the. profits of the magnates.)

Parmalee objected to any wage increases to the railway workers despite the fact that the railway companies are rolling in wealth. The reason? "The present high level of railway traffic and earnings," says this company stooge, "is of a tempo--rary nature." As soon as the war is over, he pointed out, traffic will drop and the railway companies will be faced with stiff competition!

When Dr. I. L. Sharfman, of the panel, asked Parmalee whether it was "conclusive that if the railroads" paid a greater wage now they would be unable to pay such a wage in the future"?. Parmalee replied that this "was getting into the field of argument." It certainly is! The argument is whether the bosses are to continue getting immense profits or whether their profits shall be cut and the wages of the 400,000 railway workers increased.

Labor and Capital

But of course it is perfectly all right for the companies to enrich themselves from the war, to pay enormous salaries to their officials, to lay away millions for confingent funds, to pay high dividends to a handful of preferred stockholders, and to prepare for a so-called "rainy day" in the post-war period. It is NOT all right for the WORKERS to get a wage increase-not after the war is over-but right now.

The workers have no right to get high wages, to prepare for the postwar period, to put away their own contingent fund for a "rainy day." Congress hasn't threatened the railway companies with a no-profit bill or with jail sentences. The Administration hasn't yelled about equality of sacrifice to the railway companies.

There's your picture, as clear as day! On labor's side: poor working conditions, speed-up, no wage increases, no price controls or price ceilings, reduced consumer goods. But it gets a hold-the-line order and a no-strike bill. It gets a lot of new taxes to pay.

3

On the side of big business: enormous war profits (after all taxes are paid), no curb on profits, no holdthe-line order for them, contingent funds, equipment funds, a hundred other schemes for not paying taxes

systematically invaded the Negro neighborhoods for the purpose of disarming the inhabitants. Thomas wants . no discrimination by the courts against Negroes arrested

in the course of the fighting. Whites and Negroes should be treated alike, he says. But the discrimination exists in the fact that eighty-five per cent of those arrested by the police, were Negroes. This is how the courts interpret "equal justice."

The police and courts are proved to be stacked against the Negro people, just as they are stacked against the labor movement in any decisive contest. To advise labor to put all its faith in investigations which presumably are to lead to

Program for UAWpermitted Klan gangs to carry weap-(Continued from page 1) treatment by the police and courts ons openly on the streets while they

The News reports: "Police barricaded the Negro residential areas

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idarity with common interests and aims, and an organization which has already taken many steps forward

advocate, and whites recognize in it the defender of their interests as



It spoke out against discrimination. Union stewards, committeemen and good rank and file militants succeeded in preventing and stopping all disturbances between Negro and white workers at the very moment when things were at a white heat on But the UAW as a whole failed completely to present any proposals or actions aimed at crushing Klan elements. No direction was given to Negro unionists as to how to act in their own defense or how white unionists could assist them. Because the leadership of the union movement hesitates to get "involved" in "disturbances" during wartime, it thereby facilitated the organization of a large-scale reign of terror which.

> feat. The miners were left to fight alone. The cards were stacked against them. But they put up a real fight and haven't quit yet.

Page 2

arrested-Negroes!

maintain order.

LABOR ACTION

fused to arrest those responsible. A

An overwhelming majority of those

There is only one possible explan-

The only possible force which

could have prevented the recent riots

before they began, which could have

nipped them in the bud after they

had started, and which can prevent

a recurrence and at the same time

strike against all race antagonism, is

the CIO. Here is the only organiza-

tion, where, thousands of white and

Negro workers are organized in sol-

disturbances.

the outside. Good!

ation: the anti-Negro attitude of the

police force, which is supposed to

their recent victory and which will greet every new advance toward Negro-white amity with intensified activity. It will plan further violent anti-Negro outbreaks. Thomas' general program hides the need for planning action now to combat the Klan.

Point two in Thomas' program relating to the police and the courts. serves to throw the workers off guard. How much can labor rely upon "good" police, "good" courts and jury investigations when the task of the moment is independent action by the workers themselves?

The role of the police during the affair should be clear enough to all. They turned their backs while white gangs beat Negroes to death; yet in ers. Negro neighborhoods they acted with

an iron hand, shooting to kill on the slightest or no provocation. They

Attention, Detroit-Flint Workers!

Send your subscriptions, comments about LABOR ACTION and suggestions to our Detroit Office, 1504 Broadway, Room 306.

some modification in the attitude of the police and the courts is to advise working men to let themselves be trampled on by fascist Klan bands armed with clubs, knives and guns.

The whole labor movement of Detroit must take warning. What is needed is defense against the developing and growing Klan.

If the police stand by silently while Negro workers are attacked by thugs, the Negroes have the right to defend their lives. The whole labor movement must be prepared to help its Negro brothers defend themselves, for the existence of the trade unions is based upon the unbroken solidarity of Negro and white work-

The Jim Crow terrorists are scabs. Every worker must understand this and must put an end to scabbery.

Klux Klan. Order was restored by the intervention of federal troops. The daily press attacks Police Commissioner John H. Witherspoon for his "kid glove" attitude. The Free Press, in a long editorial en-

titled "Panty Waist Politics and Race Riots," contends: "In the inexorability of all-out war the majesty and dignity of the law can only be upheld by exercising the POWER OF THE LAW."

The News argues: "The only practicable cure... is force, and lots of it." The labor movement must beware

of falling into the trap of this hue and cry for a stronger, more ruthless police force.

Although the press takes the recent fighting as its pretext for the current campaign, it is really aimed at preparing the people for a police force which will act forcibly under all circumstances, but particularly against strikes and other labor demonstrations.

Speaking of Mayor Kelly of Chicago, the Free Press said: "He decreed when this war started that

to kill." This makes clear what the press aims at. The police force under Mayor Kelly shot ten striking steel workers to death in dispersing a picket line during the Little Steel strike in 1937.

W. A. Markland, columnist for the News, takes up the responsibility for the "weakness" of the police in his column for June 27. He lets the cat out of the bag. "Governor Kelly and Mayor Jeffries are the innocent victims of a long, weak and vacillating New Deal rule, according to the Republicans. The Detroit riots, they insist, are the result of a breakdown of respect for law caused by the continued failure to enforce the law. Typical, they say, was the refusal of Governor Murphy to use force to oust the 1937 sit-down strikers and to disperse the UAW demonstrators who forced a Lansing labor 'holi-

day.'" It is clear that the campaign for a strong police force is aimed at the type of police which will break strikes, shoot down demonstrators, and act as the shock troops for all the labor haters.

Yes, the police failed to act against the Klan attacks on the Negroes; they did act against defenseless Negroes. But let us not fall for the anti-labor campaign of the press.

Henry Lockhart, who died in March, 1942, was raised from \$32,000 in 1939 to \$75,600 in 1941.

R. S. Campbell, vice-president, was raised from \$19,500 in 1939 to \$54,000 and was being paid "at the rate" of \$50,000 in 1942.

N. R. Parker, treasurer, got only \$10,700 in 1939 but in 1942 got \$36,000. Some of the members of the House Naval Affairs Committee were sort of astounded by these "increases." But the whole business was justified on the ground that these men were "sparkplugs of war industry" and that the House Naval Affairs Committee should be careful "about casting aspersions that may harm their spirit or morale.". If you took all these "sparkplugs

of war industry" and put them on a boat and sent them up the Delaware River for a picnic we'd soon find out who builds the boats. If Mr. Metten couldn't get along on \$32,000 a year and needed a morale booster of eighty-seven and a half per cent, how are the men who don't even earn \$2,500 a year supposed to live? Apparently their morale isn't very

war period.

All of this goes under the name of "equality of sacrifice."

'Mission to Moscow' Given **Duds by Writers' Board**

The Writers' War Board, which passes on the value of war movies and Allied war propaganda contained in them, has just turned "thumbs down" on the biggest lie in Hollywood history, Mission to Moscow. This committee is not an "isolationist" body, or anti-war organization. Quite the contrary. But it is concerned with what it calls "good propaganda" in behalf of the war effort.

Apparently, the movie version of Joe Davies' book is even too much for the Writers' War Board. The board, which awards "bombs" to "good" war propaganda movies and "duds" to "bad" ones, couldn't swallow the distortion of a GPU version of world history, the war and purge trials, and gave the picture three duds.

ally of Great Britain and the United States and the deeds of the Russian Army in behalf of the Allied camp. However, says the board:

"We are aware that the picture" does a valuable service for a trusted ally, but we feel that the deepest principle of human liberty is involved-the necessity of telling the public the truth....It is not necessary for Hollywood to falsify facts...."

But apparently it was necessary for Hollywood and the Stalinist fellow travelers who authored the screen version of Mission to Moscow to falsify the facts. Otherwise, the truth of Stalin's role in world events would have been told. Otherwise the truth of the murderous purges and the frame-ups in the so-called trials would have been revealed.

Evidently, the Writers' War Board,



Labor Action Reader **Protests Long Articles** Dear Editor:

As a reader of LABOR ACTION since its inception, I wish to take the floor. I have enough interest in the paper to read it carefully, introduce it to other workers, and I try to judge its effect on them.

Up to recently I considered that LA was superior to other labor papers because it understood the requirements of a labor newspaper. But for some time now a change has come over it in one respect-there has been a shift to long articles, excessively long. As an instance (and not the worst one), take the lead article in your issue of June 21, entitled "Build Labor Party." The article is very, very long. No working man of my acquaintance likes to read such a long article. The length of it is especially noticeable, because it is not a stirring article.

(Editor's comment: The author of

this letter is quite right. Although

there were some extenuating circum-

stances which made it necessary to

print some rather lengthy articles,

it is not a change from our policy of

printing short articles. We shall al-

ways try to bear in mind this help-

ful criticism.)

Even now you have splendidly written and short articles. I like to see more of them, especially on the front page. S. R.

Reader Comments on Story of Jewish Suicide To the Editor: In the June 14 issue of LABOR

ACTION you print the story of the suicide of S. Zygelboim, member of the Polish National Council in Exile and active abroad in behalf of his fellow Jews in Poland.

I think that the readers of LABOR ACTION will be interested in the message from the Jews in Poland that was brought by one of the last survivors of the Nazi pogrom in Po-**CORRECTION:** land. The message was printed in Time magazine of May 31 and needs

no comment: "The message said that if Jewish leaders abroad had not forgotten the misery of their race, they should go to the U.S. Embassy and the British

Foreign Office and stay there until arrested and, if arrested, they should go on a hunger strike until death. But the ghetto despaired of action: 'At eleven in the morning you will begin telling about the anguish of the Jews in Poland, but at one o'clock they (the American and British officials) will ask you to halt the narrative so they can have lunch. That is a difference which cannot be

bridged.'"

In the June 28 issue of LABOR

ACTION, in both the statement of

the National Committee of the Work-

ers Party and the article by Albert

Gates on the race riots of the past

were the result of the extreme tension created by the anti-labor policy of John G. Pew, between the guards and the workers in the yard. The seven workers were shot at by Negro guards in the Jim Crow Yard No. 4 of the company. S. M.

gro workers at the Sun Shipbuild-

ing Corp., Chester, Pa., is mentioned.

This is an error, as the shootings

(This is not really a correction, but an additional fact about the Sun Shipyard shooting. It in no way changes the real situation as characterized in the above-mentioned articles. The affair at Sun was merely another manifestation of an extremely charged atmosphere resulting from the national policy of discrimination.)



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Europe in Revolt A Review of Political Events

THE POPE AND REVOLUTION

"Serious" and "realistic" people used to tell us that we were hopeless utopians if we counted on revolutionary activity on the part of European workers. They told us that the days of popular resistance and lence. On the contrary, he actively mass revolution definitely belonged supported Mussolini's regime after to the past.

Today we are glad to report that our point of view is supported by a very high authority, the Pope, who, in person, has just delivered a speech in which he warns the Italian workers not to engage in revolutionary activity, not to heed the appeals of the revolutionary agitators and the leaflets which are currently distributed in working class quarters.

Things must be, in a pretty bad shape if the Pope feels impelled to make such a speech. For almost twenty years in Italy, nobody has ever officially mentioned that there were such things as socialist agitators and anti-fascist leaflets. Events must have advanced much more rapidly than we dared to hope, if distribution of anti-fascist leaflets has assumed mass proportions.

His Holiness warns that "Your sal-

BELGIAN WORKERS REPORT ON GERMAN CONDITIONS

The following is a report from Belgian workers recently returned from Germany, as printed by News from Belgium:

"According to these workers, the Germans are no longer able to discipline their foreign manpower. Intimidation by holding back wages and the use of other sanctions on the part of factory employers has ceased to be effective. Slowdowns and sick leaves are general.

"Effects of the wide mobilization of German manpower are very apparent. Only old men and children under fourteen are seen in German homes now. Soldiers and workers are not badly fed, as they do not have to provide their own food, but other sections of the population are not so lucky. There is very little in the stores, although the windows are still full of promises. The black market has flourished for some time. - stand for the aggravating conditions "At Hamburg, Belgian workers re-

Bat

the men work in bare feet for fear of using up their last pair of shoes. "In the Rhineland, where Allied bombings are most frequent, the people are exceptionally miserable, living in squalid, temporary huts. The effects of these bombardments are said to be terrific; but the air-raid shelters seem to offer reasonable security." These facts seem to indicate that conditions in Hitler's "Fortress of

The coming winter may bring evidence that the people will not longer of fascist rule.

SWEDISH 'SOCIALIST' GOVERNMENT AIDS GESTAPO

It is really a sign of our times that enough of Hitler's war of conquest and desert, they are turned right a short news dispatch from Sweden back into Hitler's hands by these to the New York newspapers received little or no attention. The like deserters, even if they desert the dispatch reported that recently a opposing camp. Generals are gennumber of deserters from the Nazi erals, even if they are temporarily army have fled into Sweden, but fighting each other. When von Ar-

vation does not lie in revolution but in evolution through concord. Violence has ever achieved only destruction." But the Pope never raised his voice against fascist viothe latter had made some concessions to him. He never raised his voice when fascist aviators killed defenseless Ethiopians or when the Austrian clerico-fascists shot Austrian workers. But now violence becomes a very dangerous thing indeed. The Holy See wonders if this time, in spite of all the efforts of the American "Grey Eminence," Spellman, and the whole score of United Nations diplomats who are right now engaged in saving as much as can be saved of the Italian fascist-monarchist regime, the Italian workers will violently chase out, not only Mussolini and his gang, but the whole ruling class of Italy. His Holiness seems to have seen the light a little too late. The Italian workers have learned through the experience of

twenty years of fascist domination that only their own rule will bring them freedom and socialism.

port that a fourteen-hour day and a

seven-day week are in effect. Most

of the men work stripped to the

waist, the Nazis having stolen their

shirts and underwear the first time

they went to the laundry, replac-

ing them with used garments which

tore at the least strain. A number of

Europe" are rapidly deteriorating.

Exposing More Merchants of Death Shipowners' Cost-Plus Piles Up

By SUSAN GREEN

Some weeks ago the Truman Committee reported that 12,000,000 tons of shipping had gone to the bottom in the year 1942. This tonnage, of course, refers only to the vessels themselves. On board were seamen, thousands of them. Some were rescued from a watery grave. Many were not. On board also were huge quantities of supplies, embodying valuable raw materials and valuable human labor.

Ships, men and supplies were destroyed-just written off. As we all know, this large-scale ravaging of men and materials at sea is typical as well of wartime destruction on land and in the air-destruction inflicted by the Axis on the United Nations, and vice versa.

But this senseless annihilation of man and of the products of his labor is by no means the complete picture of imperialist war. Not only does world capitalism throw humanity into orgies of senseless wrecking for the ulterior purposes of the profit system. What also happens is that the individual capitalists of every warring country see in war the chance for making super-profits and for laying their hands on everything within reach.

A case very much in point are the shipbuilding and shipping industries. The wholesale sinking of 12,000,000 tons of ships-with men and material on board-is certainly not without compensation for the shipbuilding and shipping companies.

Who Gets the Ships After the War?

First of all, the reader must understand the relation between the government and the shipbuilding and shipping companies. It is indeed a unique one. Presumably the new ships that are now being built are for the government, on government contract. The shipbuilders are exceedingly well paid—on a cost-plus basis-about which more later. You would expect, therefore, the new ships to be the very best possible to meet the submarine menace. To get away from submarines, FAST boats are obviously called for.

But hold on. The shipbuilders know that after the war the ships will be turned over to them. This was done after the last war-and at a bargain-basement price! So what has happened? The shipbuilders have been building with an eye on their own post-war requirements. For post-war business the SLOWER ships, consuming less oil and requiring less space for oil and engine, would be more economical. THE CARGO SHIPS, THERE-SLOW FORE, ARE THE KIND THAT HAVE BEEN TURNED OUT IN SUCH ENORMOUS QUANTITIES.

Bosses Build "Submarine Bait"

The much-touted Liberty cargo carriers, for instance, are now known

man, Lyman C. Covert, is further ports an orgy of profiteering by the quoted as follows: "I see another angle to this matter of slow ships. and profits, and that is: It seems possible that shipbuilders might prefer to build 'submarine bait' so that there would be more contracts, more ships to be built, and more millions to be garnered."

LABOR ACTION

The Bosses' British Cousins

Until recently the British shipbuilders were producing in the same criminal way. The London Tribune is quoted as follows on the subject: "It is once again the private industry's concern over post-war business that is the real obstacle to a cleancut and necessary government policy on shipping."

After a great furor arose from the Left-the labor press condemning not only the shipbuilders but their stooges in Parliament-faster ships are now being built in England. In this country likewise, the exposure of shipbuilding scandals has, according to the Truman Committee, resulted in redesigning the Liberty ship-"submarine bait"-which is to be replaced by the Victory ship, supposed to be faster.

THIS BELATED ACTION WILL NOT BRING BACK TO LIFE THE THOUSANDS OF SEAMEN WHOSE LIVES MEANT NOTHING TO BIG BUSINESS AS AGAINST POST-WAR BUSINESS AND WARTIME PROFITS.

Those Cost-Plus Profits

And the profits in shipbuilding have been-to put it very mildlyconsiderable. In England, an investigation of the cost of building thirty-two battleships, reveals profits ranging from ten per cent to over eighty per cent. What a plum!

In this country, those same Liberty ships which the seamen call "submarine bait," are built on the cost-plus basis - ALLOWING THE SHIPBUILDING COMPANIES PLENTY OF LEEWAY ON BOTH THE "COST" END AND THE "PLUS" END.

The Truman Committee found that costs varied from \$579,123 at Wilmington, Del., to \$2,730,000 at Sausalito, Cal. It is true that these places are three thousand miles apart, but that does not account for this unbelievable difference in cost. Here is proof of what can be done with a cost-plus contract.

The Truman Committee also asked the Department of Justice to take criminal action against some companies on the counts of "rapacity, greed, fraud and negligence." Maybe these criminal bosses will be tried and fined a farcically small amount -as is usual in such cases-and maybe not even that will be done.

But let the shipyard workers ask for more wages to buy the necessary food and clothing for their families. and they are given a presidential order to "hold the line"-meaning not to disturb the skyline of their bosses' profits.

shipowners that "staggers imagination." Even the Stalinist believers in boss-worker unity who control the ILWU, must recognize the proof submitted to a congressional subcommittee, that in some cases profits from one trip alone can be many times larger than the original value of the vessel itself. In all cases the values are set by the companies themselves -and the profits announced by them also. Following is a bit of interesting information:

On six trips, six ships of the American Export Lines brought home a profit of \$1,572,144-whereas the six ships were worth only \$232,350. The profit was more than six and a half times the value of the ships.

On two trips, two ships of the American Foreign Steamship Corp., valued at \$895,974, netted a profit of \$481,128. That's not so good-a mere fifty per cent of the valuation placed on the vessels.

But here business picks up again. The American President Line on two ships worth \$307,828 in three trips made \$814,242-or two and two-thirds times the value of the ships.

On twelve trips, ten Luckenback ships valued at \$1,426,857 made a profit of \$8,879,729 - or over six times the value of the ships.

IN THIS WAY THE BOSSES ARE ABLE TO BEAR THE HARDSHIPS OF WAR - WITHOUT RECOURSE TO THE VULGAR PRACTICE OF THE WORKERS KNOWN AS STRIKING.

A rough idea of how such profits are piled up on transporting war supplies was given by the Grace Line. One of its Santa boats was wilfully tied up by its captain in New Hebrides for over one hundred days. The crew tried everything to get the captain to allow them to unload the materials on board-awaited by General MacArthur.

After fifty-one days only one-third of the cargo was unloaded.. The crew held a protest meeting, which the captain declared illegal. He told the men to mind their own business -and dragged out the unloading for over one hundred days.

No wonder! The government pays the Grace Line at the rate of about \$1,000 a day for a ship on a time-charter basis. The more days the unloading takes, the more pay from the government. Here is one reason why the working people are being taxed to the sockets of their eyes.

Every story of these merchants of death-of, which there are legionleads to one conclusion:

All war industries must be conscripted. Not as now, when the the late Confederate Army. He is imgovernment takes over a factory to pelled by a lust for domination rehelp the bosses break a strike. But sulting from his experiences in dedustries must be co war in

By ALFRED FREEMAN Between Nevada in 1865 and Detroit in 1943 there would appear to be a world of difference. Offhand, any attempt at comparing modes of life in two such different communities would seem absurd. The one, a wild frontier area, filled with onesaloon towns in which miners, prospectors, gamblers mingled; the other, a modern industrial city, with more people than the whole West had in those days, the very heart of this country's productive apparatus. Yet when you will have seen the motion picture, "The Ox-Bow Incident," a simple story of a lynching in Nevada of 1865, you will understand why we say that it serves to illuminate the race riots of the Detroit of 1948

The Ox-Bow Incident is a simple story, based on an actual occurrence. A crowd gathers in a small Nevada town. They are inflamed by a report that a popular local rancher has been robbed of his cattle and then murdered; they form a posse and, fortified with liquor, they come across three men in the hills; they conduct an impromptu "trial" of their own and, impressed by scraps of circumstantial evidence, lynch these men, only to find out afterward that no murder has been committed and that. the lynch victims were, of course, innocent men. That is the outline of the story.

Yet, within that thin frame, there has been produced a portrait of mob violence and lynch law which is one of the most powerful and important films this country has yet seen and which, in addition, provides a significant commentary on the Detroit events. For though the specific social causes were different, both mob actions displayed similar traits and both were part of one of the ugliest of American traditions.

Force of the Mob

Why does the mob act with such violent, desperate dispatch, proceeding to kill off its victims, though many know in their hearts that they are innocent? The film provides a number of suggestive answers.

There is first the case of the main figure of the film, played by Henry Fonda. He has just come in from the hinterland, he is frustrated and bored the moment he hits the town saloon. Sex-starved, yearning for some kind of excitement, bored and dissatisfied with the meaninglessness and aimlessness of his life, he goes along half-willingly with the mob, even though his humanitarian instincts prompt him to rebel-never with sufficient vigor to attempt to halt the lynching.

with the lynching years ago of his brother down South. Thus, the film doesn't even flinch from the color There is the case of the major of aspect of lynchings. This is a picture which you cannot

possibly afford to miss. Perhaps, when you walk out of the movie

The Ox Bow Incident A Movie Roview

but he must play out his role to the final bitter tug of the rope.

Page 3

And then there are a few of the solid citizens of the town, desperate for the satisfaction of excitement; the degenerate elements, the habitual drunks and petty thieves, filled with a vicious blood-lust bred in the depravity of their social status; the psychopathic deputy sheriff, anxious to use his new-found authority, even if only to "swear in" the mob.

Here we find many of the same irritations, though of course produced by different social causes, that set off race riots and lynchings today. We find an understanding of the fact that the lynch participants are as much victims of a terrible situation as are their victims-which does not in the slightest allow for any socialworker sentimentality about what they do.

Hollywood Does Something New

The producers of the Ox-Bow Incident have done something which is extraordinarily rare for Hollywood. They have given us a film which is scrupulously honest in its portrait of one of this country's greatest social evils; they have not watered it down or dressed it up; they have left it in all its ugliness.

Of course, there are things about which a finicky critic might quibble. Occasionally there is a lapse into melodrama, a bit of shrillness (as when the son of the major hysterically denounces him). The letter which the leader of the lynched trio writes to his wife, filled with philosophical reflections about the "immutability" of the law and the evil of taking the law into one's own hands is rather far-fetched; we doubt if anyone would indulge in such a gesture when writing a final letter to a wife.

But except for one or two more such minor complaints, this film is without doubt one of the finest, truest and most important to come from Hollywood. The acting is quite superb, restrained and impassioned (with the exception of an occasional bit of mugging by Henry Fonda); the photography is excellent; the direction knits tre film into a tight suspenseful whole.

And, oh yes, there is one special virtue to the picture. Its sole Negro is portrayed in the traditional movie version as a minister; but he is shown as a man of dignity and character whose prayers and chants in behalf of the condemned men are sincere and moving; and he is allowed, in one of the crucial scenes of the film, to relate this lynching

that the Swedish Social-Democratic the hands of the Gestapo, that is, delivered them to certain death at the hands of the Nazi hangmen.

The Swedish government is composed of Social-Democrats, supposedly representing working class interests. But when the German workers in uniform decide that the have had

nim was captured, he was treated in government has sent them back into a most considerate fashion. However, when a German, soldier deserts, he is delivered to certain death. After signing the decree of expulsion, the Swedish "socialist" Premier went home to prepare his next great speech on the rights of man and on century and is only to be found in the values of democracy.

"democrats." A ruling class does not

Europacus

to seamen as-and have been dubbed by them-"submarine bait." They are slow because equipped with old-fashioned steam engines. According to a spokesman for the Industrial Union of Marine & Shipbuilding Workers. the engine "belongs to the previous

museums." The same IUM&SW - CIO spokes-

Profits That Stagger Imagination

The business of shipping war supplies, closely related to shipbuilding, is also enjoying a real bonanza. The publication of the International Longhsoremen & Warehouseworkers Union - the ILWU Dispatcher - re-

actually-TO END THE GRUB-BING OF BLOOD - SOAKED PROFITS BY THE BOSSES AT THE EXPENSE OF THE WORK-ERS AND THE SONS OF WORK-ERS. Yes, war industries must be conscripted, and the workers themselves must get control of them to stop the Merchants of Death from their crimes!

tified before the House Naval Affairs

Committee. This Standard Oil repre-

sentative, who is described as having

"entertained lavishly in the capital,"

may or may not be called before the

committee for questioning. In any

case, he won't talk. But as a symbol

of Standard Oil, and Big Business in

general, "smiling and smirking" in

the background, while senators and

congressmen, cabinet members and

admirals put on their show, this

feat, by a desire to lead some group action, even if it be only a mob. He his victims from the very beginning, troit

house after having seen it, you will wonder what kind of reception it is fully conscious of the innocence of must have gotten last week in De-

Connally Bill--

(Continued from page 1)

ceilings. All of this is aimed at complete destruction of the living standards of the mass of the American people while increasing the profits of big business.

Behind this reactionary hey-day in Congress one can see the utter fumbling and ineptitude of the President and his Administration. They have flopped on every important domestic measure. To be sure, Congress is in open revolt against the Administration. But even with the support of Congress, the President's measures would have the same ultimate results of destroying working conditions, wage levels, and the general

What Must Labor Do?

living standards of the people.

What has the labor officialdom been doing all this time? They gave up the right to strike long ago. They sat on a WLB which was stacked against labor. They have retreated before every blow, when it was required of them to fight fiercely in the interests of labor, and therefore, the interests of the entire working class.

And, what have they done since the passage of the bill? Instead of mobilizing the forces of labor for a repeal of this measure, they have once again announced their adherence to a "no-strike" pledge.

A law has been passed denying labor the right to strike! And labor leaders, Green and Murray, advise the President that they will renew their previous no-strike pledge!

Before the passage of the Smith-Connally bill, the AFL and the CIO threatened to quit the WLB on the ground that it was stacked against labor. Now with the passage of the bill which makes it all the more impossible for labor's representatives to function on the board, the labor officialdom has suddenly become

But it is necessary to add that now, Party!

very quiet.

when there is nothing that the labor members of the board can do in the interests of the workers, they should get off the board. The board is stacked against labor. The Smith-Connally bill gives the board legal sanction to continue in even worse fashion than before. The labor members have no business on the board and they should resign at once.

For Independent Political Action.

Growing out of this situation is the utter necessity for labor to begin now with the preparatory organization work for the establishment of a nation-wide party of the workers, an Independent Labor Party.

Independent political action of labor is the burning need of the hour! The AFL policy of "reward your friends and punish your enemies" is a bankrupt policy. It has tied the labor movement to the kite of the political machines of the two reactionary anti-working class parties. But equally bankrupt is the CIO policy which has mobilized its section of the labor movement behind the velt machine.

The workers in general and the organized labor movement in particular must fight on the political as well as the economic field. But it must fight its political battles independently, through its own political party, with its own candidates. dedicated to defend the economic and political interests of labor!

Labor must cut itself loose from the Republican Party of big business!

Labor must cut itself loose from the Democratic Party of reactionary poll-taxers and race-haters!

Forward to independent political action of labor!

Forward to an Independent Labor

"I Muffed It," Says Secretary of Navy Knox A Lot of the Inside Boys Slid Down Elk Hills

By HENRY LORING

The shadow of Teapot Dome (under a new name: Elk Hills) continues to hang over Washington. The story of this attempt of the Navy Department to turn over the biggest oil seserve in the country to Standard Oil of California to exploit (and exhaust), was told in last week's issue. The House Public Lands Committee continues to hold hearings probing the deal. The House Naval Committee has decided to order a full investigation into the Navy's oil policy in general and the Elk Hills contract in particular. Secretary of the Navy Knox terminated the contract, on advice of Assistant Attorney General Littell, on June 18. In testimony before the Public Lands Committee, Mr. Knox eased himself out of the hot seat with the statement:

"I regret that I did not ask the opinion of the Justice Department before I sent the contract to the President for approval. I should have done so. I just muffed it there."

He Certainly Muffed It

It appears there has been a good deal of "muffing." Secretary of the Interior Ickes has insisted that he was NOT consulted prior to the signing of the Elk Hills contract by the Navy, But the Navy Department now produces evidence to show that Mr. Ickes had been informed of the negotiations as long ago as September 26, 1942! Again it may be pointed out that in view of Standard Oil's SPOTLESS reputation in such matters - (a reputation that's ALL BLACK can't have any spots on it!) -Secretary Ickes' lack of interest in the deal was only natural. That is,

NATURAL to a blind and deaf idiot. It has been likewise revealed that Mr. Ickes might NEVER have investigated the contract if one of the "small" lease - holders, the Richfield Oil Co., had not squawked to his department. And it is being asked: if the Richfield Oil Co. had not squawked on seeing a rival sink its teeth into so juicy a morsel, and if the Navy Department had not gone to Congress for an appropriation to cover the costs of exploratory drilling, how long might Standard Oil of California have gone on robbing the nation's last great oil reserve? No doubt until that shortage of crude oil, which Secretary Knox now speaks of as becoming serious "most certainly next year," hit us right in the back of the head. You can depend on Standard to hasten the exhaustion of the oil reserves - they have had long practice in the art. And they are going right ahead in a dozen other fields doing exactly that. Elk Hills was merely an attempt to extend the scope of their operations

Standard Is Well Fixed

Meanwhile, the Standard Oil executives holding high government offices are doing their best to keep out of the limelight. They include, according to Senator Langer, Ralph K. Davies, former vice-president of Standard of California, who continues to receive \$56,000 a year while also receiving \$8,000 a year as deputy petroleum administrator; Howard Marshall, attorney and aide to Davies; Mark Thornburg, oil adviser to the State Department; and Ed Pauley-not a public official, but as a recent national treasurer of the Democratic Party,

"on intimate terms with the President," a man of some influence in public affairs.

The influence of these gentlemen and more important figures behind the scenes is potent: it will not be broken by the attack of a puny investigating committee. Standard Oil is still tops with the Navy. Admiral Stuart testified that, while

the Navy could have dealt with the Standard Oil holdings at Elk Hills by condemnation-that is, by government seizure (with full compensation, as the law provides!) of these oil reserves so vital to the "public welfare"-the Navy didn't care to handle the matter this way. It would have been so annoying to Standard Oil! Standard might have been deprived of its "initiative," a quality never more highly valued by capitalists than when they are exercising it in robbing the people. The Navy Department, in fact, preferred to keep quiet about the mere possibility of condemnation proceedings. The Admiral got a bit huffy when it was called to his attention that a little farmer who had a strip of land the Navy needed for a naval station

would find his land condemned and taken over almost before he could haul his furniture out. The Admiral said: "That is hardly a good analogy.

"No Suggestion of Fraud"

Mr. Knox and Mr. Ickes, who have been tossing this hot potato back and forth, and not in too friendly a spirit, are now singing a duet of sweetness and light for the public. There was not "suggestion of fraud" involved, says Mr. Ickes. "We objected to it purely on the ground of public policy"whatever that means. It was just a "bad deal" "from the point of view of the government." And Mr. Knox says: "We're in a war now. Let's not squabble over this particular contract, over the dotting of an i. Let's get a contract that will be approved." Eighteen million barrels of oil,

with a critical shortage of crude oil "most certainly next year" (in Secretary Knox's own words) - this is the "dotting of an i"!

On June 26, Assistant Attorney General Littell; stated that "a lobbyist of the Standard Oil Co. of California" sat "smiling and smirking" in the committee room as Littell tes-

anonymous representative of Standard Oil of California has already won a place in the record. And as long as he "lavishly entertains" the boys after business hours, why hasn't he the right to "smile and smirk" a little as he watches the proceedings? The Low-Down on the Alter-

Ehrlich Case Via the Statler Bar Sender Garlin, Stalinist, on the Newspaper Guild convention, in the

"The most interesting reaction to the much-publicized Alter-Ehrlich case that I have so far run into came from Delegate Bundy of the Denver local. (The Statler bar was as good a place as any for discussion of Guild affairs.) The Guild Reporter, Bundy thought, has 'overplayed' the Alter-Ehrlich case even from the point of view of general news interest.

"'As we in Denver see it, Bundy told some fellow delegates, 'these Alter-Ehrlich guys didn't seem to be of much use to the Russians, and that's about all there is to it.' "

From a somewhat different angle than Brother Bundy intended, his analysis of the case is very close to the truth: a revolutionary socialist or any kind of a socialist can't be "of much use to the Russians" these days, if you understand "Russians" to refer to Joe Stalin and his Kremlin gang. It's been a helluva long time, in fact since a real socialist could keep away from the GPU and above ground long enough to be "of, much use" to anybody, in Russia.

Most of Lenin's Central Committee found they couldn't be "of much use" to Joe the Ripper. And they were disposed of as casually as Ehrlich and Alter were. Nothing remains but a subject for small talk in a Statler bar.

Daily Worker of June 22:

EDITORIAL PAGE

Editorials

Class Standards

A few months ago, the WLB, faced with the fact that the workers of Montgomery Ward & Co., in Chicago, overwhelmingly voted for their union, directed the company to recognize the union and grant it maintenance-of-membership. This directive was defied by the company and its president, the reactionary Sewell Avery.

President Roosevelt intervened in that case and ordered Mr. Avery to carry out the WLB directive. It has not been done. The President again ordered the company and Mr. Avery to comply with this order. Again the company and its officials have "ion, Ind., plant), charged with defrauding refused.

Now, the U.S. Gypsum Co., with William L. Keady, its president, and the same Sewell, its chairman, were directed by the WLB to recognize the union in that plant and grant it maintenance-of-membership (the overwhelming majority of the workers in the plant belong to the union). This directive was rejected by the company and its officials.

There is an interesting lesson to be learned from these two events. In both cases the press has been silent, Congress has sat by as if nothing has happened, and the Administration appears completely ill at ease but quiet about the whole thing.

There have been no cries of treason levelled at Montgomery Ward & Co. and U.S. Gypsum. No one has demanded that Mr. Avery, Mr. Keady and their associates be sent to jail and fined. No congressman has introduced bills to compel these gentlemen to comply with the orders issued against them. And none of the rabid anti-labor forces, the yellow press, the bourbon Southern senators, and congressmen, the political lackeys of big business, have demanded that the decision of the WLB, in this instance, be upheld lest the whole structure tumble to the ground—as they do in the miners' case

There is a difference, you understand, between big business and the workers. It is one thing to yell "treason" at the mine workers; it is one thing to demand jail sentences and fines for labor in general in its struggle for a decent standard of living. It is guite another thing when big business is involved.

Here you have an excellent illustration of the class nature of American capitalist society. It is all right for big business to get its guaranteed profits, even if it threatens not to produce (business needs an "incentive," don't you see?). It is all right for big business to refuse to carry out any directive which might reduce its profits. Not so with the workers! Their place in the scheme of things is to work for a wage, to eke out a bare existence.

comes down on their heads, threatening to invoke every kind of pressure to force the workers to toil under conditions set for them by big business, conditions which insure capital more than a handsome profit.

Equality of sacrifice! What a misnomer! We have one rule for business and another for labor; we have one set of standards for the profit-mongers and another for those who toil and produce the wealth of the nation!

Reward for Fraud

The Anaconda Wire & Cable Co. (Marthe government in selling it defective communications wire for war purposes, had its trial and was found guilty. There is a legal technicality involved here. Actually, there was not trial in the ordinary meaning of the word. The officials pleaded nolo contendere, which is regarded as a plea of guilty in Indiana and many other states.

Legal counsel for the company and the indicted officials admitted "technical guilt" but denied that they were "morally" guilty-which is a nice way of putting it. What the company actually did was to pass defective wiring on to the government for shipment to the various war fronts.

Pressure was put on the workers to pass. by "jerk inspectors," as the company called them, defective materials. If they can't do that, said Thor S. Johnson, general manager of all Anaconda mills, they "ought not to be working in any plant." It was found that ninety per cent of the wire manufactured at the Marion, Ind., plant was defective. This was not mere slip. The Anaconda plant in Pawtucket, R. I., is also under indictment for similar frauds. Nor is the Anaconda Wire & Cable the only company charged with fraud by the War Frauds Unit of the Department of Justice. There are many more!

How does justice work in this case? Federal Judge Thomas W. Slick, who presided over the case, rendered his decision-and what a decision! He fined the company a total of \$31,100! Frank E. Hart, manager of Anaconda's Marion plant, was fined \$10,000 and sentenced to eighteen months in jail-but the sentence was suspended! Chalmer Bishop, chief company inspector, was fined \$500 and was sentenced to jail for a year and a day-but this sentence was also suspended! Former Superintendent Don R. Carpenter was fined \$500 and former

Alcoa Shipshaw Scandal Is a Picture of Monopoly at Work

By SALLY GORMAN

Twin scandal to the gift of the oil reserve lands in-Elk Hill, Cal., by the Navy Department to the Standard Oil Co., is the loan-donation by the government's Reconstruction Finance Corp. of \$68,500,000 (interest free) to the Aluminum Corp. of Canada. With this money the company built its privately owned Shipshaw Power & Aluminum plant in Canada. The money was advanced over two years ago by the RFC, headed by Jesse Jones, and the deal was kept secret until a short while ago.

From the public's point of view, the most scandalous aspect of this deal is that it will enable the Aluminum Corp. of America (Alcoa), through its Canadian organized Aluminum Co., Ltd., of Canada, to dominate the whole Northeastern power supply and make it impossible to go ahead with the plan to build a St. Lawrence publicly-owned power project-a development that the Canadian and United States governments have been planning for more than thirty years as a step in the ladder of government - owned power developments.

By the use of government funds, the Shipshaw power plant will be able to undersell any other power company, because a "public" utility must pay off its cost of construction by means of fixed charges figured into the cost of supply power, whereas Alcoa virtually gets its plant as gift.

Furthermore, the Shipshaw dam and aluminum plant are now nearing completion of their construction under an AA-1 rating from the priorities board (WPB), whereas construction on the expansion facilities needed by the government-owned Boulder Dam to supply the new aviation plants in the West and to create new food-producing areas in the West was stopped for lack of material, as was the expansion of the governmentowned TVA down South.

Jesse Jones Aids the Swindle

This little gravy scheme, for the aluminum dynasties (Mellon - Davis, etc.) was arranged by Jesse Jones and his RFC, a New Deal brain trust baby, the same New Deal that was accused of sneaking in socialism by the back door.

The Shipshaw Dam is located in northern Quebec, where there are no deposits of bauxite with which aluminum is made. On the other hand, bauxite is located in Arkansas and other parts of the United States, under the very noses of governmentowned Boulder Dam and TVA. In spite of that, the RFC loaned enough money to the Aluminim Co., Ltd., to build a plant up in the wilds of Canada, away from the natural resources from which aluminum is made, but more important still, away from the public utility and labor laws of the United States. flown in At the same time, the RFC pre-

vents the development of the St.

Lawrence power plan by building

(for private interests with govern-

ment money) a plant to produce

power so cheaply that it can say: "I

can give it to you wholesale." It

gives the aluminum monopolists sov-

ereignty also over all the industries

in the Northeastern Section of the

United States and Canada, who now

become the prey of the American

The Aluminum Co., Ltd., has al-

ready absorbed the small Ontario

and New York State power compa-

nies. By entrenching itself so pow-

fully through ownership, Alcoa, the

largest power and aluminum plant

in the world, will be in a position to

undersell the government in supply-

ing power. It can also bring about

aluminum trust.

amount from the Export-Import Bank of the U.S. up to \$34,500,000 at three per cent interest, a neverending financial circle which leaves the owners in a position where they do not need to invest a dime!

The cost of construction of the Shipshaw power and aluminum development will be \$65,000,000, leaving the aluminum czars a cool \$3,500.000 profit to begin with.

But they did even better than that. The Canadian government made an agreement with the company permitting it to deduct \$154,000,000 from its excess profit and income tax bill in order to pay off the cost of the new power and aluminum facilities. The British government lent the company \$55,600,000 by means of twenty year notes to be paid off only in proportion to the use of its aluminum facilities by the company. In other words, if the production of aluminum 'isn't so profitable after the war, the company's doesn't have to pay.

Incidentally, there is a clause in the RFC contract too which exempts the company from liability toward its debt in case the war ends and the United States cancels its contract for aluminum.

Another \$10,000,000 was advanced to the company by the British government against the future delivery of aluminum to Great Britain. Australia chipped in the little sum of \$3,000,000 against the future delivery of aluminum. From the point of Alcoa, it's a swell deal all around.

Even the Times Is Indignant

The New York Times relates the story of Shipshaw as follows: "For many months it has been a 'hushhush' war mystery, not to be written about....But strange tales circulated in Quebec Province about how work was being carried on in tempera-

How 'Free Enterprise' Works!

The New York Post estimates that the cost of producing aluminum is around six cents a pound. When the government pays fifteen cents a pound for domestic consumption and seventeen cents for foreign consumption, it is giving the Aluminum Co. of America approximately 150 per cent profit. Incidentally, the seventeen cents for foreign-consumed metal is designed to maintain the price control now in the hands of Alcoa on the foreign market as well as the domestic.

tures thirty below zero, of blasting 18,000 cubic yards of solid rock, 170 air-line miles up in the wilderness, where there is no road, so that everything-men, horses and thousands of tons of eqquipment, including trucks and steam shovels-had to be

publicly owned plants must figure into their rate bases

"With everybody chinning about post-war international cooperation. nobody even seems to have tried to set up a joint American-Canadian governmental authority like TVA to build, operate and own this particular exploitation of the people's resources.

"Shipshaw, operating from a base beyond the reach of our legislation. is a powerful instrument in the hands of men who hate the whole idea of public ownership of natural resources.'

The Smelly History of Alcoa

Now for a little of the smelly history of the Aluminum Co. of Canada. Way back in the 1920's there was a Frontier Corp., jointly owned by the Aluminum Co. of America (Alcoa), the du Ponts, and the General Electric Co. The main aim of the Frontier Corp. was to sieze control of the St. Lawrence waterway to prevent its development as a public power project. They hired Leighten J. Mc-Carthy, now Canadian Minister to the United States, until recently and for thirty years a director in the Aluminum Co. of Canada; and whose law firm still manages the affairs of the company, to represent them. According to the Federal Trade Commission, one of McCarthy's bills was \$26,676.52 for fees, including: "Interviews with Mr. Mackenzie King (prime minister of Canada) and other members of the government, discussing."

However, the Frontier Corp. was defeated in its objective of getting control of the St. Lawrence waterway, mainly by New York interests headed by the then Governor of New York, Alfred Smith, So the Aluminum Co. took another road around. While the American and Canadian

leading radio chains.

But what did the U.S.. State Department do about this new regime set up by a group of fascist and semi-fascist army officers? Why, it immediately recognized the new government and thereby gave it an official status. And that's not strange. The State Department, in charge of carrying out American foreign policy, finds itself traditionally at home with reactionaries the world over. Remember how quickly it recognized the fascist dictatorships of Mussolini, Hitler and Franco? What the State Department fears most are the people and action of the masses who might assert their economic and political rights against all reaction.

STATE DEPARTMENT, PAST AND PRESENT



Page 4

The revolution in Argentina, engineered by former President Castillo's army officers, is now several weeks old. It followed a Hollywood pattern. Top officers led by General Rawson pulled a coupt No sooner had they ousted Castillo, when Rawson resigned. He could not form a new cabinet.-His successor as president is General Pedro Ramirez, who was War Minister in Castillo's cabinet. A few days after fleeing Buenos Aires, Castillo returned to the capital and resigned his office!

General Ramirez appointed himself president (read: dictator). Yes, he appointed himself head of the state. Just as the masses in Argentina had nothing to do with this "revolution," they had nothing to do with electing Ramirez to office. As matter of fact, Argentina has been ruled dictatorially for some years, and during this period has been a German and Italian "sphere of influence."

Behind the new regime in Argentina stand the reactionary pro-fascist industrialists, and big landowners. They stand behind this regime, as they did when Castillo ruled, not only for reasons of foreign policy, but as much because these regimes enable them to rule the economy and exploit the people of Argentina without difficulty.

WHAT THE OFFICERS HAVE DONE

What has this new regime accomplished in the short period of its existence? It promised to hold a presidential election on September 5. It has now cancelled indefinitely this election. The new government (read: dictatorship), which had heretofore acknowledged that it was a provisional, i.e., temporary, regime, has issued a decree ending its "provisional" status. It is now the real government!

What else has it accomplished? Well, the new state power appointed a fascist by the name of General Basilio Pertine as mayor of cosmopolitan Buenos Aires. Appointed, mind you, not elected. This fascist is one of the directors in a half dozen German firms which have been blacklisted by the U.S. State Department. He is the leader of the pro-Nazi elements in the army. Fascist papers continue to be published and distributed freely. Democratic papers and working class periodicals of every variety are suppressed. The new regime is now reaching out to take over and control the

Should the workers fight for their most elementary economic, political and social rights, the whole upper crust of our society sentences are at once suspended.

Chief Inspector Frank Kinkle was fined \$100!

This is real class justice! Here is a company making huge profits out of the war. Not satisfied with that, it turns out defective materials and admits its guilt. Its reward is a paltry fine of \$31,000 in a case involving \$5,000,000! Officials found guilty receive prison sentences, but the

WORKERS PARTY PLATFORM

Against Both Imperialist War Camps! For the Victory of World Labor and the Colonial Peoples! For the Victory of the Third Camp of Socialism!

LABOR MUST DEFEND ITSELF!

- 1. Hands off the right to strike! For the defense of civil rights and all workers' rights! Against any wartime dictatorship measures!
- 2. \$1.00-an-hour minimum pay! Time and a half for overtime; double time for Sunday and holiday work.
- 3. Wage increases to meet rising costs. No wage or job freezing! Equal pay for equal work!
- 4. For a greater share of the increasing national income. For a higher standard of living!
- 5. No sales tax on consumer goods! No tax on wages! Against forced savings!
- 6. For control of price fixing and rationing by committees of working class organizations. Freeze rents and consumer goods prices at the 1940 level to stop the rise in the cost of living.
- 7. No government contract without a union contract. The closed shop in all war industries
- 8. Maintain and increase all government social services!

SOAK THE RICH-LET THEM PAY FOR THEIR WAR!

- 9. A government levy on capital to cover the cost of the imperialist war. Confiscate all war profits!
- 10. Conscript all war industries under workers' control!
- 11. Expropriate the "Sixty Families" the three per cent of the people who own ninety-six per cent of the national wealth!

DEMOCRATIC RIGHTS TO THE DRAFTEES!

- 12. The right of free speech, free press and free assembly for the men in the armed forces.
- 13. The right of soldiers to vote in all elections.
- 14. The right of all youth, male or female, to vote at the age of eighteen. Old enough to fight; old enough to work; old enough to vote!
- 15. For adequate dependency allowances paid by the government with NO deductions from the soldier's pay.

SMASH JIM CROW!

- 16. Down with Jim Crow and anti-Semitism! All discrimination against Negroes in the Army and Navy or by employers in industry must be made a criminal offense!
- 17. For full political, social and economic equality for Negroes!

BE PREPARED!

- 18. For Workers' Defense Guards, trained and controlled by the unions against vigilante and fascist attacks!
- 19. For an Independent Labor Party and a Workers' Government! No political support to the Roosevelt government!
- 20. For Peace Through Socialism! For the independence of all colonies!
- 21. For a World Socialist Federation! Only a socialist world will destroy capitalist imperialism and fascist barbarism.

How do the French Canadians feel about being owned body and soul by the aluminum monopoly?

Of the workers brought in, 7,000 have to live out of town because there is no construction material available for housing. The other 5,000 live in shacks whose paint is continually stripped off by the aluminum oxide smoke, which also kills their gardens. The Aluminum Co. boasts that it can sell power for twomills per kilowatt hour, but the natives have to pay twenty times that amount for the domestic power. Here is what the New York Post revealed: "The expansion program of the Aluminum Co. of Canada ... exploits one of the natural resources of the province under conditions which make French Canadians feel like hewers of wood and drawers of water.

"If this is all the French Canadian sees of the economic development in our democracies it comes to symbolize democracy to him and he doesn't like it.

"Much of what appears to be antidemocratic feeling in Quebec is merely anti-trust feeling. Quebec is one of the most monopoly-ridden parts of North America.

"Families in these Saguenay River towns include from fourteen to eighteen children. That creates a cheap labor supply for the aluminum interests, but it doesn't improve the chil-

"Both natives and company officials concede that racial antagonisms are being steadily aggravated....

"Company officials worry over a variety of snubs and demands from people largely unable to read and write. The natives are getting uppity, they say, and should be taught their place." (New York Post, June 8, interview with F. R. Scott, chairman of the Cooperative Commonwealth Federation, liberal party of Canada.)

In an editorial on June 10, the Post says: "Mr. Jones' wartime financing is providing Alcoa with this huge privately owned power producer on the periphery of the St. Lawrence power region, which every governor of New York since Whitman has insisted must be developed by and for the public.

"This strategically placed plant will emerge from the war fully paid for, with none of the fixed charges which

Canadian government twenty - five years earlier for \$40,000!). But Alcoa was pretty anxious to encircle the St. Lawrence projected development and prevent it from coming to being, knowing it could count on the indolence of capitalist governments when it comes to matters of public inter-

governments are still sawing bones

and using the St. Lawrence power

development as an electioneering

mechanism, the Alcoa in 1925 pur-

chased the Saguenay River site, in-

cluding Shipshaw, for \$40,000,000

(sites which had been sold by the

According to PM, "stock was acquired by Alcoa in the Mohawk-Hudson Power Co. in upstate New York.

"Conferences looking toward disposal of this power, when developed, were held by Leighton J. McCarthy with two key Canadian figures. One was Mackenzie King, again Prime Minister of Canada, and Sir Adam Beck, head of Ontario Hydroelectric."

The actual building of Shipshaw got under way in 1941 at the time Jesse Jones made the generous RFC loan.

According to Prof. Bonbright, chairman of the New York Power Authority, in an interview published in PM May 25: "If the St. Lawrence development had been started in 1940, power from that source would have been available by the late summer or autumn of this year."

According to The Nation of April 3: "This is part of what will be seen more clearly in later years as a gigantic plan to enable the aluminum trust to dominate the power and aluminum business in North America...

"In the last war we built Muscle Shoals and then fought two decades over its control. The public finally won. The aluminum and power trusts, thanks to Jesse Jones and the WPB, have been able to pursue a wiser policy this time. They have arranged for us to build them a new and greater Muscle Shoals, a project as great as Boulder Dam, in the Canadian wilds. And this time they arranged in advance that though we foot the bill, the property shall be theirs."

The Shipshaw dealings afford a graphic picture of how monopolies and capitalist governments forge their direct links beneath the surface and consciousness of the mass of workers, farmers and small business people who are required by their governments to see nothing, hear nothing and ask no questions. This, you see, is free enterprisefreedom in the raw. In the end, it is the masses who pay to enrich these big business swindlers who live off the sweat of other people's labor.

This Argentine revolt and the quick recognition of the new dictatorial government by the State Department brings to memory the manner in which the State Department acted on the question of recognizing the workers and peasants government of Russia after the masses overthrew the Czar. For more than fifteen years, the United States refused to recognize the new government, which represented the overwhelming majority of the people and their desires.

The State Department would have nothing to do with the government of Lenin and Trotsky because it was an anti-capitalist regime. It wasn't in a great hurry then. On the other hand, it joined the reactionary world chorus against the new, young and weak government. Moreover, the Wilson Administration also joined the interventionist forces and sent American troops to occupy Russia in an attempt to overthrow a government set up by its people.

Yes, Russia was finally recognized by the Roosevelt Administration. But it was Stalin's Russia which was recognized not the Russia of Lenin and Trotsky. It was the regime of the new bureaucracy that as acceptable to American capitalism, not the regime of the workers and peasants.

So it is not really strange that the State Department recognized the Argentine officers' regime immediately after it had seized the reins of government. That the people had nothing to say about it did not matter.. That the people did not elect General Ramirez as president, also did not matter. So long as it is not a regime of the masses, a regime of the workers and peasants of Argentina. If it were government of the majority, the State Department would take more than enough time to consider such recognition-if it ever would recognize a workers' government.



the scrapping of government-owned aluminum plants. For, consistent with the half-hearted manner in which the government prosecuted the monopolies and cartels, it also built aluminum plants, that is, the plants were built by government funds and put under the direction of

Alcoa.

They produce the metal by an older and more expensive method than the ones used in the privately-owned Alcoa plants. After the war, when the urgent need for the metal is over, the probabilities are that these plants will not be considered efficient and this little pebble in the road of absolute domination by the aluminum monopoly will be brushed aside. The government always pushes itself into the background for the monopolies. For example, the antitrust exposés started and never finished by Thurman Arnold, revealed the fact that Alcoa held back the production of magnesium, a cheaper and better product than aluminum, in order to maintain the high price of aluminum. Here are a few facts to digest:

How Alcoa Will Profit

In 1941 the RFC advanced \$68,500,-000 to the Aluminum Co., Ltd., of Canada, as a non-interest bearing advance against aluminum to be delivered to the U.S. government in 1945. The government is to pay fifteen cents per pound for this metal; ten cents in cash and five cents as a credit against this loan. For every five cents thus paid, the Aluminum Co. has the right to borrow an equal

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