

sky (!) in Russia in 1917, and it has not yet collapsed. It probably will, but it has survived after a fashion for seventeen years" unfortunately. Then come the standard lies about the Soviet Union; the professor doesn't even bother to invent new ones. He ends by advising two things: sterilization ("the economic future may lie not in economics, but in biology") and exiling of "parlor pinks." ("It is a pity that they cannot all be removed to some isolated Communist community . . .") Obviously, Professor Carothers serves his masters well. Who are his masters? On the Board of Trustees of Lehigh are: Charles M. Schwab, chairman; Eugene Gifford Grace; and lesser lights like Samuel Dexter Warriner, president of Lehigh Coal and Navigation Co., Allentown Iron Co., Allentown Terminal R.R. Co., etc., etc.; William Carter Dickerman, president of American Locomotive Co., etc.; and thirteen others of the same interests. Our verdict on Professor Carothers must be: Moley, to the brain gang with him.

**T**HE drive to have the United States government "take over" arms and munitions plants has reached an official stage. More than 200 representatives of leading munitions makers have been summoned to testify. The

most drastic ultimate objective of the inquiry was indicated in Congress by the Hon. George Foulkes of Michigan who rose in the House on May 28 and delivered an unusually blunt attack on James H. Rand, Jr., of the Remington Arms Co., in which he quoted some of Senator Borah's "oratorical javelins at the munition manufacturers" and perorated on all those who "traffic in the tools of death and destruction. . . . They are engaged in an indefensible business—a business that is indefensible in private hands, for the government should manufacture whatever munitions are to be made. . . ." Confiscation of munition plants is thus not intended, and could no more be executed than the purchase by the government of private plants. Since, as the editors of *Fortune* take pains to point out, the armament industry is inextricably connected in personnel and process with the trusts that supply raw materials and with the banks that supply finances, confiscation or purchase could only be carried out successfully on a large scale. It means expropriating the *industrialists and financiers as a class*, something their executive committee at Washington would not do; or buying the capitalist system from them, which would leave matters as they are. Concerned with the perpetuation of the system, the campaign-

ers' proposal resolves itself, as the Hon. Foulkes reveals, to changing the personnel and improving the war industry.

**R**EACTION in a double sense underlies the radical attitudes and phrases of the campaigners and the work of the Senate Committee. What will probably result from the Senate investigation is the appointment of a Federal Arms Commission, with the armament makers well represented. This governmental commission in the face of present war preparations will cement the connections between the war industries and those indirectly, but necessarily, related to them. The drive toward war will be intensified: a governmental agency, instead of private firms, will use armaments to press for advantage against economic rivals. Reaction also is involved in the effects intended against growing mass anti-war sentiment and action. Publicizing Senate activity might hinder the development of a militant mass organization like the American League Against War and Fascism. The idea that the government is doing things might lead workers, farmers, intellectuals away from mighty demonstrations which objectify and unify the fight against war, and which have stimulated present demagogic attacks against war by the campaigners.

## The Week's Papers

**W**EDNESDAY, August 22.—American Liberty League, to "combat radicalism, preserve property rights, uphold Constitution," is formed by prominent Democrats and Republicans to fight New Deal. . . . Secretary of Commerce Roper assures business Administration does not aim to abolish profit motive. . . . Roosevelt orders 10 percent reduction in weekly hours, 10 percent raise in wages in cotton garment industry, net effect being to cut workers' incomes. . . . Worker is killed, four hurt, by explosion in Hercules Powder Co. plant at Kenvil, N. J. . . . Donald and Eleanor Henderson testify before New Jersey Legislative Committee on Seabrook Farms strike. . . . N.R.A. announces it is not obliged to remove Blue Eagle from concerns even when National Labor Relations Board finds them guilty of violating codes. . . .

Thursday.—Meat prices expected to rise to highest point since World War. . . . Senator Schall charges Government plans to establish news bureau to supplant private news services in censorship move. . . . Blue Eagle ordered withdrawn from Chicago Bus Company for discharging union employees, precipitating a strike.

Friday.—United Textile Workers Union rejects offer of cotton textile industrial relations board to arbitrate proposed strike "because of lack of confidence" since board's failure to act in stretch-out complaints. . . . Northwest drought areas swept by snow and frost. . . . Reciprocal tariff treaty with Cuba signed by U. S. . . . Soviet-U.S. debt talks appear deadlocked at Washington. . . . Kohler is busy training a private army of 600 to break strike, workers charge. . . . Wholesale commodities

prices reach highest point in three years, Bureau of Labor Statistics reports. . . . 1,000 dye workers in Paterson strike in sympathy with workers of Pennsylvania firm who walked out. . . . Leo Gallagher opens fight against attempt to obtain California injunction to ban Communist Party.

Saturday.—Representative Weideman, at end of Congressional Committee hearings, says there is no "red menace" in the United States. . . . Okey Odell, strike leader of onion workers, kidnaped by mob in McGuffey, O., and released after tortures. . . . Roosevelt studies plan to make Federal relief permanent. . . . Congress to be asked to make C. C. C. camps permanent. . . . Hopkins refuses to give Federal relief funds to Pennsylvania unless State agrees to contribute part of needed funds. . . . Demanding better food, 200



Jacob Burch



convicts at Eastern State Penitentiary in Pennsylvania rebel. . . .

Sunday.—United Textile Workers set September 1 as date of general strike. . . . Two million persons expected to be on relief in New York City by end of year. . . . Richberg report cites "tremendous gains" to industry under N.R.A. . . . Navy to ask for 24 additional ships in 1935 construction program. . . . Alexander Wright, Communist candidate for U. S. Senator, arrested in Newport News, Va., on trumped-up charges of "inciting to riot" in attempt to suppress his campaign.

Monday.—Alabama Supreme Court refuses to call special session to act on

rehearing petition in Scottsboro case. . . . 5,000 New York painters win strike against pay cut. . . . N.R.A. codes put into 22 groupings to simplify them. . . . Cotton garment industry employers defy Roosevelt's "10 and 10" decree as "too burdensome" for them. . . . Federal and New York City relief administrators declare strikers are eligible for relief. . . . Aluminum Company of America strike continues. . . . Butte copper mine strike continues. . . . Scores are injured when mob attacks Negro section of Niagara Falls, N. Y. . . . Chicago school teachers get pay, first in seven months.

Tuesday.—Retail food prices soar again. . . . United States refuses to grant trade credits to Soviet Union. . . . Henry

Morgenthau, Jr., in radio speech places cost of New Deal at \$505,000,000. . . . One hundred munitions makers summoned to appear before forthcoming Congressional Committee investigation into armament situation. . . . Donald Henderson sues Charles Seabrook for \$20,000 for malicious persecution due to his arrest during Seabrook Farms strike. . . . Clatsop County, Oregon, initiating reign of terror against workers, refuses relief to those who signed nominating petitions of Communist Party candidates. . . . Upton Sinclair, ex-Socialist, wins Democratic nomination for California Governorship. . . . General Johnson's pay was raised July 1 from \$6,800 to \$15,000 by Roosevelt's order.

## Richberg Tries to Cover Up

**D**ONALD R. RICHBERG'S report is an attempt to cover up the failure of N.R.A. to achieve anything more than a huge rise in corporation profits—with the ruin of the small business man which that entails. His figures are so incomplete, so twisted and so full of holes that critical economists are having a field day demolishing them. A point by point comparison of some of his main contentions with the actual facts is given below. The N.R.A. spokesman's official communique, under detailed examination, is revealed as exactly the untrustworthy piece of special pleading that we have come to expect from Washington mimeographs. But the report has another aspect, in what it omits, that puts it into a class by itself.

Richberg is reporting on the present state of the American people—of whom the vast majority are members of the working-class. For more than a year the American workers have been engaged in an intensified form of the class struggle, a struggle which, with the encouragement given by the N.R.A. to employers to organize company unions, has reached and is being maintained by the employers, on a "shoot to kill" basis. Labor can thank N.R.A.'s famous Section 7-A for nothing; the right to organize was won by labor on many bloody battlefields decades ago. What labor has to thank N.R.A. for, is for officially putting the yellow dog company union on the same level with the genuine union, and thus forcing labor to

begin all over again its struggle for its most fundamental right. This struggle, in succeeding waves of strikes, is the central development in the history of this country in the past year. There is scarcely any need to run down the list of battlefields in that struggle—Minneapolis, Toledo, San Francisco,—these names spell for labor the history of the past year; and the vanguard of organized labor that has fought these battles has fought them in behalf of all the American workers. It has fought them against the N.R.A., for which Mr. Richberg reports "tremendous gains." And this vast struggle of labor for its fundamental right to organize, and for a half-way decent living wage, none of this appears in Mr. Richberg's report.

The attack on civil rights is not in Mr. Richberg's report. With increasing promptness the militia appears on the scene in strike situations. Federal Relief Administrator Hopkins rules that unemployed workers in transient camps be not permitted to register as voters. A proposal to disfranchise totally all workers on relief is put forward in this atmosphere of incipient Fascism. General Johnson demands that all radicals be driven out like rats, and gives the signal for the California terror. In south Jersey the condition of the agricultural workers compares unfavorably with that of serfs under feudalism. The organization of Vigilante bands by employers' associations is proceeding on a nation-wide scale. "Loyalty" oaths for teachers, red

hunts by the Dickstein committee under the cover of investigating Nazi activity—these are manifestations of an increasing determination of American capitalism to create an air-tight prison house for the workers, where no revolutionary criticism can be organized or voiced. And Mr. Richberg's report says nothing of the attack on the workers' civil rights.

What does his report say? It speaks of employment—not unemployment, but employment:

Reliable figures indicate that 40,180,000 persons were employed in the United States in June, 1934, an increase of 4,120,000 over the low figure of March, 1933, and an increase of 2,320,000 over June, 1933. The latter increase is mainly due to shortening of hours under N.R.A. codes.

Richberg repeatedly refers to "reliable estimates" and "reliable figures." But in each case he fails to mention the sources of these estimates. With one exception these figures fail to check with the standard indexes such as those of the Federal Reserve Board on production, and of the Bureau of Labor Statistics on employment and payrolls.

On the basis of government figures, Labor Research Association estimated the number of unemployed in November, 1932, at 16,886,000 and in November, 1933, at 15,835,000. This represents a decline of slightly over a million during the year.

But the economic situation during recent months has not changed sufficiently