

# Police Stand By As Legion Men Break Unemployed Meeting

Swiftly and brutally bearing out the American Legion threat of American fascism with a Hoover dictatorship as the goal, a gang of sixteen World War veterans broke up an unemployment meeting in Lansing, Mich., on the night of October 1, forcibly seized the speaker, carried him in an automobile to a point twelve miles from that city and ordered him to keep on his way to Detroit, his home. Police were present but did not pretend to protect the unemployed, who were about to hold a perfectly constitutional meeting (although without a city permit), called by the Lansing unemployment council. However, the Associated Press dis-

patch says, whether with intentional irony we do not know, "The mild fight which followed was kept under control by the officers." It seems that the police were successful only in "keeping under control" the attempt at resistance by the meeting of unemployed workers against this lawless act of American fascism—tactics exactly similar to those pursued by Mussolini's blackshirts in Italy. And here is another significant fact about this outrage, foreshadowed in such a sinister way, as we reported in last week's Freeman, by the American Legion's resolution in Detroit calling for a Hoover dictatorship (hypocritically designated as a "council of na-

tional defense"). Only one person was arrested—it was not one of the war veterans who was engaged openly, before the very eyes of the police and plainly with their connivance, in breaking the law and trampling upon the liberties of a group of unemployed—no, indeed, the one man arrested was Grover Prescott, a leader of the unemployed in Lansing. This is what the new American fascism means: namely, that those who are viciously assailed in their rights and denied their rights by "patriotic" fascists—defending Hoover and Wall Street against criticism—will be thrown into jail for being so presumptuous as to have rights. Vic-

tims of fascist lawlessness are also to be made victims of the law, animated by a similar class spirit. This Lansing outbreak of fascism adds timely force to all that we said in last week's issue of The Freeman, about the real danger of a Hoover-fascist dictatorship, and makes it doubly important that we should work quickly to organize resistance against this threat. We must be active night and day in educating the American masses to prevent this scheme of a Hoover-fascist dictatorship and to develop rapidly and soundly the popular, progressive forces of social-democracy. We must prepare not only to gain social justice, but, in this crisis, to save our rights of democratic government!

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On page 3 this week we are printing a very important offer, which will help The Freeman get new readers and at the same time will enable readers to study the most significant personalities and movements of history under the guidance of Joseph McCabe, the greatest modern scholar. We have never made such a worthwhile offer. Be sure to read the announcement on page 3 and to ACT ON IT.

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E. Haldeman-Julius  
Editor

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### My Memories of the War

[The following short article appeared originally in the Haldeman-Julius Weekly of November 15, 1924. A number of Freeman readers, who then read the Haldeman-Julius Weekly, have remembered this article during these years and have lately written to request that we reprint it in The Freeman. In these days of rumors of war and threats of dictatorship, the article still has ample timeliness and forceful application to the present situation.]

A member of the American Legion rises to inquire: "You have no war memories, pleasant or otherwise, to conjure up?" I have memories of the war. They resemble strikingly my dim racial memories of the jungle. I remember a nation gone mad: men who were not quite mad acting insanely in fear and self-defense: sane men and women hardly daring to utter the most commonplace intelligent sentiment. I remember the cries of hate. I remember the waving of bloody shirts. I remember the antics of men who revelled in spying upon their neighbors. I remember the threats and persecutions, the howling supremacy of the mob, the day of the dog turned wolf and the moron riding the crest of the wave of herd-emotion. I remember America under the terror, America crazy, America bloodthirsty—America so wildly warstruck that Englishmen, living under the constant menace of air raids, were amazed by the insanity of a country so far removed from the scenes (as it was remote from the interests) of war. I remember that every fair thing art and culture had produced, every phase of higher civilization, was struck in the face by the crude, clenched hand of passion. I remember the lying—the idiotic, sickening tales: and that every one who did not spread lies or believe lies was in danger of the vengeance of the liars. I remember the graft—the scoundrels taking refuge in patriotism who bled the country while the country bled its deluded youth. War memories? They are all too real, too terrible. Yet these are the war memories that should be kept alive. Not memories of false glory, leading to ruin: not memories of the "comradeship of the trenches": not memories of patriotic intoxication: not memories of the crashing bands, the flag-lined streets and the bravely, proudly marching men. We should remember the hatred and the fear and the pain—the mud and blood—the crazy men and the cripples. We should turn out the lunatic asylums and the hospitals on Armistice Day and let parading maniacs and shattered, deformed veterans remind us of the realities of war.

E. Haldeman-Julius

### STUDENTS TOO CIVILIZED, COLLEGE PRESIDENT APOLOGIZES

Because four students at the Kansas Teachers' College in Pittsburg are too civilized, President Brandenburg of the college expressed his apologies and regrets in the Pittsburg Sun.

The regrettable incident was the writing and distributing at the doors of Pittsburg homes of a handbill objecting to a prolonged convention and celebration by war veterans which Pittsburg had welcomed proudly as a patriotic show: a show also stimulating to trade, including the bootleg trade which flourishes unofficially, albeit not unpopularity, in southeastern Kansas. The jamboree of the veterans, said the college boys' handbills, was an unfortunate display of militarism and would have a bad effect upon the rising generation, who would confuse war with desirable heroism, to be emulated in their turn. Also, said the handbill, it was matter for criticism that so much money was wasted on war-celebrating whoopee in a time of mass poverty and unemployment.

Influential Pittsburgers, it seems, were ashamed to discover that four such intelligent, humane and social-minded students were in their midst and that they should thus expose their idea to the discomfort of the respectable element. Protests were made and the college boys—let us name them honorably: John W. Price, Boyd L. Weide, Ellsworth R. Briggs, Ralph G. Price—wrote the following statement which appeared in the Sun:

"Some factions in town have misinterpreted the purpose of the dodger distributed last night. For their benefit we offer this explanation: We fully appreciate the services of the war heroes, but deplore the fact that a military show has to be made, because the United States has already officially outlawed war and the one-sided influence such a performance has upon the young admirers of our war heroes. We wish to state that neither the college nor any organization connected with the college had anything to do with the dodger."

The boys took the responsibility, willing to bear manfully the disgrace of having given circulation to ideas of peace and social sensitiveness. But that there might be no slightest suspicion, that the college was guilty in any way of putting such ideas into the minds of its students, President Brandenburg averted the stain with one clumsy but conclusive gesture, writing this statement for the Sun:

"To Whom It May Concern: As President of the Kansas State Teachers' College, I hereby state, that neither the college, nor any organization or department connected with the college is responsible, either directly or indirectly, for the printing

and circulating of the sheet known as 'Protest.'

"The sheet was published by four students of the college independently, and entirely without the knowledge of the administration. Have talked with the young men, and feel sure that their purposes and motives were good, much as we regret the exercising of such judgment at this time. We have been fully assured by them that nothing in the statement should be interpreted as indicating a lack of appreciation on their part of the wonderful services rendered by the men of the 35th division. The discouraging of extravagance at this time, and that which might result in the promotion of war in the future seems to have been the actuating motive."

"In behalf of the college, and its friends, we express to the public our regret for what we consider an untimely and uncalled-for action."

The college boys, with a realism that is not a part of their prescribed education, protested against a situation at the moment when the situation occurred. Being an educator with a business-like rather than a consistent turn of mind, President Brandenburg regretted that the boys' protest was "untimely"—yet himself protested against their protest at the moment when their protest was made. And it is reassuring to know, on Brandenburg's own word, that the students' "purposes and motives were good" in expressing disapproval of military propaganda and concern for the unemployed. Their motives and purposes were indeed so excellent that we do not wonder that President Brandenburg hastened to apologize for students who had so utterly failed to grasp the very different motives and purposes of education in the Kansas State Teachers' College.

### Marcet Is on Her Way!

As you read this, Marcet Haldeman-Julius is on her way to the Soviet Union to report the truth about Russia for readers of The Freeman. Time is short, so we couldn't delay until we had received the full contributions from our readers. We wanted to go through with this great radical reporting enterprise, because we knew the Army wanted us to do this. Marcet said, "I don't want to disappoint the readers and I'm sure they will not disappoint me." We are depending on the Army to rush quickly the \$300 which will be half of the cost. In Marcet's articles you will get the vivid, honest truth about the new workers' society—from a person whose reliability you already know—a person you can trust—a person who gets beneath the surface of things and reveals the human currents. Marcet is on her way, feeling confident that the Army will not fail her. We know you won't. Let us hear from you at once, with a contribution of \$1 or more to the Truth About Russia Fund.

We, the dispossessed, have decided to become repossessed.—C. R. Doyle.

### WOMAN ORGANIZER WHIPPED BY SOUTH CAROLINA MILL THUGS

On the night of September 1 three men in Greenville, S. C., seized Mrs. Clara Holden, a New York City labor organizer, and took her out into the country in an automobile, where she was beaten severely with a heavy leather whip.

Her kidnapers, thought to be strong-arm men representing the sweatshop mills in that Carolina town, gagged and blindfolded Mrs. Holden. She had been active among the Greenville workers, both employed and unemployed, for several months. The men asked her about her business in the district. She explained the desperate condition of the mill workers, many of them unemployed and those employed having suffered from repeated wage cuts. "We're going to whip you till you can't walk," declared one of the men. The thugs warned Mrs. Holden that if she didn't leave Greenville she would be killed. When she reported to the police the attack that had been made upon her, the police ignored the incident. Later she talked with the sheriff, who threatened her with arrest if it was his custom to arrest a person who had violated no law, he replied: "Yes, and if I think you are doing anything to the detriment of the community, such as making impossible demands, you will be arrested."

The American Civil Liberties is protesting the case as another instance of "lawlessness destructive of civil government." The most effective protest, however, must come from the workers—from workers fully organized and determined to take civil government into their own hands and make it really civil and civilized. A workers' press and workers' political, as well as industrial, action can make such outrages impossible.

### A GREAT OPPORTUNITY

BY JON G. WAYLAND

[The writer is a son of the late J. A. Wayland, founder of the Appeal to Reason.]

Never did my father have the opportunity that you have today. I predict, with Fred D. Warren's association, that you will far surpass the old Appeal. Best wishes to you. I fear, unless people are enlightened, that the worst will result. You have a big mission, and, having undertaken it, you have a big responsibility! Win!

WHAT WAS it the defenders of capitalism used to say? Oh, yes, now we remember—"Socialism won't work." We don't hear that spoken very loudly any more. The fact is too critically obvious that capitalism is not working.



Signs of "progress": bigger and deadlier guns, a heavier load of war debts, a disorganized economic life, the common people of the world struggling under intolerable burdens. . . . that's the vivid message of the above cartoon. Shouldn't these conditions awaken the people to the need for new, intelligent management of this nation's affairs and the world's affairs? Capitalism, while killing itself, is not only making the masses suffer terribly; but it is also threatening civilization, so that unless we move quickly to end capitalism, putting in its place a civilized social system, we may be caught in a wide social ruin from which it will take generations for mankind to recover. In the box on this page, entitled "My Memories of the War," Haldeman-Julius summarizes eloquently what war means.

### METHODS OF CAPITALIST JOURNALISM

An insight into the methods of capitalist journalism is afforded by a trick played in the columns of the United States Daily, Washington, D. C. This is a privately owned paper, "presenting the news," as it proclaims, "of the legislative, executive and judicial branches of the federal government and each of the governments of the forty-eight states."

On September 12 the United States Daily ran an article attacking Soviet trade credit, under these extremely prejudicial headlines: "American Manufacturers Advised to Insist on Cash in Russian Trading. Acceptance of Commercial Paper Means Backing Soviet Business with American Capital, Says G. L. Pass of Commerce Department."

The article was signed as follows: "By G. L. Pass—Commercial Intelligence Division, Bureau of Foreign and Domestic Commerce, Department of Commerce."

Quite evidently this article was intended to convey the impression that the United States Department of Commerce was officially warning American business men to proceed slowly and carefully in their trade dealings with Russia. Among other things, the article said: "The firm is wise indeed which says cash with order, no credit and no goods in exchange." Amtorg, the Soviet trading organization in America, was charged with untrustworthiness in its transactions.

On inquiry, it was learned that the writer of the article was merely a clerk in the Department of Commerce. He admitted and his superiors also admitted that the article had not been submitted to the latter for their approval. It was decidedly not an official statement, and of course the United States Daily knew very well that it was not. But this capitalist paper refused to explain the source of the article and to publish a retraction of the false charges contained in it. It is as shoddy a piece of journalistic deception as we have known in a long while.

Nor did Secretary of Commerce

Lamont repudiate, as he should have done, this article which had been falsely implied as official. He would only say that the department's policy was the same as when on June 15 of this year he wrote to Col. Hugh L. Cooper, president of the American Russian Chamber of Commerce, as follows: "I have no hesitation in saying that there has been no change in the fundamental policy of the government with respect to trading with Russia. As long as credit and other conditions are satisfactory to them, there is no reason why corporations and individuals should not continue their business relations with the Amtorg Trading Corporation."

The incident shows how vicious a capitalist paper is in its hostility to a workers' government—and how such a paper will strike an underhanded blow at the credit of such a government. It also adds force to the realization that what the American workers need is a strong radical paper of their own, a paper that is friendly to the workers—a paper, indeed, that definitely and completely represents the workers—and that will publish the facts which are vital to the workers.

### THE SOLUTION—INTELLIGENT AND SIMPLE

Innumerable suggestions have been made for ending the depression—and most of them reveal how childishly unfamiliar with economic thinking the American people are.

Some of the proposals are worse than childish. They belong among the lower forms of humor dispensed by vaudeville and burlesque artists. The wife of an Atlanta, Ga., banker suggests that every person put aside, after each meal, a penny for the relief of the unemployed.

A reader of the Kansas City Journal-Post writes to that paper to suggest that everyone buy a bushel or two of wheat with which to feed the birds. This, he says, will dispose of the surplus in performing an act of kindness to our feathered cousins.

Meanwhile, with a thousand and one foolish suggestions coming from every quarter, the one clear and simple and practical way to solve this

depression is not understood by the masses: namely, to place the industries under collective ownership, put everybody to work at a shorter work-day and work-week, and give to each worker the full product of his labor. Thus America's plenty would be consumed by America's masses.

Simple enough, isn't it? But it is necessary to carry this explanation to the people and to remind them persistently of this solution. That's the job of The Freeman and its readers.

### PEASANTRY, AMERICAN STYLE

Americans have long been accustomed to thinking of peasants as a remotely foreign term describing impoverished tillers of the soil who were found only in backward portions of Europe and Asia.

They do not realize that a condition of peasantry has steadily grown in America, with the increase of tenant farming and the difficult struggle—a losing struggle under capitalism—of many small farmers to hold on to their heavily mortgaged farms, with low prices for farm products and high prices for industrial products which the farmer must buy.

This growth of peasantry in America is indicated by the fact that out of 255,598 farms in the state of Georgia, less than 80,000 are owned by the families that live and work on them—and among these many are mortgaged farms. More than 175,000 Georgia farms are run by tenants and these tenants have precisely the same low living standards which many have thought were peculiar to foreign peasants.

Like the industrial worker, the farmer is robbed under capitalism and his condition is made worse as capitalism more and more invades the field of agriculture. The solution for both the worker and the farmer is that all who work in field or factory should get what they produce.

The Russian peasant, working on state and cooperative farms, is looking toward a future of prosperity; his condition is better than under private ownership by the landlords; and it is growing better steadily.

### New Racket Asks for \$50,000 to Fight Socialism

A Freeman reader sends us, for our criticism, an interesting sample of literature that is being circulated by a new pseudo-patriotic, anti-red, racketeering organization calling itself The American Alliance, with headquarters in Washington, D. C. Introducing the organization and its purposes is a personal letter from Congressman Hamilton Fish, Jr., written on his official letterhead as a member of Congress. Fish headed the red-baiting commission that went about the country, holding extremely prejudiced, one-sided investigations of the activities of Communists in America—who, as the Fish commission indicated by the tone of their statements, were taken to include nearly all shades of radicals and liberals, even membership in the American Civil Liberties Union being regarded as an alliance with Communism.

In his letter, Fish asks for contributions to a fund of \$50,000 which, he says, will "be used to uphold and maintain our American ideals and principles of government and to combat Communism in all its insidious and seditious influences and activities in the United States." Beyond this generalization, he is vague as to what will be done with the money. He places the emphasis upon Communism, because that is supposed to be, in the estimation of middle-class Americans and many members of the working class, the most evil and un-American movement now active in the country.

But in a statement of the aims of The American Alliance, which accompanies Fish's letter, it is said that the public must be warned against "the unceasing activities of Communists. Socialists and their allied sympathizers, in creating a public opinion against our traditions and principles of government, its free institutions, and customs and ideals." America is menaced, says this statement, by "the school of thought known as collectivism commonly called Communism."

Plainly this organization intends to conduct a campaign against all phases of radical or even liberal thought, but principally against collectivism—that is, against the idea that the people should own the industries and thus be saved from the exploitation of a small, monopolistic group of fortune-grabbing capitalists. This means, too, that there will be soft, racketeering jobs for a bunch of these pseudo-patriots. The promoters of this racket are asking Americans to pay for propaganda to uphold the rule of the rich. Modestly, this Fishy bunch asks that not more than \$500 be contributed by any one person. They are not asking much! Oh, no! And exactly what they will do with the money is not stated. The sucker is supposed to contribute his money and ask no questions.

The Freeman's policy is different. We don't ask our readers for donations. We ask them to help in specific work that is to be done for ideas which they believe in. Instead of asking for \$50,000, as Fish and his pals do, we ask our readers to help us get 50,000 readers for The Freeman. We don't ask you to contribute "no more than \$500." Our request is simple and straightforward. If you believe in the principles for which The Freeman is fighting, please send in at least \$1 for four Freeman sub cards. This means that for every dollar sent in we will send The Freeman to four different persons for twenty-five weeks each.

Meet the \$50,000 reactionary fund of The American Alliance with 50,000 readers for The American Freeman!

### A Fighter for Social Justice

BY F. B. WOOD

The great and best reason why I, an Oregon reader, like and take The Freeman is because it is fearless in telling the truth about things that make up our social condition. Another reason is because its object is to get at the basic cause and portray it in such a manner that all can understand why millions in this country (where there is an over-supply) are hungry and miserable. The Freeman explains why not only misery but crime stalks in the land.

I like it because its object is equity, its goal a real equality of opportunity. I like it because it is a leveler, not of capacity of individuals but of the inherent principle of the right to live. And lastly, I like it because it is a thorn in the side of entrenched privilege—because it is an awakener of the dormant victim that suffer but know not why they suffer.

FREE the working class and we free the world—a world in which all will be workers.



## Would You BELIEVE IT?

In the Chicago district steel production is less than 25 percent of normal, while nationally steel production is said by Iron Age to be only 29 percent of normal.

During the past few months the spinners employed in textile mills in Marion, N. C., have had their work doubled and their pay reduced 20 percent. They work 11 hours a day for \$1.50 to \$1.80 a day.

Loan sharks were handed a big grafting privilege in a bill slipped through the latest session of the Oregon legislature. Now the loan sharks can charge and are charging, legally, interest as high as 540 percent a year.

Studying the unemployment situation, Wisconsin legislators discovered that a number of industries in that state are working their employees 50, 55 and 60 hours a week—and with the city streets and the highways lined with men tramping vainly in search of work.

Trend of unemployment among members of the American Federation of Labor from May to September, 1931, inclusive, is reported by President Green as follows: May, 17.1 percent; June, 18.2 percent; July, 18.8 percent; August, 19.2 percent; September, 19.5 percent.

Laborers on construction jobs in Massachusetts are paid only 30 cents an hour, although the state law requires a wage of 65 cents an hour, and are compelled to sleep in poor shacks built by the contractors and move from job to job—another graft of the contractors.

Living some months ago cut the wages of its coal miners, John D. Rockefeller's Colorado Fuel and Iron Co. has announced that it will cut the wages of its steel workers ten percent, following the lead of U. S. Steel. Wage cuts ranging from ten to thirty percent have been made throughout the steel industry.

A law ordering contractors on Illinois state work to pay union wages, the one law which organized labor succeeded in getting through the recent session of the legislature, has been declared unconstitutional by Circuit Judge Charles G. Briggie in Springfield. His decision will be appealed to the state supreme court. Big interests are bitterly opposed to the law.

Stockholders in the U. S. Steel Corporation will get an increase of 85 cents in dividends for the last three months of 1931 on each share of stock they hold, as a result of the corporation's ten percent wage cut. The holder of 10,000 shares will receive for doing nothing the additional sum of \$8,500 in three months from the steel workers.

Immediate strong protest against a 10 percent wage cut affecting 25,000 textile workers in Lawrence, Mass., has caused the citizens' committee, which at first said it wouldn't "take sides" in the matter, to make its own appeal to public sentiment against the cut. Mayor Landers will even hold a citizens' meeting to protest against the cut—a move which is obviously a reflection of and a fear of the workers' protest.

Workers in the Pittsburgh, Pa., district will lose \$50,000 a day as a result of the ten percent wage cut announced by the U. S. Steel Corporation and followed quickly by the same action among independent companies. In August, 1931, before the announcement of the percent wage cut, wages were only 45 percent of the 1926 level for the steel industry. Textile workers have employment for only a few days a week.

The Arizona State Federation of Labor has issued an appeal to the workers of Arizona that they shall boycott all products made or grown in California until pardons are given to Tom Mooney and Vincent G. Bilby. The measure of the frame-up against these labor agitators, convicted on perjured testimony of planting a bomb in the path of the San Francisco preparedness parade in 1916, has not moved the California authorities to do justice; a nation-wide boycott of California products may have better success.

Four picketing miners in Greensburg, Pa., accused of "inciting to riot," were found innocent by the jury even after the judge had harangued them, saying the miners had no right to picket, and had no business going on strike. The miners, who had been wounded by deputy sheriffs who had fired on their picket line, also brought charges against the deputies. All were tried together, all were acquitted, and though innocent the miners were ordered to pay court costs. Unable to pay, they will have to serve three months in jail. Well—they will eat and keep warm.

A milk war in the St. Louis area involves on one side 9,000 farmers organized in the Sanitary Milk Producers' Association and on the other side the large Pevely Dairy Co., which handles 40 percent of the fluid milk distribution in St. Louis. An agreement with the farmers' organization has been signed by 44 other St. Louis milk distributors. Although the anti-farmer concern gets its milk from outside sources not under St. Louis inspection, the city health department says that the milk is o. k.—but the farmers are forced to satisfy the most rigid St. Louis inspection.

Innocence of Mooney and Billings was asserted in a resolution by the annual convention of the California State

Federation of Labor, but the convention also demanded that the defense fund be put under the control of the federation's executive committee. Mooney has charged that this is a scheme designed by Paul Scharrenberg, reactionary labor leader, to cripple and betray his defense. In any case, it is certain that Mooney will not permit the defense fund nor any phase of control over the defense to be taken out of his hands. Full accounting is made of all money received and spent by the defense committee.

Complaining that last winter unemployed sometimes visited several breadlines in a day and got a handout from all, the New York City welfare council announces that the unemployed will be compelled to register this winter, receiving cards identifying them to workers of the various charities. It is also said that the unemployed will be fed privately, not with the public dole breadlines; but just how this to be done is not explained. Objection is also made to feeding unemployed workers who come to New York from other parts of the country and country. Last winter New York City had 80 breadlines, giving 80,000 meals a day.

### THE FREEMAN BOOK SHELF

BY JOHN W. GUNN

*One Hundred Men Who Moved the World.* By Joseph McCabe. 17 Volumes.

When E. H. J. and I together were reading proof on McCabe's *One Hundred Men Who Moved the World*—and how we did bubble over with talk and ideas as we read, stimulated freshly by McCabe!—E. H. J. came in, all enthusiastic, after reading sketches of the ancient Greeks and Romans. McCabe gets better with every line he writes! exclaimed E. H. J. "It's marvelous! How does he get it all? The man has endless knowledge and a fascination that, no matter how familiar you are with him, is always surprising."

But of course we both knew, literally, the secret of McCabe's work. This man, who has been called the modern Aristotle and the World's Great Scholar, has spent forty years in study more diligent than you or I—let me confess it—would ever dream of. He has been a lifelong student; he has perfect intellectual freedom, a modern point of view from which all history is clearly envisaged and understood by him; he has a fine, humanized imagination, so that he can make history live.

Even so, it is wonderful what genius that man has not only for scholarship (that itself may be dry, however erudite) but for putting the breath of life—movement, color, wonder, excitement, conflict, hope, progress and all the drama of man and his changing world—into the informed, almost magic words that flow so lucidly from his pen.

*One Hundred Men Who Moved the World* is the best historical writing that McCabe ever did. And, by the way, while E. H. J. was most enthused by the sketches of those general, daring, cultured old Greeks and Romans—and they were superb!—I was more thrilled by the sketches of the eighteenth century thinkers and rebels: Voltaire, Diderot, Rousseau, Gibbon, John Locke, Montesquieu, Mirabeau.

But every one of these hundred sketches is fully alive and each is packed full of significance. And while this is a biographical history of mankind, around each central figure is portrayed the movement and meaning of his age. History is Life—5,000 years of fateful, onward-moving, brilliant, challenging life—when McCabe, in this 17-volume masterpiece, recreates it with his pen.

### A Reader's Editorial

BY SAMUEL S. SHAPIRO

We should not speak of "overthrowing" capitalism, even though we should crave to do it, as such language will keep away large numbers ready to unite with us. Let us rather call for the "abolition" of capitalism. I have long concluded with Fred D. Warren that capitalism must be destroyed. As your chief plank, and explain that payment (minus all inflation) should be with paper money issued by the government with all the resources of the voters behind the money.

We need now to make a non-partisan nation-wide appeal to the American people to unite against private capitalism in support of our proposal that our government acquire our industries and needed resources which should be operated for service rather than for private profiteering so that all people may be properly fed, clothed and sheltered and the aged and disabled taken care of by the money.

We must permeate the minds of Republicans and Democrats with this new social vision, so that it becomes the nation's vision rather than that of a small political sect.

I want to see America's majority vote in favor of capitalism's abolition within the next ten years.

Mazzini, who made Garibaldi's successful revolution possible in Italy, wisely said that no revolution can be successfully carried out unless it is preceded by an educational revolution in the mass.—Samuel S. Shapiro.



"Uncle Sam's Cabin" described the sufferings of the Negro slaves in the south before the Civil War. The above cartoon, entitled "Uncle Sam's Cabin," illustrates the kind of economic slavery which prevails in the United States (and in other capitalist nations) more than half a century after the Negro was freed from chattel slavery in order to join his white brother in wage slavery. Unemployment, the Simon Legree of capitalism, is cracking the whip over Uncle Sam; that is to say, over the mass of the people who are the victims of this capitalist system. While President Hoover talks hollowly about "maintaining our American standard of living," the standard is being cruelly reduced by unemployment and wage cuts. And the minority of rich men who actually own the country are thus forcing down

the living standard of the workers so that they, the rich owners, can keep up their luxury standard of living. In this crisis, it is plain that Hoover represents the capitalists against the workers. He is resisting the movement for unemployment insurance and, as the obvious source of greatest revenue for unemployment insurance, an increase of taxation of the huge incomes of the rich. The Freeman is fighting for unemployment insurance as one strong weapon of defense against the Simon Legree of capitalism. At the same time we are fighting to abolish the capitalist system with all its evils of unemployment, exploitation and war. This the movement to abolish capitalism and establish Socialism, is man's greatest modern struggle.

## Honesty and Its Reward

BY GEORGE H. SHOAF

Near where I live in Los Angeles, Calif., three brothers have kept house for years, doing their own chores, working hard every day they could find employment, living exemplarily lives in every respect, and putting by their savings with one object in view—that of buying a home of their own in some secluded country spot where they might grow things to eat, have chickens, pigs and a cow, and thus spend their declining days in independence and peace. Each day they went to work and each week they put their money into the bank they were inspired with the thought that soon the time would come when they would be able to quit the city, get out from under the eyes of an all-seeing boss, and retire to some small farm like that on which they were born in Illinois.

For obvious reasons their true names are withheld; for the purpose of this story they will be called Ben and Henry and Clell, their respective ages being fifty-seven, sixty-one and sixty-five years. Henry and Clell are widowers with no children; Ben was never married. Since the death of the last married mate twenty years ago the three brothers have been inseparable. My acquaintance with them began about that time.

### Three Typical Americans

I don't suppose three men more typically American ever lived. Their American ancestry runs back almost to Mayflower days. Their proudest boast is that their Americanism is one hundred percent. Their politics is of the Lincoln Republican kind, and they assert defiantly that they never scratched or split a Republican ticket. In the old days they were active members of the American Protective Association, and until its recent disintegration they affiliated with the Ku Klux Klan. During the War of Imperialism they were particularly venomous in their hatred of the Beast of Berlin, believed every yarn of cruelty fabricated against the German soldiers, and yelled themselves hoarse for an Allied victory. True to their peculiar type they were and, in a measure, still are profoundly religious, being members of a church

of the Fundamentalist persuasion.

Readers of the Los Angeles Times, which paper, with their Bible, constitutes the sum total of their literary nourishment, their reaction to radical economic propaganda, naturally, has been adverse. Frequently, during the years I have known them, I have sought to penetrate their minds with economic truth and fact, but without avail. They couldn't tell me to go back where I came from because my American ancestry reaches back about as far as theirs; they just let me talk, and, not being able to understand what I was saying, they good-naturedly maintained friendly relations by regarding me as one obsessed. From the Times they got the notion that the Reds—Socialists and Communists—were awful fellows, and that much of the prevailing depression was due to their activities. From their Fundamentalist pastor they learned the inside machinations of the underworld. The Reds and the members of the underworld, they were given to understand, were responsible for America's present plight, and back of this combination they were told, was Soviet Russia impatiently awaiting the hour to strike when her Red and underworld emissaries gave the signal.

### Their Dream of a Farm

For more than twenty years these men labored actively on their jobs, when they could get them. One is a skilled mechanic; the other two being common laborers. Never were men more honest than they; never were men more frugal or industrious. They have always been most scrupulous in their observance of the laws. Until the beginning of the depression their work was fairly steady. Since the catastrophic stock market crash, however, it has been quite difficult for them to get anything to do. Realizing they were having to dig into their savings for the where-withal to keep going, they decided to initiate action that would put them on the little farm about which they so long had dreamed.

Among them they had nearly four thousand dollars, the net results of their joint life work. In an auto they bought for the purpose, and with a complete camping outfit, they left Los Angeles early in April of this year, and went west, searching through northern California, Oregon and Washington looking for a location. Two weeks ago I found them in an auto park near Reedsport, Oregon, disillusioned, discouraged and desperate. So far their efforts to locate a farm have proved fruitless. I spent the better part of a day with them, listening to the story of their experiences.

While nearly everything is for sale in the country through which they passed, they found little they could buy. Most of the holdings run from a hundred acres up, with every holding mortgaged. In order to get any of this acreage they discovered they had to take more than they wanted or could use, and assume an impossible mortgage. When they came across a smaller tract, invariably there was either no way to irrigate it, or the costs of irrigation were prohibitive.

Every place that appeared inviting, upon investigation it was disclosed that the owners wanted to sell because they could not make a living thereon. Easily they could secure an equity in any number of fruit farms, with the fruit hanging on the trees, but why buy when fruit was going to waste by the thousands of tons? They investigated the chicken busi-

ness, and found every chicken raiser in despair. Turning their attention to bees, they discovered the market overstocked with honey, and the bees men abandoning their hives.

They even looked into the proposition of establishing a fox fur farm only to find as they looked that American furs were being displaced by those from Siberia. Positively, they said, there was nothing in which they could invest their money the use or operation of which would promise or guarantee them a living.

### The End of the Rainbow

Before going north they had investigated the merits of the one to five and ten acre tracts in southern California, but had become convinced that possession of any of them constituted a liability rather than an asset. They had been eating up their capital without results, had tried to get jobs and had failed, and now they were at the end of their rope. The dream of retiring to a little farm where they might enjoy their own vine and fig tree had vanished. They were done and down and almost out.

Here they were—three typical one hundred percent Americans, with some money, but no way to make a living, and no future in the country of their birth. All their lives they had worked hard with never a thought of trying to beat anybody out of anything. Up to now they had been tremendously patriotic for their country and religious to the core. During their years of toil they were sustained and kept going by the great hope of a little land and a living in their old age. I counseled with them as they talked ruefully of the future. And, marvel of marvels, they were in a mind to listen.

In their journeys to and fro they, like myself on a recent tour of the northwest, had seen multiplied hundreds of workless workers, young men and boys, crowding the highways going from here to there in search of jobs they will never get. They had passed hundreds of dilapidated autos filled with disinherited families looking eagerly for work. They had talked with farmers who were unable to sell the products of their farms. They found merchants galore hanging on to their business with their teeth, and about to file papers in bankruptcy. They discovered the smaller banks everywhere shaky, with many failing. From San Diego to Seattle the situation was the same, with not a sign of financial or industrial revival perceptible on the horizon.

### Fruit Rots on the Ground

Readers of the capitalist press have some slight knowledge of the wholesale destruction of fruit that is and has been in progress in the fruit-growing regions of the west, but an actual visit to the scenes of destruction is necessary to become properly impressed. In many sections the traveler motors miles through orchards and vineyards where the fruit has been left to rot on the ground; thousands of vines and trees have been uprooted by their owners at the instigation of authority. It is noticeable, however, that these farms so treated are all small farms whose small owners were unable to market their fruit. Many of these small holdings are of ancient vintage with the fruit undeveloped by modern horticultural methods. Perhaps it is well that the little growers are being liquidated, along with their antiquated methods and products.

The big bonanza fruit farms owned by the big packing companies, however, are very busy. Having monopolized nearly all the available sources of water, they have plenty for irri-

gation, while their small competitors are forced to struggle with a constantly diminishing supply. The big farms are scientifically operated, and the labor is largely Mexican and Filipino. Fine flourishing trees and vines full of luscious fruit all of which is carefully cultivated, picked and packed by foreign labor, the profits of which swell the bank accounts of the stockholders in the packing corporations, afford a strange and significant contrast when placed in juxtaposition with the small farms inadequately managed and worked by native white Americans who are going broke as they work.

It must be quite a comfort to the ragged and poverty-stricken shouters for the federal constitution and the flag to hitch-hike by these bonanza farms and witness foreigners working on the job. And what must be the reactions of the native white small farmer when he realizes that it is he and his brethren who are being compelled to uproot their vines and trees, while the big packing corporations are increasing their acreage!

Capitalism Is in Collapse Truly this is the day of liquidation in America as well as in Soviet Russia, with this difference: in Soviet Russia the rich kulaks, or farmers, and those who try to grow rich through processes of exploitation, are being liquidated, while the workers are coming into their own; in America the workers are being ground to powder and the middle classes are being driven to the wall, while all wealth rapidly is concentrating into the hands of a band of parasites.

The little merchants are disappearing before the invasion of the chain stores. The metropolitan press and radio are eliminating the small daily and weekly papers. The minor preachers in the smaller churches are losing their jobs by the thousand, the vacant church buildings throughout the land bearing mute testimony to the changes which are taking place.

It is estimated that over a thousand Protestant ministers live in and around Los Angeles, all of whom are eligible and willing to preach if they could secure pulpits. Is capitalism going to collapse? Going? It now is actually and literally falling all around us, and men and women, right and left, are being hit daily and crushed to earth by its ruins.

All these things my three friends had seen in the raw since they left the southern city, and what they had seen had burned into their inner consciousness. I took occasion to drive their experiences home, and make them admit that world reality was something entirely foreign to what they had pictured in their imaginations. The United States was no longer the country it was in the days of their youth. Conditions had changed, while all their lives they had been living and laboring in a fool's paradise. The government was no longer that of Washington and Lincoln, but had been transformed into an absolutism dominated by a few powerful magnates of industry and finance. The country and its resources no longer belonged to all of the people, but was now in the grasp and grip of a coterie of unscrupulous adventurers whose number, according to former Ambassador Gerard, is fifty-nine.

Before leaving Los Angeles my three friends were patriotic and religious. Their recent experiences, starting in their minds trains of economic thinking, already had considerably shaken both their patriotism and religion. Their country did not meet their expectations, and their God had completely forsaken them in their need. They were now driven to consult their own resources of thought and action, and, at their age, they discovered them to be of little consequence or assistance in the struggle which lay ahead. Neither they nor I could figure out what they could do except to live on their money as long as it would last, and then throw themselves upon the charity of the community.

### HOOVER AND A FREE PRESS

In a letter to Adolph Ochs, the publisher of the New York Times, President Hoover expresses these sentiments:

That it cannot function except when accompanied by a free and constructive press. Our government is and must be responsive to the will of the people expressed through considered public opinion. That expression is more guarded and sifted through the press than any other agency, but it implies great responsibility on the press that the news shall be accurately presented without bias or color that the public may have an opportunity of formulating its own opinion on the basis of the actual facts of the situation. Its expressed opinion shall be based on considered and constructive editorial suggestions.

Good sentiments—but how much do they mean, coming from Hoover? White House propaganda is notoriously biased and colored to deceive the people. In his own utterances and through his publicity aids, both political and journalistic, Hoover has continuously tried to give the people a false view of the depression. Juglared administration figures about the economic situation have found their way into print. A free, honest, thoroughly informative press is the last thing Hoover wants.

We are informed that when the book, *Washington Merry-Go-Round*, appeared with its criticisms of Hoover and other members of his administration the news quickly spread among the Washington correspondents that the White House had set detectives on the trail of the anonymous authors of the book. And only the other day the *Christian Science Monitor* correspondent in Washington was discharged, after it had been alleged that he wrote a chapter in the book which so angered Hoover. Be fore Allen's discharge one of Hoover's lackeys who hangs about the White House predicted that discharge. When Herbert Hoover talks about a free press, we prefer to tune in on another bedtime story.

That's not all. We'll go on building a free press of our own. It will continue to be so genuinely free that Hoover won't write us any letters of congratulation.

## Question Box

Edited by John W. Gunn

What is the difference between Socialism and Communism? Why should we have two radical parties? I understand the Communists accuse the Socialists of being reactionary.—Andrew Skarvold, N. D.

The chief difference is that Communists advocate a dictatorship of those who at present belong to the industrial working class—which in practice would mean the dictatorship of the Communist party as representing this class—while the Socialists believe in a democratic form of government extended to industry. They differ also in that Communists emphasize the idea of a sudden change from capitalism to collectivism, while Socialists stress the idea of a gradual, though not necessarily a slow, change; the Socialists believe that such a method of change would be more peaceable and orderly and would enable society better to readjust itself; to be sure, a gradual process of change has always been taking place between periods of accelerated change, and Socialists as well as Communists realize how events suddenly may shape themselves in revolutionary ways. It may also be said that Socialists consider a general education of the people necessary, aligning the middle classes and especially the technicians with Socialism, whereas the Communists believe in concentrating upon the education of the industrial workers. It would be ideal if there were one united radical party, with free play within its broad structure for special phases of radical thought and tactics; at present, however, there is division even among men and women striving for the main toward a common goal. The Socialists are certainly not reactionary, inasmuch as they are working for the complete abolition of capitalism and the inauguration of a new social order.

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It has been said somewhere that at one time in his career Herbert Hoover (may his kind decrease) was a citizen of England, that he had the right to vote in the royal borough of Kensington. Will you please put me right about this matter.—Philip Quirin, Pa.

It is not certain, as a technical point, that Hoover was ever an English citizen. His name was registered as a qualified voter in the electors' book of the royal borough of Kensington; this means that as a resident he had the right to vote, but it is not known that he actually did vote in an English election. For twenty years, during which he schemed himself into a fortune as a mining stock promoter, Hoover's headquarters and main residence were in London and on coming to the United States in 1917 he registered at a New York City club as "Herbert Hoover, London, England." Full proofs and particulars are given in *John Knox's book, The Great Mistake*, and in *Little Blue Book No. 1612*, entitled *Herbert Hoover's Record Before He Became President*.

There are many workers today that were active in the Socialist movement a few years ago, but now take little interest in it. Many of them now believe, after carefully thinking it over, that conditions must get worse before they can get better. To encourage the capitalist system now will give it a chance to form a head for the harvest when it will generate the poisonous fruit that will cause it to kill itself. A radical movement now only delays that harvest.—J. S. K. Va.

Does J. S. K. quite realize what he is suggesting? Our important task is not to kill capitalism—capitalism is doing that—but to prepare the people for Socialism. It is this task which J. S. K. says we should neglect; for it is obvious that if we have no radical press and movement we cannot prepare the people for Socialism. It is also true that radical agitation hastens the end of capitalism by making the people understand clearly that capitalism is dying—and why it is dying—and how to work out most intelligently the transition to a better system. It is a sad sort of mistake for a radical to wish that conditions will become worse; they are bad enough now; and probably, whether we like it or not, they will become worse. Our mission as Socialists is to bring hope and happiness to the masses as quickly as possible—and that means just as quickly as we can reach the people with our ideas of sound economic change and liberation. We have little enough time. Not to wait for the death of capitalism, but to work for the living reality of Socialism, is our wisest policy and our duty to our fellow men and women.

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Are profits, in effect, the levying of taxes by private interests under another name? Now the power of taxation a governmental function exclusively?—C. M. D., Calif.

Technically speaking, taxation is the governmental collection of money from citizens. But whether one calls it a profit or a tax, the fact is that the private owners of industry levy a tribute upon the nation which is far greater than the whole sum of governmental taxation. By whatever name it is called, this process means that the workers are exploited, that the capitalists take from the workers a considerable portion of the wealth which their labor has created or has transformed into social usefulness. There is this big difference: for the taxes paid to the government the citizens do get a large measure of service—roads, schools, sanitation, libraries, parks, police protection (with scandalous imperfections and abuses), and the like—while for the "taxes" in profits paid to the capitalist owners of industry, the citizens receive nothing. Modern capitalists—the big fellows—scarcely even go through the pretense of managing the industries, but entrust that task to high-salaried executives. Corporation stockholders and bondholders sit in New York City and draw dividends from industries all over the world. Call it taxation? Why not call it robbery?

## Please Use This Blank for a Club of Four Subs

The American Freeman, Girard, Kansas

I want the influence of The Freeman to be greater and greater in this critical time. I am doing my share by sending in the following club of four subs, at 25c each for 25 weeks.

1 Name .....	Address .....
City .....	State .....
2 Name .....	Address .....
City .....	State .....
3 Name .....	Address .....
City .....	State .....
4 Name .....	Address .....
City .....	State .....
Name of Sender .....	Address .....
City .....	State .....







# Warren's Page

By Fred D. Warren

JUST remember the three pennies you pay for the daily newspaper you read today is contributed to the support of the capitalist system. Three hundred million dollars annually is what you pay to have the capitalist daily newspapers tell you fairy stories about prosperity just around the corner. Somebody ought to examine your head—with an axe!

## FIGURES TO REMEMBER

National income, annually..... 90 billion dollars  
Wages and salaries..... 45 billion dollars  
Profit and interest..... 45 billion dollars

These figures are quoted from an address delivered by Dr. A. S. Langsdorf, dean of the School of Engineering, Washington University, St. Louis, Mo. He estimated that the average yearly income of each of the 30 million families in this country is \$1,500.

On this page is reproduced an illustration used on the front page of a pamphlet issued by the Appeal in 1912, entitled "32,000,000 a Day and a Six-Hour Day." In this pamphlet I placed the wealth produced in the United States annually at 30 billion dollars, one-half of which went to the 30,000,000 working men, women and children—the balance in profit to the remaining ten percent of the population.

While these figures vary, the results you will notice are the same: Fifty-fifty! We had almost the same results in the figures for the 1930 operations of the General Motors Corporation. Followed through industry as a whole, we find the consumable wealth of the nation, reduced to dollars, divided almost equally between the men who do the work and the men who own the wealth-producing machinery.

We looked a little further into the matter, and found that the man who received wages spent it ALL for food, clothing, rent, and other necessities—the figures showing just where he spent this money being taken from an article published in the Saturday Evening Post. On every dollar expended by Tom Brummel, whom we took as being representative of the whole working class, a profit was made by some merchant, wholesale dealer or jobber. However, Tom wasn't interested in this phase of the transaction. When he took the groceries home to Molly and the babies, the transaction was ended so far as he was concerned. He was out of the picture as completely as is the mine mule when he finishes his day's work and is turned into the pasture or his stall.

Now that we have disposed of the working class in this highly profitable game we call Capitalism, let us take a look at what happens to the sum set aside as profits. Referring again to the General Motors figures and assuming they fairly represent the balance of industry, one-half of the 45 billions in profits to the small group of big stockholders in control of the operations. The other one-half—(22½ billions)—was distributed among some 1,000,000 small stockholders. These one million include the merchants, the lawyers, a sprinkling of successful farmers and a handful of just ordinary working-men who have, as we pointed out before, denied themselves and their families and saved money to buy a few shares of stock.

This 22 billions (we'll leave off the fraction) which is distributed among the small stockholders becomes the prize in a game which we will call Frenzied Finance—a game that during the hectic days before the Big Bust in 1929 attracted the attention of the nation to the exclusion of all other problems. Farm Relief, during these days of Barsting Bubbles, was shoved to the background. This game is played on the stock exchanges of the country—the leading exchange being located in New York City.

The most important factors in playing this game of "Who's Got the Button" on the Stock Exchange are the daily newspapers of the country. Without the stock exchange quotations and the breezy news and inside tips which the bright financial writers put out with all the confidence of a race track tout, the stock exchange sports would have a sorry time of it. I was impressed with the truth of this observation last week after reading Mr. Hearst's fulminations against stock exchange gambling. With tears in his eyes, he printed a sad story of the workingman as a result of this stock market manipulation, overlooking the fact, as we have so clearly seen, that the workingman is out of the picture before the game starts!

What Mr. Hearst is concerned about is the manner in which his little friends of the capitalist world have been swindled out of their share in swag by the big fellows. When a big deal is to be pulled off on the exchange, a pool is formed by a few of the large operators, and then the newspaper boys are called in, and something like the following paragraphs begin to make their appearance in the columns of the daily press. It is "bull" news—and it is spread over the country by the fastest wire service ever devised by men. Let a whisper like this one taken from Mr. Hearst's *Herald Examiner* of August 2, 1929, a few weeks before the big break, get started and the outside public simply eats it up: Montgomery Ward boosters forecast all manner of fancy price goals. There is less stock around the street now than ever before, and Chicago advice tell of further accumulation by the Cutten interests.

Montgomery Ward was selling at that time for 119. The gullible public rushed in and bought it at that price by the hundreds of thousands of shares—shares which today sell at 12. The above item appeared in hundreds of newspapers and on the tickers in brokers' offices in every city in the country. It was whispered first among the insiders. "Cutten, the big bull, is in Monkey Ward—better get aboard." Then the newspaper boys

get the word, and they hurry it along the wires to their newspapers. By the following day the suckers out in the sticks begin to read about "Cutten in Montgomery Ward—better get in." The wires hum with orders from Kalamazoo, Mich., Girard, Kan., and a lot of other places where hungry speculators of the smaller size are anxious to follow the leaders. During all this process of stock market manipulation, Mr. Hearst never uttered a word about how the poor workingman was being skinned.

In order to refresh your memory and to further strengthen my statement that without the newspapers there could have been no "bull market" I went back over the files of the *Herald-Examiner* and the *Chicago Tribune* with the following results. Read these glowing news stories, often inspired by the stock operator on the inside, and then weep over the loss of your money—assuming you were one of the chaps who had a share in the distribution of the 45 billions in profits referred to by Dr. Langsdorf. You might read these stories to your neighbor next door, who was led by these bits of "news" to buy Montgomery Ward, Cities Service, Standard Oils and the long list of stocks then selling at fabulous prices, but which today can be bought at 10 to 20 cents on the dollar.

## Two Months Before the Big Bust

Aug. 1, 1929.—"Morgans are bullish" was the cry that swept the streets, as Steel made its record high (209). (Today, 77.)  
Aug. 2.—American & Foreign Power led the utilities on the Big Board. The Bond and Share people are holding their stock." (Price then 138; today 15.)  
Aug. 3.—"Broad and Wall's exclusive story that a new pool was being formed in General Motors aroused widespread interest. The mid-westerners in the management know the advertising value of a strong and active market in the stock." (Price then 91; today 16.)  
Aug. 4.—"Durant bullish on Anaconda" is report given wide circulation." (Price then 119; price today, 16.)  
Aug. 5.—"Allegheny Corp. will become the most important Morgan-Van Swearingen holding company." (Price then 51; today 4.)

Aug. 6.—"Powerful buying is again noticeable in Electric-Auto-Lite, long the favorite of one of the best informed groups in the automobile trade. It is the fact that the stock is being sold shortly release its statement for the first half of the year, and that the report will be highly favorable." (Price on day this was published, was 161. Day following it sold to 165; today this stock is selling at 28.)

Aug. 7.—"A well informed group, which has been remarkably correct in its railroad stock selection, has been accumulating Chicago & Northwestern." (Stock selling then at 9.9; today 16.)  
Aug. 8.—"International Telephone again mounts to new high on the report that the English Investment Trust had finished accumulating stock. Now that accumulation has been completed, a sharp advance in the stock is looked for. Int. Tel. is considered one of the most attractive investment issues among public utilities." (Stock then selling at 118; today, 17.)

Aug. 9.—"The Kobb has acquired a substantial block of stock in the Aero Supply Manufacturing Co., according to a report." (Stock sold on that date at 15. Three days later it was up \$4 per share, and 11,600 shares were sold at 19; today it is 22.)

Aug. 10.—"What are some of the good stocks?" asks Mr. Hearst on this date. His financial writers reply: Allegheny (then 51; now 4); International Tel. and Tel. (then 118; now, 17) Krueger & Co. (then 40; now, 7.)

Aug. 11.—"A new pool has been formed in American Metals." (Then, 73; now, 7.)

Aug. 12.—"Renewed activity in Texas Gulf Sulphur recalled previous outbursts of strength. It is known that the most powerful banking buying appears in this stock on every recession, and it is said that the Morgan group has substantially enlarged its holdings." (Price then 72; today 26.)

Aug. 13.—"Arthur Reynolds of the Continental-Illinois is optimistic on conditions. Banker finds bright outlook for rest of the year." (Market begins to show signs of weariness, little fellows getting anxious and inclined to sell. The lead of big fellows in getting out—hence the big fellows trot out their financial wizards to reassure them that things are all right. "Mr. Reynolds is confident the stock market will share in the general prosperity." This is a three-deck head.)

Aug. 14.—"Arthur Cutten's advice that there is no money made in quick trades helped Montgomery Ward. It was felt that buying and selling on commitments." (Little fellows getting uneasy—hence it was necessary to tell them through the columns of the daily press that Cutten was holding his stocks. Little fellows breathed easier and held their stock, then selling at 122; today, 12.)

Aug. 15.—"Lindy aided the move of those working in Packard. He had some very nice things to say about the new flying engine which had been so well exploited by both transwise and wise." (Packard then selling at 153; the next day it sold up to 158; today 5.)

Aug. 20.—"Morgan Oil Investment Trust, it was stated, was in the talking stage. However, if this banking group was to form such an investment trust, it would seem logical that they would acquire good stocks desired before making the official announcement. No such hope can be held as well as he did for himself in steel. The stock still harbors a big short interest." (Selling at 69; today, 31.)

Aug. 21.—Mr. Brisbane, in the editorial columns of the Hearst papers, takes words in his chatty off-hand sort of way: "Wall Street had a pleasant day yesterday. In the language of the stock exchange, the 'high priced industrial' were sensitive to buying orders." To try and wiggle them was like trying to catch a bird that flies up when you put salt on its tail. For instance, Joseph Topitzky of California came to New York a few days ago in time to sell friends to buy a certain stock. It has since gone up more than 100 points."

Aug. 21.—"Durant in International Nickel was the report in several brokerage houses. His followers who have been holding the stock for many months hope he can do as well as he did for himself in steel. The stock still harbors a big short interest." (Selling at 54; today, 9.)

Aug. 22.—"Texas Corp. is characterized the best of the independents by its

boosters. Cutten holds to his big position as do other important stockholders." (Selling at 66; today, 19.)

Aug. 25.—Mr. Brisbane takes a hand in the bullish game and says: "Why do stocks go up persistently? This is the most prosperous country in the world." Many things favor higher prices." (And on this very day there were signs all about him of the breakdown of the big Bull Market—which in less than four weeks broke like a tidal wave over the nation and the world!)

Aug. 28.—And on this day, with the foundation of the flimsy structure cracking in a million places, Mr. Brisbane hands out this advice: "If you think prosperity will continue, as it will unless foolishness interferes, buy your little boy a seat on some stock exchange. He will make money as a broker, and his seat, while he sits on it, may make him rich apart from his own work!" (And after some fond papas had followed this advice and the boys were comfortably seated, the props fell out and brought them to the level of the street sweeper, financially speaking. Now comes Mr. Hearst, who employed Brisbane to write these pleasant stories in 1929, and pans the stock-brokers of the nation—calling them thieves of the Ponzi type, and suggesting jails for them.)

## One Month Before the Big Bust

The following optimistic news stories appeared in the *Chicago Tribune* in the month of September, 1929—one month before the break in the market. Note how faithfully the *Tribune* worked to keep the public in that the big operators might get out. Just remember these items when you read the *Tribune*—maybe you'll wonder if the *Tribune* is giving you a correct story today:

Big headline: "Autumn Profits Forecast by Busy Summer—Even Farmers' Outlook Brighter." "Sees Industry Continuing at Present Pace."

"Butler Bros. in the remaining four months of 1929, should show an appreciable gain in business." This report is given out by Frank S. Cunningham, president, based on reports of commercial, agricultural and general conditions. Butler Bros. stock was selling on the day at 32. Next day it sold up to 34. Today, 3.)

Big Type: "British Trade Better." "Sees Spending a Good Index to Prosperity." "Banker Views New York Trust as Trade Index." "The recent formation of numerous investment trusts in this country and the pouring of several billion dollars into them, are bound to play an important part in American industry and finance in the future." "Otholof News." "Follows with story about increased sales of Montgomery Ward, then selling at 129. Boosted \$8 per share two days later. (Today's market, 121.)

In the *Tribune* of September 6, 1929, was reported the first breeze: "Selling Street—Wall Street Prices Drop Hundreds of Millions." "With the New York stock market recovering yesterday from Thursday's drastic break," says the *Tribune*, on September 7, "it seems entirely likely that a sharp advance in the market is ahead. The preceding months of this year in pushing securities' prices to new high levels." "New York Curb stocks rise on selling wave." This was followed by a big head the next day: "Traders Grab Stock Offers—Prices Advance."

Here's a story in the *Tribune* of September 15, 1929, that set the investors on fire: "Continental-Illinois Corp., the investment company sponsored by the Continental-Illinois Bank, was an outstanding feature of a strong market on the New York Stock Exchange. Brokers clamored with orders to buy 7,000 shares at 90." (Today this stock is selling at \$2 per share with few takers.)

In September, 1929, sales of new stock issues reached the enormous total of \$1 billion dollars, reports the *Tribune*. And this, too, in a market that was fast falling to ruins. What a wonderful job of flimflaming the public, the newspapers, with their 30 million copies daily, did for their broker friends!

## The Month of the Big Bust

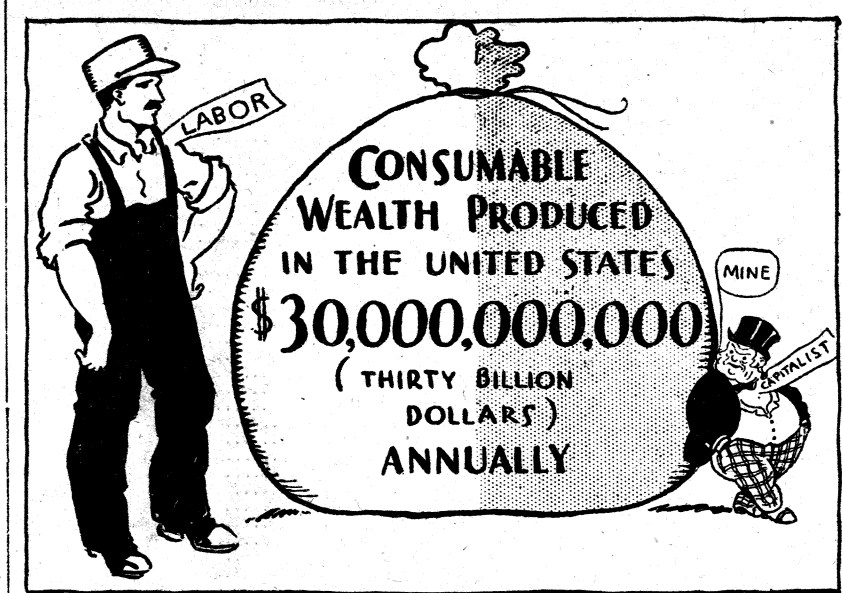
The nation now enters the last month (October) of the Stock Skinning Tournament. The "public" has just digested a billion in new securities in the face of the gathering storm—a storm that was known to be brewing in the conning towers of the big operators in New York. *The Financial Chronicle*, New York, the weekly review of finance that is read only by bankers and big investors, and which MUST tell the truth—the big boys won't stand for the hot air dished out by the *Tribune* and the *Herald-Examiner*—on September 28, 1929, told of the huge amounts of gold that were being lost by the Bank of England. It was the beginning of the end of British supremacy, and the thing that happened a few days ago, in England, was foreshadowed in New York more than two years ago. Now the public knows the mystery back of the sudden trips of Montagu Norman to this country. He was making a desperate effort to save the Empire. But it just couldn't be done, and his friends over here knew beforehand it couldn't be done, and they quietly unloaded their securities at the then prevailing high prices. And with the help of such powerful newspapers as the *Chicago Tribune* and the Hearst syndicate, they kept the old ship afloat until they could pick up all the life preservers and get safely launched in the only available life boats. The old ship is sinking—but what a merry game it was while it lasted. Listen to these stories, which you read at the time, but have since forgotten, all published in the *Tribune* and most of the dailies in other big cities:

October 8, 1929.—Heading: "Chicago Stocks Improve with Cheerful News. Stock Traders Show Faith in Mart's Future." The next day in big type: "Traders Toil—Push Wall Street Prices Higher." And then follows this story of optimism: "It cost them a lot of toil and anxiety, but Wall Street traders managed to keep the new bull market moving ahead today."

October 14, 1929.—"Iron and Steel Industry Runs Near Capacity—Business Good as a Whole." "Trade Outlook Grows Better." "New Reynolds' Treasury Shares Sell Quickly." Offered at 68, and pushed up to 85. (Today, 2.) Reynolds, of the Continental-Illinois Bank, and president of the new investment trust, announced that he had sold, during the year 1929, was followed in almost every important stock on the Big Board. This was followed by the stocks on the minor exchanges—and, on the side, bucket shops operated in stocks no one ever heard of. The losses from this latter source, however, were but a fraction of the losses to the small stockholders

at end of 1929 will be three billion dollars." Heading in the *Tribune*, Oct. 16, 1929, just a few days before the big break: "Investment Trusts Approved by Bankers' Association." Readers carry away the impression that the reliable bankers endorse the investment trust. They don't stop to read the text of the article, which carries the story that it is the Investment Bankers' Association that endorses the investment trust. These are the boys that put over this swindle—naturally they would endorse it. Capt. Kidd was a strong believer in piracy.

It should not be understood from these quotations that Mr. Hearst and the *Tribune* were alone in this job of helping the "thieves of Wall Street" rob the "workingman." As you will recall, if you followed the financial pages of the daily press, these little items found their way in the columns of the daily newspapers from New York to the Golden Gate. More than 30,000,000 copies daily carried these stories of prosperity and money-making opportunities, by means of which the small capitalists, and a few workingmen, were persuaded to part with their money—billions and billions of dollars. And then on a certain day in October the plug was pulled, the big fellows stepped out, and today the holders of these high-priced stocks—listed as "blue chips"—have certificates that are practically worthless. Having watched the game from a close-up vantage point on LaSalle street for the past twelve years, I can say positively that the Bull Market could not have been put over without the aid of the daily newspapers!



The small man, representing ten percent of the population, receives the shaded portion of this consumable wealth, representing fifty percent, as his profit for the use of the wealth-producing machinery of the nation. The large man, representing ninety percent of the population, receives what is left as his wages for his labor.—Reprinted from the Appeal to Reason, 1912.

through what would be considered legitimate transactions.

Here is what I have learned during my stay in LaSalle street: Connected with every company operating in the United States is ONE man who knows everything there is to be known about that company. He knows its possibilities, its weaknesses, its prospects for business. His auditors and bookkeepers furnish him with statements daily, weekly, monthly. He knows almost every minute of the day just what his concern is doing. The stock of this company is sold on the stock exchanges, and its price is determined by the business the company does. If business is good, it puts the price up. If it is bad, the price of the stock goes down.

The man in possession of this information does not gamble on the stock exchange—he plays it just exactly as the "shell game" is played by the gambler at the county fair. He knows ALL the time just where the little green pea is. Associated with him is a small group of intimates. They get this information at first hand. They probably constitute the board of directors. It is the business of the board of directors to do everything but direct! With this information they play the stock market without gambling. THEY KNOW! They in turn pass this information along through their brokers and bankers, to a considerable number of big operators. They get "in" by buying stock that they know is going up, or they get "out" by selling stock which they know is going down.

After the stage has been properly set, the news is released and the public then becomes aware of what is taking place. If the news is good, everybody buys, and then the merry game is on full blast. The stock soars, just as you have seen it soar. And then the bubble bursts. The big fellow and his friends are out—the little fellow—the dearly beloved public—is in. The United States Steel Corporation at the close of business in the close of business December 31, 1930, it had 140,000 stockholders.

The stockholdings of the big stockholders had changed little—they still own about 50 percent of it—much of which they had sold at high prices and re-purchased at lower prices. The small stockholder, however, usually holds on. He is holding on today, if he can. Many of them have been wiped out—the earnings and savings of a lifetime having been absorbed in their frantic efforts to meet the margin calls of their brokers or the loans made at the bank.

To sum up, the workingman is paid wages for his labor. His wages are spent for the actual needs of his household. He gets wages during prosperous times, and the daily newspapers say nothing about how he is robbed during the process. It is only when the game gets to the point where the million or so of small businessmen who constitute the bulk of the stockholders in the big corporations, are robbed by stock exchange manipulation that the papers and the politicians take notice of what is going on. It is important to remember this: The wage earner (and he constitutes about 90 percent of the population) is deprived of the results of his labor at the pay-off office of the corporation for which he works! He just isn't in the game after that point. What we have been witnessing during the past three hectic years is a gigantic game wherein the profits of the big and little stockholders pass into the hands of a handful of really big men, financially speaking!

With so much money, which is actually represented by the surplus wheat, corn, oats, oil, coal and copper and cotton, on hand there must be a disposition of the tangible evidences of their profit. Hence the frantic and fruitless search for markets abroad. Not finding these markets, we find ourselves in possession of food and clothes and luxuries to supply ALL our people, but no sane method of distributing them. Right here is where we are today! The job of the Socialist is to carry these facts to the people of the nation. Once they are thoroughly understood, I believe a way will be found to end capitalist exploitation. If you men and women who work for a living will QUIT buying capitalist daily newspapers for one month and turn that money into the Socialist press, we will build a militant press of our own that will do much to counteract the influence of the poison now being belched forth from the press rooms of the capitalist newspapers!

"There is no expedient a man will not resort to, to save the real labor of thinking."—Thomas A. Edison.

## How Socialist Literature Prepared the Way for the Great Russian Revolution

TWENTY-FIVE YEARS AGO

From the Appeal to Reason, December 15, 1906.

The following article was written by Wm. English Walling, and originally appeared in the *Chicago Socialist*:

"The trouble with the czar," said a great diplomat, 'is that he is trying to do the thinking for 140,000,000 people.' But the 140 million people are on strike against the czar monopoly of thinking about Russian affairs. . . . Walk down the streets of St. Petersburg and see what the hawkers sell. Yellow journals, capitalist dailies, backed by some of Morgans' millions? Hardly! Here is a picture of Karl Marx' two feet high! Buy the newest edition of the Communist Manifesto! An officer in uniform takes a copy. . . . All the constitutions in the world for ten cents! Constitutions are not sacred in Russia, but they are interesting. Some day the people intend to have one. But in the meantime they are studying those of other lands to see what NOT to do. . . . Go with me to the first book store—and press through the crowd of young students and workmen. The books are cheap and all in paper covers. . . . There are more Socialist pamphlets printed in Russia today (1906) than in all other countries combined. Where has Karl Marx' 'Capital' been most read? In Germany, of course. Well, you are wrong. The Russians have read more copies of 'Das Kapital' than have been printed in Germany in a generation. . . . And remember for editors and publishers, many in possession of the forbidden literature in the districts where is martial law (half of Russia) death! . . . And yet people ask whether the Russian revolution will succeed. It has already succeeded in soaking every intelligent person in Russia with the world's best Socialist thought."

Here is something to think about: The people of Russia, twenty-five years ago, were students of Socialist literature. The Socialist editors and publishers faced death, or what was worse, exile to the prison camps of Siberia. The Russian people spent their pennies for the pamphlets that offered hope from the slavery of the czars. They did not spend their money for capitalist daily newspapers. In the first place, there were few capitalist daily newspapers in Russia—and these circulated among the upper classes. So the Russian mind was an open mind. It wasn't befuddled with the crazy headlines and sensational murder stories of the daily press. Politicians didn't tell them prosperity was just around the corner—they didn't think it was necessary—the knout and the Cossack was, in the minds of the ruling class of Russia, all that was necessary to keep the people in subjection. But a Socialist pamphlet was smuggled across the border, and then another, and another. And then an underground press was established. And the revolution was on!

Here are several short items from the American anti-Socialist press that will show what the Russians are doing today:

"Fifty-two young Russian Engineers," says an Associated Press dispatch from New York, "chosen in a competitive examination, arrived tonight to study for three years in American colleges. Most of them are qualified electrical, mechanical, metallurgical, chemical, marine, and aeronautical engineers and have passed examinations given under the auspices of American instructors. They will go to Harvard, Cornell, Columbia, Lehigh, Wisconsin, Purdue, Colorado School of Mines, Massachusetts Institute of Technology, and Carnegie Institute."

This is an editorial from the *Ladies' Home Journal*, August, 1931: In Russia, where women work alongside men in all sorts of manual and clerical employment, and are encouraged by continuing vacations. The manual worker is given eight weeks with full wages prior to confinement and eight weeks after; the intellectual worker is given six weeks after confinement. She also receives a government allowance for food and for a layette; the child is given a weekly health examination, and the law provides certain rest periods for feeding after the mother returns to work. The maternal mortality rate has dropped to 3.5 per 1,000. The *Ladies' Home Journal* editor then asks: "How long must we, in the most enlightened nation on earth, continue to lose 6.5 mothers per 1,000 in childbirth?"

From *Business Week*, one of the official publications of big business in America:

Some 6,000 skilled American workers of various trades, many accompanied by their families, will go to Russia before the end of 1931. Amtorg Trading Corp. announces. About 2,000 have already been hired. They pay their own passage; their wages will be entirely in rubles. Yet Amtorg reports 100,000 applications for the remaining 4,000 jobs. John M. Carmody, editor of the *Factor and Industrial Management*, who returned in July from a 3-month 10,000 mile observation tour in Russia, brings back information that sheds light on what Americans may expect there. "Practically everybody in Russia is either teaching or studying," he says. "Life there is serious and intense. Men and women are under pressure, as they were here in war time. Evenings are work periods. Night schools abound. Many American boys have gone to Russia without realizing the extent to which they are expected to be teachers."

From the columns of a recent issue of *Time*, the news magazine: Down out of the sky upon Central Airport at Moscow plunked a bewilderer hen and a dozen eggs. Neither the hen nor any of the eggs was damaged. Their fall, from an altitude 3,300 feet high, was a demonstration of a new parachute designed by Soviet experts. Developed to support only small loads, the 'chute was of conventional design, but with a rubber hood affixed over its basket. The hood fills with air and expands in descent, decreasing the rate of fall to about 160 feet per second. (Ordinary rate of fall of U. S. made parachutes with a man of average weight: 18 to 20 feet per second. Force of landing is equivalent to a free jump from 6 or 7 feet.) Although it is expected that the express 'chute will be useful in delivering perishable cargo wherever there is no airfield, its invention was brought about directly by the needs of the Moscow newspaper Pravda ("Truth"). Pravda prints local editions in Leningrad, Kharkov, Tiflis, and Novosibirsk, by delivering its papers by airplane and dropping them by parachute. With ordinary parachutes the matrices frequently were smashed.

Here, however, is one of the most significant items I have seen regarding Russia. It is taken from the *Bache Review*, published by J. S. Bache & Co., members of the New York Stock Exchange with offices in various cities throughout the country. This edition is dated August 8, 1931, and among other interesting news about Russia, prints an extract from a report made by Lt.-Commander J. M. Kenworthy, member of British Parliament, as follows:

The Five-Year Plan aims at increasing the wealth of Russia by modernizing the country, opening up its vast fertile areas, especially in the east, erecting modern factories, introducing agricultural methods and electrifying the countryside. And as it succeeds so will the Russian market become of more value and so will trade between England and Russia increase, to the benefit of both countries. If the standard of living of the 160,000,000 of the Russian people, increasing at the rate of two to three millions a year, can be raised so that they will purchase more goods, trade will increase and every one will benefit. Indeed, Russia will be an especially valuable market in that WEALTH WILL BE MORE EVENLY DISTRIBUTED. MORE OF THE PROFITS OF THE APPLICATION OF SCIENCE TO INDUSTRY AND AGRICULTURE WILL PASS TO THE PEOPLE INSTEAD OF INTO THE PURSES OF A MONOPOLISTIC FEW, and the many will be better customers than a rich minority.

I hope that your interest in what the Russians have accomplished as reported by the opposition press will not make you forget the beginnings of the Revolution as reported in the article quoted at the head of this column. IT WAS SOCIALIST LITERATURE THAT PREPARED THE WAY FIRST, IN THE MINDS OF THE PEOPLE OF RUSSIA, FOR THE GREAT REVOLUTION THAT ABOLISHED Czarism, and made it possible for the Russian people to make these gigantic strides towards the ultimate goal of the human race—SOCIALISM! Will you help in distributing Socialist literature in the United States? Is it necessary to URGE you to do this? Is it?

## Here Is My Pledge of 2 Subs a Month

The American Freeman, Girard, Kansas

Here is my pledge to send two subscriptions a month for twelve months. The two names following are to be credited on my pledge and you are authorized to send them The Freeman until the change is made to the *Appeal to Reason*. (Subscriptions sent with this pledge will enjoy the special rate of only 50c per year.)

Name ..... Address.....  
City ..... State.....  
Name ..... Address.....  
City ..... State.....  
Name of Sender.....  
Address.....  
City ..... State.....

On another sheet I am sending you names and addresses of old-time Appeal Army workers, to whom you can send your announcement.