

**WHOSE
WAR
?**

2c

**REVOLUTIONARY WORKERS
LEAGUE, U. S.**

145 %

Is this a peoples' war for democracy and all the "four freedoms"?

Here is the authoritative voice of finance capital speaking in the March 16, 1935, issue of the famous **"Magazine of Wall Street"**:

"Ten million potential workers and a total of possibly 30 million people are outside the circle of work, production and income. They are not only a burden — they are an economic loss. To speak with grim realism, **the country would be relatively prosperous if they were annihilated.**"

Why are we in the war? Is it because Japan attacked Pearl Harbor, or is it something more fundamental? Here is what Ambassador to Britain, Page, telegraphed President Wilson in the last war:

"The financial needs of the Allies are too great and urgent for any private agency to handle. Unless we go to war with Germany our government cannot make a grant of credit... our going to war is the only way in which our present prominent trade position can be maintained and a panic averted". (March 15, 1917).

Did Harry Hopkins send a similar telegram to President Roosevelt when he was in Britain some time ago? Or "Wild Bill" Donovan, Roosevelt's emissary extraordinary? What sort of messages

has Ambassador Grew in Tokyo been sending to Washington? What secret treaties does the U. S. have now?

In 1932 American finance capitalists — like J. P. Morgan, like John D. Rockefeller and his Chase National Bank, like Dupont and his General Motors, Radio Corporation of America, and his chemical monopolies, and like many others — these people owned 18 BILLION dollars of investments abroad. American banks floated billions in loans to foreign countries. For every loan floated American bankers gain enormous concessions.

TRADE, FINANCE COLONIES, PROFIT

Representatives of the National City Bank, Brown Brothers and Seligman, Chase National, and many others sit in foreign capitals and control and supervise customs, taxes, building of railroads and other industrial and political matters. When small powers try to run their own affairs the Wall Street government takes extreme measures to protect Wall St. capital.

For instance in 1914 American marines took a half billion dollars in gold from Haiti and forced the Haitian government to accept American loans — and of course, control. American advisors today sit in Chungking, China, etc., doing the same thing.

American companies do close to 6 billion dollars of trade with foreign powers each year.

These are the loans, these are the investments, and this is the trade that American Imperialism is now fighting to protect and to extend. For without new trade, new investments, American capitalism is doomed.

COULD SATISFY NEEDS OF ALL

Wall Street admits it has 10 million surplus workers. After the war there will be 23½ million unemployed, as a result of the cessation of war production. American capitalism could easily provide enough food, shelter and clothing for all the people in this hemisphere. A conservative estimate by the Brookings Institute states that American production can be geared to 180 billions (twice the present war production) if it were organized to produce for use. But American capitalism produces only for profit, not for use. Consequently it suffers from relative **overproduction** and the need for investment of its surplus goods and its surplus capital abroad.

What does the worker gain out of the war?

The boss class **Business Week** magazine reports: "The national average of hourly earnings resumed its climb in September. **However the real wage figure declined again in September for**

the second consecutive month. In short, the increase in the cost of living is wiping out recent gains in hourly earnings."

The same thing occurred in the last war. Wages rose 55%, but **PRICES WENT UP 104%**! In addition, taxes rose in the first war, and now in the 2nd war are also rising like wildfire.

The worker loses the right to strike; he gets a wage increase which amounts to a wage **cut** because of the rise in prices; he faces a forced 15% "savings tax" and years of hardship and unemployment after the war; and worse than that, he must go off to some battlefield with the knowledge that one out of every two who go will be reported dead, "missing, or wounded (57% in the last war were casualties); and that dozens of millions behind the lines will get war diseases like influenza, pellagra, typhus, etc.

What does the capitalist get out of the war?

According to Thurman Arnold, assistant Attorney General, 86 concerns have cornered more than three-quarters of the many many billions in war contracts last year, and all of them are guaranteed their profit on each order.

United Steel profits rose from 23 millions in 1914 to 271 millions in 1917; DuPont profits rose from 74 millions in 1913 to 308 millions in 1918.

Is there any change in the 2nd war? Yes, profits are higher. The newspapers report figures, comparing the first nine months of 1941 to the same period in 1940.

In one year's time Baldwin Locomotive profits jumped from 1 million 2 hundred thousand dollars to 3 million 9 hundred thousand dollars — 222% increase. Pittsburgh Coal profits increased from 8 hundred thousand to over 2 million—179% increase. Studebaker Corporation — from 450 thousand to 2 million — 341%. US Steel — from 69 million to 95 million — 38%. Youngstown Sheet and Tube — from 5 million to 12½ million — 136%. Aviation Corporation — from 72 thousand to a million and a half — 1950% increase! Douglass Aircraft — from 7 million to 10 million — 47%. And these figures are only for the first nine months of each year!

It is easy to see whose war it is. Not only does the Wall Street Government fight to save Wall Street's investments abroad and to organize the whole world for Wall Street's needs, but it is making sure that the cost of the war is not born by the Masters, but by the lowly slaves in the factories, mines and mills.

WAR AND DEMOCRACY

Will democracy be saved by the war? We have only to look

at what already exists to see how absurd it is. Democracy is dead in Europe. Every class conscious worker loathes and will fight to the end to smash the fascist barbarians who rule with such murderous brutality over the German and oppressed masses of Europe.

But to support American and British imperialism in the war will not help to bring back democracy there, nor will it help to save democracy — such as it is — here.

It will do the opposite — if the working class supports this war for profits, investments and colonies, it will find itself forced to give up, step by step, its democratic rights. Already our labor "leaders" have renounced the right to strike. Other rights will be renounced—all in the name of "winning the war". Before the end of the war we will have no rights left.

The kept press is full of propaganda about "our democracy". The fact is that even the democratic rights gained by the working class through long struggle have for a long time been subject to attack and violation. Look at the record.

CAPITALIST DEMOCRACY

Four thousand, six hundred and eighty-seven Negroes AND whites have been lynched in the United States (according to official re-

cords only) from 1882 to 1938, about 82 years. The same General McArthur who now is a "hero" in the Philippines shot down unarmed soldiers who demanded their bonus during the Hoover days.

U. S. made bombs dropped from planes flown by American oil are murdering American boys in the Philippines. The American capitalists have been selling (and probably still are selling through rounabout ways) more than half of Japan's war imports to the Nipponese.

American workers who compose the 15% of the population that earns less than \$300 a year, went without the necessities of life, while American business sold the bombs that would eventually kill them off. Millions of American dollars were invested in the German General Electric Company and in the German Chemical trust — key corporations of the Nazi murder machine, while American men and women went hungry. American dollars flowed into the Mitsui and Mitsubishi trusts in Tokyo, while American men and women stood in breadlines.

What has been the lesson of democracy to the Porto Ricans, for instance, whose leaders are in the Atlanta penitentiary because they demanded the "four freedoms" from the New Deal? What about the Filipinos who were

murdered by the thousands after the Spanish - American war, for demanding the "four freedoms" — independence?

When talking of brutality, let us remember the brutal murders ordered by Captain "Hell Roaring" Jack Smith, who commanded that every building in a certain area be burned and every native over 10 years of age slain because the Filipinos fought for independence. Or the Nicaraguans in Hoover's day who were shot in the backs by the hundreds, for asking for independence from the hidden control of Wall Street.

COMMUNISM OR FASCISM

Will even such a "democracy" survive the present war? It cannot. Someone must pay the 150 billions being spent for war. The military dictatorship will have to continue AFTER the war, if capitalism is to survive. Nothing but an open dictatorship will be able even to attempt to hold down the resentment of the masses for the sacrifices they are being forced to make. Bourgeois democracy will be unable to grant even minor concessions to the 23 million unemployed and to the millions of others working at starvation wages. Only the mailed fist can hope to deal with inflation and the inevitable revolt that is to follow.

The war is an attempt to save capitalism; PART of the attempt

to defeat Communism. But that is the issue — either capitalism and its brutal, insane tyranny; or production for use under a Worker Council Government. Either the brutal dictatorship of a new world fascist order (or worse), or workers democracy under a Workers State. There can be no other solution.

-II-

THE WAR BUDGET

Mr. Roosevelt has asked, and of course will get, a war budget of 53 billion dollars this year and over 100 billions next year, to make guns, planes and other instruments of death.

We recall how a few years ago every proposal to add a paltry half billion or so to the WPA appropriation... meant... "anarchy", "bankruptcy", "inflation" and the "ruination of the country" to the bigwigs of Capitol Hill.

No one in Congress has pointed out that these war appropriations will "ruin the nation". But 153 billion are equivalent to the value of all the homes, factories, land, mines, and other real property in the United States. It is three times as much as the cost of the railroads and other equipment, the street car railways, pipe lines, telegraph and telephone systems, canals, water-works, power works, manufacturing machines, tools and equipment in the whole country.

WHERE WILL THE MONEY COME FROM?

The capitalist apologists say that "we merely owe the money to ourselves". What a deception this is! A polite way of saying that we will be working simply **for nothing**, that in one way or another the American working class must contribute two years labor absolutely gratis!

Part will be paid in extra taxes, part in much higher prices, part in "loans" (defense bonds, etc). In other words, it will come out of the hide of the worker through speed-up, longer hours, and worsened living conditions.

The Wall Street masters are taking the next two years of our labor production for their war effort, and they will "permit" us to pay "our debt" over a period of years. The bankers will patriotically loan billions to the government, and we will pay it back, with interest.

The effects of all this are already being felt.

INFLATION

According to Mr. Henderson, price administrator, **the cost of "foodstuffs have risen an average of 57% since World War II began... The nation already has lost 13 billion dollars as a result of price increases since the defense program first got under way". The general wage increases of about 10% of last spring have been**

"entirely eaten up" by the higher cost of living since then.

Despite all the talk about stopping this inflation, which is moving exactly as in the first World War, there is no doubt it will continue to spiral. According to Ralph Robey, financial commentator in last week's Newsweek magazine, "it still will be necessary to get some 2 billion dollars a month from the banks. We have never had an inflationary credit expansion comparable to that in this country. It is inconceivable that it can take place without causing a significant rise in prices and in the cost of living, regardless of any price control measure passed by Congress."

In simple English this means that the banks will credit the government on their books with that amount. Identically the same result would be achieved if government just printed 2 billion dollars in paper money each month. But this way the banks get their money back, with interest. The working class will pay back through taxes.

Obviously, no one who really has the interests of the bankers at heart would demand that since this is their war they should sacrifice a little and pay for it. Demand that the bankers contribute their wealth for the war — that is "anarchy", an "attack on the basic rights of private property"!

Either way — whether the banks lend the money at a profit, or the government prints it — the effect is the same: inflation.

In addition to the withholding taxes, higher income taxes, a general sales tax, and possibly even "forced savings", the working man in the coming period faces fantastically higher prices plus the restriction and disappearance of innumerable consumers articles.

PRICE CONTROL

The liberals and reformists, "labor leaders" and Stalinists, talk of stemming inflation by "price control." What a mockery! By artificial restrictions the industrialists raise costs and force the price ceilings up. And in the first place prices are set so as to guarantee a profit. In the last war the price ceilings were set so high that the manufacturers couldnt help but profiteer. They were set to cover the cost of the "marginal" producer — the one with the worst and most inefficient equipment. The big modern plant with far lower cost had the same price!

Where the capitalist cannot make enough profit, he will simply stop producing. None of this eliminates inflation. The worker will still be unable to buy the goods he needs, whether because the price is too high, or because it is not available.

PROFITEERING

The profiteering going on in the face of inflationary threats is monstrous. According to Secretary of Treasury Morgenthau, the price of flour has gone up 15% since last year, even though the supply of wheat is the largest on record; cotton has risen from 9 cents on August 1, 1939 to 17 cents, even though the government alone holds or controls seven million bales in reserve. And it is not the farmer who is reaping in the golden harvest.

Assistant Attorney General Thurman Arnold, in his annual report to Congress states: "The distribution of food in the large cities is hampered by monopoly charges on transportation, distribution, protective local trade barriers, private pools to raise prices through marketing agreements, and suppression of more efficient ways of distribution."

Industrial inflation and profiteering is, even worse. Gigantic profits are being realized by Big Business. As Arnold reports: "Concentration of defense orders have aggravated the situation. During the past year three-fourths of all our vast war contracts have been let to 86 concerns..."

Appointed to head off the growing mass resentment, even Senator Harry S. Truman's committee to investigate waste and extravagance in production is forced

to report: "The fees plus possible bonuses (of shipyards with navy contracts) bore no relation to the average net profits of the companies during the period from 1936 to 1940. In one case they exceeded by nearly 800 times the average annual net profits; in other cases by 20, 30, and 40 times the annual net profits."

CAPITALIST ANARCHY OF PRODUCTION

The profiteering is only one factor in the present chaos. Another is the general dislocation of capitalist anarchy of production. Big concerns are overloaded with backlogs of orders for a number of years; small plants are laying off their help and going out of business. Airplane factories are still producing planes that were obsolete three years ago. Copper production that remained stationary while brass mill capacity has been tremendously enlarged (by 79%, even though 40% of the **existing** plants can not obtain copper necessary for production.

All of this is reported by the Truman committee, and re-emphasized in the Arnold report. "Looking back over 10 months of the defense effort", says Arnold, "we can now see how much it has been hampered by the attitude of powerful private groups dominating basic industries who have feared to expand their production because expansion would endan-

ger their future control of industry."

The war is intensifying the breakdown of capitalist economy. Materials have to be obtained elsewhere, giant losses in shipping, greater costs of transportation, building new plants for substitute materials, destruction of man-power — all add to the chaos. Not only that, the war has exposed to the hilt the inability of the ruling class to organize and conduct production efficiently. Its system is bankrupt.

The plain and simple fact is that no nation can waste so much wealth in so short a period without paying the price for it. This is not a "healthy boom"; it is not "organized" production — no matter how efficient Mr. Nelson becomes. It is an insane effort to gain control of world market for capital and goods. It is a prelude to the greatest economic breakdown in world history — precisely here in the United States, the most powerful nation in the world.

FOR WORKERS CONTROL OF PRODUCTION

Roosevelt's budget shows the role American Imperialism hopes to play. By superior economic might it plans to impose itself on the entire world — to "organize the world" in its own interests. But out of the war budget can

come only greater mass discontent, greater strikes (despite all the agreements in Washington), greater privation, inflation, and bankruptcy.

Even a victory by the United States would not be a solution; it would not end wars, it would not bring a new social order. It would simply lay the basis for new wars tomorrow, for new destruction of wealth and manpower, new oppression of the masses of the people.

That is why the class conscious worker cannot support the war budget or the war plans of the Wall Street exploiters. Let them confiscate the wealth of the millionaires and billionaires if they want money. The working class needs wage increases to meet rising prices, needs a thirty hour working week to absorb the unemployed, needs a fight against the inhuman speed-up, needs recognition of its right to inspect the company books, needs a militant shop steward movement, democratically organized and run by the rank and file in the plants. The working class needs to take over industry from the capitalists who have made such a mess of things, and to establish workers control of industry under its own Workers Council Government.

READ
the
FIGHTING WORKER

organ of the
of the
REVOLUTIONARY WORKERS
LEAGUE, U. S.

INTERNATIONAL
NEWS

Theoretical Organ
International
Contact Commission

DEMOS PRESS
Office
708 N. Clark St.
Chicago, Ill.

Labor Donated

JANUARY, 1942