

The validity of this lesson is not weakened by the relatively moderate contents of the political demands raised by the CNT at the present juncture. There is no doubt that the proposal of a "new constitutional period which would sympathize with popular aspirations within the socialist Republic, which would be democratical and federal" does not demand anything which the People's Front Government could not, in principle, decide upon without a revolutionary change of its hitherto professed bourgeois policy. Nor could the proposed creation of a "National Economic Council on a political and trade unionist base, with an equal representation of both the social-democratic UGT and the syndicalist CNT," transform the hitherto bourgeois-reformist bias of the Government into a revolutionary-proletarian tendency. But here again appears a close analogy between the tactics followed by the Syndicalists in present-day Spain and the attitude observed by the Russian Bolshevik party up to and even after the collapse of the Kornilov rebellion. If this analogy is true, if we can show that even a revolutionary party so predominantly political and politically experienced as the party which made the Russian October, did not rise to its ultimate perfection before the advent of an altogether different historical intuition, how then could we expect such super-human and supra-historical excellence from a hitherto unpolitically-minded and politically almost entirely inexperienced group of proletarian revolutionaries under the undeveloped conditions of present-day Spain, where the counter-revolutionary rebellion of the Iberian Kornilov has not collapsed but has spread victoriously over the whole country and is now attacking the very heart of industrial Spain, the last strong-hold of the anti-fascist and anti-capitalist forces, the proletarian province of Barcelona?

There is indeed from the standpoint of a sober historical research ample proof that the revolutionary Bolshevik leadership of 1917 was in no way exempt from those human wavering and want of foresight which are inherent in any revolutionary action. Even after the victorious conclusion of that masterpiece of political strategy which the Bolsheviks, lead and inspired by Lenin, performed in the days of the Kornilov-affair in August and September 1917 when, in accordance with Lenin's most subtle instruction, they endeavored "to fight against Kornilov, even as Kerensky's troops do", but did not support Kerensky but, *on the contrary* exposed his weakness," Lenin still acted on the assumption that the Provisional Government had become so manifestly weak after the defeat of Kornilov, that it offered an opportunity for a peaceful development of the revolution on the basis of the replacement of Kerensky by a government of Socialist-Revolutionists and Mensheviks responsible to the Soviets. In such a government the Bolsheviks would not participate, but they would "*refrain from immediately advancing the demand for the passing of power to the proletariat and the poorest peasants, and from revolutionary methods of struggle for the realization of this demand.*" Of course, in suggesting this line of action in his famous article "*On Compromises*" in September 1917, Lenin did not boast of such flawless revolutionary righteousness as does for instance Stalin in present-day Russia or those State-denying anarchists in present-day ultra-capitalist Holland. Yet this small piece of real history shows how little the minor followers of Lenin are entitled to criticise the deficiencies of the syndicalist achievements in revolutionary Catalonia, let alone the well-known ambiguity of the "help" given to the revolutionary workers of Spain during the first and later stages of their

strife by the Communists and the Russian State both in Spain and in the Non-Intervention Committee.\*

There is thus a deep shadow thrown on the constructive work resulting from the heroic efforts and sacrifices of the revolutionary workers in all parts of Spain where the syndicalist and anarchist slogan of "Collectivisation" prevailed over the social-democratic and communist slogans of "*Nationalization*" and "*State interference.*" All this constructive work was done, as it were, preliminarily only. Its further advance and its very existence depended upon the progress of the revolutionary movement and, first of all, upon a decisive defeat of the counter-revolutionary attack of Franco and his powerful fascist and semi-fascist allies. Even at this late stage, when the defeat of the highly advertised new Loyalist Army has already so strongly manifested the intrinsic weakness of the Negrin-Government that the above-mentioned chief representative of the fascist and capitalist forces within the People's Front Government, Indalecio Prieto, had to be kicked out ingloriously, and a "reconstruction" of the government in a "leftist" direction became inevitable, a last hour victory of the revolutionary proletarian forces rallied in Barcelona — either with or without a rehearsal of the insurrection of the Communards in besieged Paris 1871 — would immensely enhance the immediate historical and practical importance of the great experiment in a genuine proletarian collectivization of industry, which was initiated and carried through by the workers and their unions during the last two years.

Short of such a favorable turn, the story of the Catalonian *Collectivization* which is told in the most impartial and impressive manner in a small book, published by the CNT — FAI and hitherto not translated into English,\* and on which we propose to base our own analysis and criticism of the Spanish experiences in the next issue, cannot claim any greater merit than what we know from Marx, Engels, Lissagarays, and other writers about the economic experiments of the Revolutionary Commune of the Paris workers in 1871. They are a part of the historical past just as are today the attempts of the revolutionary Italian workers in 1920, which were later annihilated by the hordes of Mussolini subsidized by the frightened Italian landowners and capitalists, and as the equally frustrated attempts made several times between 1918 and 1923 by the vanguards of the German and Hungarian workers. In the same way the more comprehensive and certainly much more illustrious temporary achievements attained by the revolutionary Russian workers in the period of a really communistic experimentation 1918-20 did not retain any practical importance for the later development of the so-called "socialist construction" in Soviet Russia. They were soon afterwards denounced by the Bolsheviks themselves as a mere "negative form" of communism temporarily thrust upon a reluctant Bolshevik leadership by the emergencies of war and civil war. Thus the great historical experiment of

\*We quote here for the benefit of those hitherto Stalin-worshipping Communists who have recently begun to learn the lesson of the great "purges" in Russia, a sentence from Pravda testifying to what the Stalinist "friends" did and intended to do in a thoroughly "bolshevized" Spain. Says Pravda from Dec. 17, 1936:— "The purging of Catalonia from all Trotskyist and anarcho-syndicalist elements has already begun; this task is pushed on with the same energy with which it has already been performed in USSR."

the so-called "War Communism", which in fact represented a far more positive move toward a communist society than the measures of any NEP, NEO-NEP, or other variances of the no more socialist and proletarian policies which were later inaugurated by the various combinations of the post-Leninist and Stalinist bureaucracy, became a forgotten and abandoned episode of past history in the very country which even today claims to march in front of the international proletariat by the so-called "construction of socialism in a single country."

Even before this new turn of the Bolshevik economic policy, on Dec. 4, 1919, two years after the full seizure of the State power, Lenin in a speech delivered to the *First Congress of Agricultural Communes and Agricultural Artels* gave the following description of the results until then achieved by the Bolshevik struggle for Communism: — "Communism is the highest stage in the development of socialism, when people work because they realize the necessity of working for the common good. We know that we cannot establish a socialist system now — God grant that it may be established in our children's time, or perhaps in our grandchildren's time."\*

"To serve the history of the revolution" is the program which is invisibly written on the front page of the above cited faithful and comprehensive report on the positive results achieved in the economic field by the revolutionary workers of Barcelona and by the industrial and agricultural laborers in many a small Catalonian town or remote and forgotten village. "To serve history" means for the writer as well as for us, revolutionary workers of a dismal world laboring in the crisis and decay of all forms of the "old" socialist, communist, and anarchist labor movements, to learn from the deeds and from the mistakes of past history the lesson for the future, the ways and means for the realization of the goals of the revolutionary working class.

l. h.

\*Quoted from the 8th vol. of the Selected Works ed. by the Marx-Engels-Lenin Institute, Moscow (Engl. transl. by International Publishers, New York, p. 205).

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## THE DOMINICAN REPUBLIC SOLVES ITS UNEMPLOYMENT PROBLEM

On the Island of Hispaniola, in October, 1937, 12,000 defenceless people were suddenly attacked and slaughtered in a butchery that one writer spoke of as "the most horrible, unprovoked massacre of modern times." The massacre began when the president of the Dominican Republic, Leonidas Trujillo, saying that he was going to rid the country of "dogs, hogs, and Haitians", journeyed to a town near the Haitian border, and at a dance held there on the night of October 2 he delivered an address wherein he said, "I came to the border country to see what I could do for the Dominicans living here. I found that Haitians had been stealing food and cattle from our farmers here. I found that our people would be happier if we got rid of the Haitians. I will fix that Yesterday three hundred Haitians were killed at Banica. This must continue." The speech inaugurated a period of appalling bloodshed. At a given signal, mass murders broke out almost simultaneously in as many as sixty-five different localities. Those who did not escape to Haiti in time were herded into clearings and butchered like animals in a slaughterhouse.

Why was this helpless people butchered? To answer this question we must review the forces culminating in these killings, but when we do so, we shall discover not merely the reasons for the killings, but also forces ominously portentous with tragedy for the large masses of mankind.

The Island of Hispaniola is about 400 miles in length and varies from 24 to 165 miles in width. It is largely mountainous territory, the mountains being overgrown with dense, tropic foliage, and overshadowing the broad, fertile valleys. The island is divided into two parts. The eastern part is the Dominican Republic; the western part is Haiti.

Roughly speaking, the Dominican Republic occupies two-thirds of the island and has but one-third of the island population. The Dominicans, a mixture of Spanish, Indian, and Negro, are almost all white, with thin

lip and straight hair. The Haitians are about ninety-five per cent full-blooded negroes, the remaining five per cent being mulattoes and comprising the Haitian aristocracy. Both Haiti and the Dominican Republic are under the fiscal control of the United States.

With two-thirds of the island population concentrated upon one-third of the island territory, Haiti is overcrowded. About 275 Haitians subsist by primitive agricultural methods on each square mile. Crowded out of their own country, many have sought work in the cane-fields of Cuba and in the fecundite valleys of the Dominican Republic. And this influx of Haitian labor was welcome to these nations and was greatly encouraged. For those were the boom days of sugar, and there was scarcely enough labor power in these countries. Furthermore, toil in the cane-fields was a labor which the natives of these countries avoided. It meant swinging the machete all day long for the miserable wage of twenty-cents a day, and was contemptuously spoken of as "Haitian labor". At the end of the seasons, many of the Haitians remained with their families on the fields where they labored. There was room for all and work for all; they constituted an advantageous reservoir of labor power; and so they were tolerated. Thus all went well — until the sugar boom burst.

With the collapse of the sugar market, the Haitians were no longer a source of profit to these countries, but a drag upon them. Their presence swelled the unemployed and intensified the conflicts of the crisis, and they had to be swiftly disposed of. Cuba began shipping back to Haiti warship after warship loaded with workers. 16,700 of them had been dumped in that country since the preceding February and were being still shipped back at the rate of 2500 a week, reported the American Fiscal Representation in Port-Au-Prince, last June. President Trujillo, however, refused to go to all this trouble and expense. His method was cheaper and more direct.

Outraged by the slaughter, and reacting with strong nationalistic feeling, the natives of Haiti, assembling in angry throngs, began clamoring for action against the Dominicans. The nationalists of the country, representing a movement in favor of native capitalism in opposition to the imperialist interests in Haiti, directed their wrath against Stenio Vincent, who, as the president of Haiti, represented those interests. The Haitian government thereupon forbade all demonstrations, and the Haitian police dispersed all gatherings. Vincent then communicated with Trujillo, and they both embarked upon an "investigation" into the murder, with the purpose of "placing responsibility". Thus they attempted to reduce the entire affair to a "diplomatic" deal. Their ministers assured the people of both countries that the "difficulties" were being resolved in the friendliest fashion, and that "cordial relations have not been impaired." "They deplored the 'exaggerated' reports", says the *New York Times* for October 26, "that 1700 were killed or wounded in violent outbreaks."

But the Haitians knew very well the nature of this "investigation", and they were not to be suppressed. Led by their nationalists, they gathered into angry crowds, and, rioting in the streets, killed a Dominican army captain and the Dominican consul. President Vincent thereupon appealed to America to intervene, and America, after a display of the right amount of reluctance, agreed to act with Cuba and Mexico as mediator in the affair. Our well-informed President then sent a telegram to the well-informed Trujillo, stating that he hoped the mediation would be welcome to him, "since the peaceful aims which animate the Dominican government are well known."

These diplomatic measures accomplished exactly what they were intended to accomplish — nothing and Haiti continued to boil with unrest. Strikes broke out. A number of them were led in the provinces by the petty-bourgeois students; then the transport workers joined the strikers, and for a time a general strike was expected. Finally Vincent, assailed by angry demonstrators who told him

forthright that he was in league with Trujillo, declared that since the measures taken did not indicate a speedy "solution", he was invoking the Gondra treaty, which, backed by American guns, provides that an international commission of investigation assume jurisdiction over any dispute between American nations. But Trujillo, striking a pose for the awe of his Dominican subjects, withheld for a while his consent to this vestigation. He inserted in the *New York Times* a full-page, closely written statement announcing that no disagreement existed between his country and Haiti; that they could settle the dispute themselves, without any outside help; that an invoking of the Gondra Treaty was not in order.

Though the personal history of Trujillo is that of a gangster, and a thief, and has been lustily described by the liberal periodicals, his acts as president, regardless of his personal history, can be viewed only as proceeding from the economic straits of his country. The murder of the Haitians was not simply an attempt to reduce unemployment in the Dominican Republic; it was also an example for the unemployed Dominicans and for the proponents of native capitalism of what would happen to them if they arose against Trujillo. But more than this, it was an experiment in "active nationalism"; it was an attempt to direct prevailing discontent against the people of another country — in much the same fashion in which all the nationalists of the world put the blame on other nations for the desperate conditions of their country. American investments in Haiti are large, and our dividends must be protected. Illumined by these facts, Trujillo's acts as president are seen as adjustments to his country's conditions; and if those conditions had been too overwhelming for one man, the U. S. marines would have landed on the island again, and would have promptly created the order that Trujillo's soldiers achieved.

However, reports of the massacre, escaping through the strict censorship of both countries, began to appear in a few American newspapers, and Trujillo felt it necessary to close the matter quickly, for, like all dictators, accustomed as they are to a con-

trolled press, he exaggerated the power of the press of "democratic countries", and the significance of the "popular feeling" in the "protector" nation. His full-page article in the *Times*, "clarifying his position" and widely advertising his innocence, was an attempt to exercise this actually feeble sentiment. This method failing, for even the paper in which the advertisement appeared pronounced editorially its scepticism, he felt that he had maintained the pose of free agent as long as was necessary, and that he could accede to the investigation without losing contenance before his subjects. The investigation revealed that 12,168 people had been slain in the massacres, though Trujillo's minister insisted that this figure was an exaggeration, and the commission of inquiry, apparently valuing the life of a worker at \$61.64, suggested that Trujillo pay the Haitian government \$750,000 indemnity.

This is the story of how Leonidas Trujillo, inexpensively, and with the help of our government, solved the economic unrest of the Dominican Republic. Still, one wonders if this method was any harsher than that of Cuba, who ruthlessly shipped boatload after boatload of workers back to a country which was already over-

crowded and distressed with its own economic conditions, and where they could only drag out their lives in misery and hunger. Yet these two methods of dealing with the unemployed — starving them and murdering them are the only measures left to capitalism. The happy Dominicans, together with the happy Fascist countries, that frankly organize for war, can now realize the more direct form of these two possibilities. The "democratic countries", offering dole and relief, must as yet permit them to die only from malnutrition and disease. But soon all nations, fascist and democrat, will employ the more direct form of eliminating the unemployed. Then will the massacre of Haitians be duplicated upon a world scale, but effected this time not with machetes and other primitive weapons, but with the tanks, the bombing planes, and all the other engines of death in the possession of the more civilized nations.

Thus the massacre in the Dominican Republic begins to assume its full significance. We see now that it is no isolated event remote from our lives, but that it is actually a pure example of capitalism's solution for unemployment.

## WHAT CAN THE UNEMPLOYED DO?

### Bootlegging of Coal in Pennsylvania

The first significant reaction to the depression on the part of the American unemployed was the wide-spread self-help movement in the years from 1930 to 1933.\* Most of their organizations sprang up in the agricultural regions of the United States, primarily in the West. Those existing in cities were compelled to function by organized begging and by bartering their labor for life necessities. By 1933 most of them had disappeared. Besides these unemployed, trying the "American Way" of escaping their misery, there were others who tried new methods of self-help. Among these, the miners of Pennsylvania were the most successful.

### Beyond the Confines of Private Property

Bootlegging of coal in Pennsylvania considerably agitated the capitalist world. People, unacquainted with the facts, wondered that "such things could happen". The Coal Industry Commission's report to Governor Earle

\*See the previous issue of *Living Marxism*. Vol. IV, No. 2, March 1938, pp. 59-61.

in 1937 stated\*\* "that coal bootlegging is a social and economic phenomenon without precedent in this country. The bootlegger is expropriating other's property to his own use, to keep himself alive. The nearest analogue is perhaps the industrial sit-down, that paralyzing new weapon of organized labor". The economic issue involved comes here clearly to light as a class issue. For this reason the movement of the unemployed miners concerns all workers and warrants a closer investigation.

The taking of coal by miners, employed or unemployed, is a long established practice in the coalfields of the country. Unprecedented, however, is the open appropriation of coal for selling purposes. Taking coal from culm and refuse banks for their own use was always considered by the miners as their "right". Always cheated by the coal companies, they felt that the coal remaining in the refuse banks actually belonged to them. This practice has been consistently but vainly fought by the companies for the last 30 years.

The depression hit the anthracite districts of Pennsylvania exceptionally hard, as the coal industry had been declining since 1926. In that year production amounted to 84 million net tons, which was reduced to 51 million by 1935. The number of workers employed decreased from 168,734 in 1926 to 100,539 in 1935. The total value of the product dropped from 466 million dollars in 1926 to 207 million dollars in 1935. The total wages fell from 256 million dollars in 1924 to 105 million dollars in 1935.\*\*\*

After 1927 most of the higher cost collieries were closed, an event which meant complete ruin for many mining towns, especially in the southern regions of Pennsylvania, in communities like Pottsville, Shamokin, Minersville, Shenandoah, etc., where no industry other than mining existed. As the general situation did not permit migration and as the relief given, when given at all, was inadequate, many miners had no alternative to starvation except bootlegging.

Bootlegging of coal as it is known today has been functioning since 1930. At first it consisted in an extension of the old practice of taking coal from breaches and outcroppings, though in increasingly larger quantities, part of which was exchanged in the neighborhoods for other commodities. From bartering, the miners soon proceeded to selling. At first all activity took place under cover of night, but experience extinguished the fears and soon coal was extracted and shipped in trucks by the same methods employed in legitimate business. After 1931 bootleg coal reached cities as remote as Philadelphia and New York, and today illegal mining, with its own techniques, marketing, and organization arrangements, is a substantial industry. In 1936-37, the bootleg industry produced and sold anthracite coal at the rate of 2,400,000 tons a year, or 5 per cent of the total output of all the anthracite mines of Pennsylvania. Consumers paid about \$16,000,000 a year for bootleg coal.

\*\*Bootlegging or Illegal Mining of Anthracite Coal in Pennsylvania. Anthracite Coal Industry Commission, Commonwealth of Pennsylvania, 1937. All facts following are taken from this report, which may be considered the most reliable study so far undertaken.

\*\*\*Taken 1926—100, the number of workers declined from 100 to 60, the output from 100 to 60, the total value of production decreased from 100 to 44, the wages from 100 to 41, which illustrates that no technical or rationalizing improvements of real significance were made during these years, most of them falling in the crisis period. The stagnating character of the coal industry comes here clearly to light, hence also the efforts toward its nationalization.

About 13,000 men were engaged in the industry, most of them being former miners and their sons, who made a living for about 45,000 people. During regular employment, most of these miners were members of the United Mine Workers of America.

The mines, or holes, are operated by groups of from 3 to 5 miners. The work is done on a partnership basis, but some holes employ workers for wages. In 1937 there were about 2,000 holes in operation. As the miners, for want of implements, cannot dig very deep, they have to abandon the holes after a few months and to develop new ones where coal is more accessible. The breakers employ about 4 men and work on the average about 119 tons per week. With a few exceptions, neither the miners nor the breakers are able to average a weekly income exceeding 14 dollars. The truckers and distributors have a higher income, some making as much as 70 dollars a week, but as the coal must be sold below the market price in order to be sold at all, profits even for the distributors cannot be very high. Bootlegging is possible only in certain parts of the State, where coal can easily be reached. Although a few enterprises, by pooling the savings of miners, have employed considerable machinery, in general the capital invested in implements is extremely small, and is often much below \$100. The average working time in breakers and mines is about 40 hours a week.

### The Struggle against Bootlegging

The significance of illegal mining was very well recognized by the employing class. Not only the "expropriated" owners, but the entire bourgeoisie were horrified by the breakdown of "law and order". They incessantly demanded action against the bootleggers. The liberal and labor press "excused" the illegal activity on the grounds that the bootleggers had no alternative and demanded that the bourgeoisie make legal provisions for the unemployed miners, so that the "excuse" could be removed. It is clear that the force of circumstance brought about this generally deplored situation, and it is also clear that the miners would prefer legal employment, as \$14 a week is no real inducement to illegality, and as the dangers connected with bootlegging are very serious. Despite the absence of the driving bosses and of the speed-up system fatal to so many miners, still the absence of safety devices brings about a fatality rate in bootlegging three times as high as in legal mining. And though the miners, having lost their fear of punishment, no longer have a moral attitude regarding illegal mining, but simply go about earning their livelihood like the rest of this "god-damn" world, they are not particularly happy about their present situation and would be quite willing to return to more "respectable" employment if it were available.

The first act of the coal operators against illegal mining was to arrest the bootleggers. Judges passed dollar fines, which, as everybody knew, could never be paid. Soon the miners demanded jury trials and seldom was there found a jury willing to convict the law breakers, since everybody outside of the companies knew the situation quite well and could not conceive an end of bootlegging by court action. Some jail sentences were executed, but were unable to influence the miners. Furthermore, there were not enough jails in existence to hold all the law breakers, nor was there money enough to feed the prisoners or even to pay the prosecution expenses.

The overwhelming majority of the people in the mining towns are miners. The bourgeoisie apparently doesn't like to live where it exploits. The elected instruments of "law and order" in these towns could not easily turn against their electors, nor the storekeepers against their customers, the priests against the hands which feed them. Bootlegging was justified from the pulpits as well as in the court houses and certainly in the general stores, which awaited payment from their debtors. As all the non-producing elements in the mining towns had formerly depended on legal mining they now came to depend on illegal mining.

This attitude and necessity is explained, furthermore, by the concentration process in the coal industry. About 65 per cent of all the bootleg miners are working on lands belonging to one company, the Philadelphia and Reading Coal and Iron Company. The company closed the unprofitable mines in accordance with the ethics of capitalism — that is, by totally disregarding the social consequences of this act. The miners "deserted" by capital, found it easy to desert the capitalist cause. Throwing the unemployed miners on the local and state charitable organizations did not create much sympathy for the suffering capitalist enterprises. But just the same law is law, and the state machine represents the whole of the capitalist state, and not only the southern part of Pennsylvania where bootlegging flourishes. The actions of the miners had to be denounced in principle, even if they could not be stopped in reality.

In September 1932 the operators appealed for an embargo on bootleg coal and for police action. But the State pointed out that there was not available a police force large enough to cope with the situation. After all, Pennsylvania is not yet Spain. Mass murder is still a questionable method. The problem would still remain of what should be done with the unemployed if the police succeeded in stopping illegal mining. Somehow the workers would have to be fed, and considering everything it was more economical to let the workers "steal" their livelihood, than to serve them with relief. Further-more, relief was so meager that bootlegging was unavoidable as a means of supplementing it. As a matter of fact, the coming of Federal Relief and the WPA did not stop bootlegging to any significant degree.

With their own private police force the companies continued to harrass the miners and truckers of the bootleg industry. But in 1933 there was considerable unrest in the mining areas. Demonstrations and protest movements led to a "dangerous situation", and forced the operators to lay low again. Miners went on strike in sympathy with the bootleggers; other unemployed joined the forces of the latter; and equalization of work between the collieries was generally demanded. Against protests and appeals reaching as far as Washington, the Reading Coal and Iron Company shut more mines in 1934, and the bootleg industry could not help but expand. But still, law is law and bootleg coal distributors were arrested in Philadelphia and New York. By closing the distributive channels it was hoped to close the holes in the hills of Pennsylvania. The truckers then organized into associations and fought their cases in the courts. The miners also organized in the Independent Miners of Shamokin and Vicinity and in similar organizations. In April 1935, the Holstrom Bill, calling for the issuance of permits to coal haulers on state highways was introduced in the State legislature. Five thousand bootleggers marched on the Capital, Harrisburg, and the bill was withdrawn.

In 1936 the operators tried again to get governmental help to end bootlegging by police methods, but were once more turned down. The State initiated an investigation committee which was supposed to bring in with their report suggestions for a solution of the problem. So far, however, no solution has been found, other than Governor Earle's suggestion of nationalizing coal. But neither the humanitarian Governor of the State of New York nor the still more humanitarian Mayor of the City of New York were willing to wait for Bolshevism in the coal industry, and bills were passed designed to stop bootlegging by regulating the sale of coal. However, bootlegging continued, though at a somewhat slower pace for a while, because of the temporary improvement of conditions, but now again on a larger scale.

### The Meaning of it all

The existence of the bootleg industry tells a manifold, far reaching story. First it illustrates in a concentrated way all the idiotic arrangements prevailing in present-day society. Coal is a social necessity, but as a natural resource it exists only in limited quantity. There is no sense in wasting coal or labor power engaged in its extraction. Technical development has allowed for greater productivity in the mining process, though the workers exploited more intensely, did not profit much, if at all, from the technical improvements. But in the bootlegging industry technique has ceased to exist; coal is again extracted in the primitive manner of the middle ages. It is also extracted without regard to the near future of coal mining, which is incidentally of concern to the capitalist owners, who would extent as much as possible their profits from the mines. The bootleg holes weaken the rock and dirt formation above coal veins that lie further down, and when abandoned they constantly threaten the deeper legitimate workings with flooding. But today this is primarily a problem for the legal owners of the mines, though in the last analysis it really is a social problem concerning everyone. Safety devices cannot for lack of investment funds be employed sufficiently by the bootleggers, and those existing in the deeper legal mines lose part of their value because of new dangers caused by the encroachments of the bootleg holes. Safety engineers have thus labored for nothing; the results of their work are hampered by the present situation, which means so many more broken bones and crushed skulls for the miners.

As far as the much bewailed breakdown of the legal process is concerned, that shouldnt even worry the capitalistic minded worker. For it only *seems* as if the workers have escaped exploitation by capitalists; in fact they are more exploited than before, though no longer by particular firms but by the prevailing system of capitalism of which the particular firms are a part. The complaining coal operators are not so much concerned about the fact that the bootleg mines are operated in opposition to established property principles, but they see in this activity the re-appearance of a capitalist form of "unfair competition", with which they have to reckon. Since bootleg coal is sold at a lower price than legally mined coal, it cuts into the markets of the coal companies which are already considerably shrunken. The monopoly position of the concentrated coal enterprises will be threatened if bootlegging increases. Whatever the latter gain, the former will lose; more mines working on small profit margins will be closed, and more bootleg mines will spring into existence. The competition largely eliminated by capital concentration threatens to return through this kind of expropriation.

However, this fight against capitalist monopoly is fought with unequal-  
weapons. The primitive working methods have to vie with the highly  
developed technique in the functioning mining enterprises. To undersell  
legal operators today results in a meager wage of about \$14 a week. New  
and improved methods of production in the legal mines, will lower the income  
of the bootleggers until nothing is left. The pressure brought about by  
bootleg competition will help to force down the wages of the "legal miners".  
To hold their jobs they must help maintain their companies' profits and will  
finally discover that bootleg competition disturbs their own interests as well,  
that is, as long as they think in capitalistic terms. Thus, if bootlegging in-  
creases considerably, the unions, to keep themselves alive, must also turn  
against it, in order to keep wage rates on a basis which allows for their ex-  
istence. Bootlegging increases or re-establishes competition among the coal  
producers, as well as among the miners themselves. And here too all the  
odds are against the bootleggers. Because they are always forced to undercut  
the regular prices established by general competition or by monopoly prices,  
their income will always be lower than the income of other workers. The  
technical backwardness and other restrictions characteristic of their means of  
operation, outweigh by far the profit yields pocketed by the individual  
capitalists, as has been proved by the previous history of bootlegging. Illegal  
mining then presents no way out of the miseries for the unemployed miners,  
for it is not enough to escape particular exploiters and still remain in the  
capitalist society. The latter determines the life of the workers; the former  
only the place of exploitation. Only as long as their competition is not a  
serious one can it assert itself. If bootlegging should become a real menace to  
private industry, the operators will eventually drive the bootleggers out of  
business, even without the forces of the state and the law, but merely by way  
of ordinary competition, wage cuts, improved techniques and increased speed-  
ups. That this has not been done as yet only illustrates the fact that  
the problem is not considered as of first importance so far. The troubles and  
losses involved would at present cost far more than could be gained by the at-  
tempt to eliminate the bootleggers. Therefore only those means which  
could be obtained for nothing were used to check the movement and keep it  
within limits. Then too, since coal can only be extracted near the surface at  
certain restricted places, the geographical limitations of bootlegging induces  
the operators to wait and win rather than to strike and succeed.

### **What Bootlegging means for the Workers**

The most important lesson to be drawn from the Pennsylvania miners  
concerns their action as such. That this action cannot solve their problems  
either of today or tomorrow has no bearing on the question. The miners  
did not act because they thought their action would solve their problems, but  
because they did not see any other way to turn. There was no organized  
propaganda nor encouragement by organizations which induced them to enter  
bootlegging. They simply did what they were accustomed to do, though on a  
larger scale. All the complexities involved in the question of bootlegging,  
which occupied government commissions for months, resulted from the simple  
process of their taking more coal than before to exchange for food. The  
problems of all workers are here, so to speak presented in a nutshell. All  
that is really necessary for the workers to do in order to end their miseries is

to perform such simple things as to take from where there is, without regard  
to established property principles or social philosophies, and to start to  
produce for themselves. Done on a broad social scale it will lead to lasting  
results; on a local, isolated plane it will be either defeated, or remain an un-  
successful attempt unable to serve the needs of the working class. When the  
large masses face a similar general situation as the Pennsylvania miners faced  
in their specific case, we have every reason to assume that they will react in  
the same way. The bootleg miners have shown in a rather clear and im-  
pressive way, that the so much bewailed absence of a socialist ideology on the  
part of the workers, really does not prevent workers from acting quite anti-  
capitalistically, quite in accordance with their own needs. Breaking through  
the confines of private property in order to live up to their own necessities,  
the miners action is, at the same time a manifestation of the most impor-  
tant part of class consciousness, — namely, that the problems of the workers  
can be solved only by themselves. This class consciousness grows out of the  
need for action, and the contradiction of capitalism, and not from the ideas  
and the ability of smart leaders. That the other self-help organizations,  
which we discussed previously, did not teach such a positive lesson to the  
workers, is not due to the fact that the workers involved therein were less  
"class conscious", or more "patriotic", but because in their territories there  
was still a chance to get along in the "American Way", thus there was no  
necessity for them to act as "unpatriotically" as the Pennsylvania unemployed.  
But the one as well as the other form of these movements, shows very clearly  
that men do what they can do and what they have to do, and think accord-  
ingly.

### **Nationalization of Coal**

The case of the Pennsylvania miners is also an indication of certain general  
social and economic trends. First there is the concentration process of capital,  
here expressed in the fact that the majority of the miners of Southern Penn-  
sylvania were subordinated to one large company. Then we observe the  
decline of profitability — only the most productive mines could be operated  
profitably, and whole towns were suddenly without possibilities for living.  
Next we see here the total absence of the possibility for migration, for  
wherever the miners could have gone, they would have discovered what they  
had left behind. To condemn the companies is easy and we certainly do not  
object to this, but it is rather pointless. To demand that these companies be  
abolished is also senseless, for they have already abolished themselves. No  
solution can be found locally. The workers demand work, the capitalists,  
profits. Neither of these demands can be satisfied, for both are not deter-  
mined locally but by national and international conditions. The hopelessness  
of the situation brings about the demands for the nationalization of coal, which  
would mean that the government would assume control of mines and their  
production. Then the price of coal would be fixed according to what pro-  
duction and distribution plus administration would amount to. But this  
describes only the most favorable conditions, for if coal could not be sold at  
such a price, it would have to be sold at a loss, the deficit to be made up  
out of the general tax income. That would mean practically that the rest of  
the population, that is, all the workers, would have to pay for the privileged  
position obtained by the coal industry.

Coal is not produced in the quantities possible, for such a production would not yield profits. Yet, there is no shortage of coal on the market. Either the coal production will be cheapened and sold abroad below the world market prices and so make miners idle in other countries, or, unsold, it will be piled up and after a while force the restriction of production, regardless of the nationalization of the industry. It is not possible to expect a general up-swing of capitalist production from the lowering of coal prices alone, nor is it possible, in the long run, to dig holes in the earth to produce mountains of coal on the surface. Only if the general capitalist conditions improve with a progressive accumulation, can the demand for coal be raised sufficiently and unemployment mitigated. But the nationalization of coal is only another expression for the relative stagnation of the capitalist accumulation process. On the basis of such stagnant conditions, the nationalization of coal can lead only to further nationalization of more, and eventually of all industry, in a re-organization process, which permits the continuation of the capitalist forms of production and distribution despite diminishing profits. But this other temporary solution is already "Bolshevism" and presupposes social upheavals to an extent dangerous to the whole exploitative system as such.

The demand for the nationalization of coal in America is possible only by way of compensating the owners of the industry. In this manner a solution is presented for many individual capitalists, whose unprofitable mines are also unsaleable. The nationalization would largely mean state support to capital. And as the compensation would have to be paid out of the socially created products, it would mean that the workers have to solve once more the difficulties of their exploiters. All theory surrounding the question of nationalization boils down to nothing more than wage cuts for the workers. But even this would not solve the problems of the miners, for their continuous employment presupposes a general and progressive unfoldment of capitalism, whereas the subsidies and wage cuts indicate the opposite trend. Whatever will take place, the nationalization of coal offered as a solution, is, even in advance, in need of a solution itself.

(To be continued in the next issue. Next chapters: Organizations of the Unemployed. — The New Deal in Welfare.)

## BOOK REVIEWS

*America's Stake in International Investments.* The Brookings Institution, Washington, D. C., 1938. (710 pp. \$4.00)

Like most of the publications of the Brookings Institution, this book by Cleona Lewis and Karl T. Schlotterbeck presents an impressive accumulation of factual material of the highest importance to the economist, sociologist, historian, and the general reader. No theory underlies this study; the facts speak for themselves, and thus the book serves a useful purpose. Although the "neutral" position taken by most of the writers connected with the Brookings Institution is only another

form of capitalistic bias, the results of such studies may very well serve entirely different functions than those intended.

The facts assembled here tell the story of America's investments abroad and of foreign investments in America, and it compares the investment activities of the different countries in their historical development and in their different forms. As regards investments there exists no fundamental difference between the many capitalist countries. Debtor

nations change into creditor nations, and vice versa. All capitalist countries have invested more or less capital in one form or another, or in all forms, at all times. The height of capitalist development and the success in international competition determines the proportional relations of investment activities among the different nations. Some countries like England, are relatively successful with their foreign investments; others, like France, are not quite so fortunate. The reasons for the preference of one or the other form of foreign investments, by one or the other nation, is explained by particular circumstances confronting the search for higher yields. Foreign investments are somewhat more complicated affairs than investing capital in one's own country, but fundamentally there is no difference between both, and the extent of both is determined by the general world conditions and the conditions within in the single countries. The relative stagnation of capitalist accumulation, contracting world-trade, also reduced foreign investments considerably. Those in existence before the depression of 1929 were depreciated to a large extent.

America changed from a debtor to a creditor nation during the course of the World War. This process is seen by the authors as an inevitable one, which the war did not cause but only hastened, and that, by stimulating the tremendous loans and credits to the Allies, and later also to the enemies, to enable them to reorganize to serve their own and America's needs for profits. America in 1929 had invested abroad a gross total of 17 billion dollars. This declined until in 1937 it was only 13 billions, or with foreign investments in the United States deducted, the decline ranges from 8.1 billions in 1929 to roughly 5 billions in 1937.

Foreign investments "relate to the prospects for pecuniary gains, for the expectation of profit remains the touchstone by which investment opportunities are tested". Such investments become at once possible and necessary after a certain stage in the capitalization process of a country is reached. As far as those investments serve foreign trade they will always have to exist in some way

or another, as national capitalism is not self sufficient. Export of capital in its many forms will take place when the expectations for higher profits, or simply for profits, are possible, or possible only by investing abroad. The decline of profitability in the United States since 1920 has led to a tremendous investment activity abroad, to the lending for all possible, and also impossible, purposes. Wholesale defaults, moratoria, and standstill agreements have turned a large portion of these investments into losses, just as once America's defaulting wiped out large European investments in the United States.

The present instability of capitalism finds its expression also in the fact that most of the present capital movements from country to country are determined not so much by the profit motive, as by the desire for safety. To keep what one has counts already as success, since to enlarge it becomes less and less possible.

The authors see a dark future for American foreign investments. Already a large portion of the American loan to foreign corporations "was utilized for improving the living conditions of foreign populations. Loans for strictly productive purposes accounted for a very small part of the total credit extended to foreign governments and foreign corporations." Also, the growing state control in many countries with its "new labor legislation, land laws, tax legislation, control of railway and public utility rates, are serving to reduce the profits formerly realized on many kinds of entrepreneurial ventures, while political shifts of various kinds are further narrowing the field for such investments." However, at the same time, new tariff laws, are opening new investment opportunities abroad. "Foreign tariffs, by raising prices of imported commodities, give assistance to capital — both foreign and domestic — invested in the protected industries. Thus, new foreign tariffs — expressions of a national desire for self-sufficiency in many countries, or demands for protection by powerful groups in other countries — serve to invite and encourage the migration of American branch factories into

protected areas". It is very important to recognize that the present drive towards governmental control of industry and its accompanying tariff regulations, etc., have a twofold effect upon capital: it is detrimental but also favorable to profits. One group may gain by it and another lose, so that this whole "new" development comes clearly to light as only another form of "old" capitalist competition. When demonstrated on foreign investments, it becomes clear why capital is neither fascistic nor democratic, but simply a profitmaking institution whose attitude to governmental forms is always determined by its profit needs, and those, as they have to assert themselves by way of competition, may at times even reduce a war between fascism and democracy to the "primitive" struggle for profit between two or more differently interested capitalistic groups. The book

*Caste and Class in a Southern Town.* By John Dollard. Yale University Press, 1937. (502 pp. \$3.50)

Dollard's study, undertaken for the Institute of Human Relations of Yale University, deals with the social and emotional life of a small community in the South. Life is here dominated by two forms of organization — caste and class. The attitudes of both white and negro as determined by caste and class are studied and described by analytical methods in such an impressive way that even readers not in sympathy with the Freudian approach will considerably improve their understanding of the conditions in the South, typified by this town. The author participated in the social life of the community and questioned people from all groups there. Well-known habits and ideas of southern people are once more illustrated but in a way which brings out, even though unintentionally, the impossibility of any changes without corresponding fundamental social and economic changes. The reader feels that a new Civil War might be necessary to do away with the barbarous conditions described; that the ideologies in the South are nourished by the desire to avenge the defeat of almost 70 years ago. The author, a Northerner, often felt "like

makes clear, though not willingly, that capitalism has no principles; that all its different policies are only serving the single purpose of bringing profits to the ruling capitalistic groups. However, these possibilities become more and more limited, at home as well as abroad. "Changing world conditions", to quote the authors once more, "undoubtedly have been narrowing the opportunities offered both for the extension of foreign loans and for the making of new direct investments abroad". The hope is expressed in the conclusion that the Government of the United States will see, "that policies affecting international investments should be so designed as to safeguard the larger public interests at stake as well as the immediate interests of the investors." That is, the book ends with the empty hope that the impossible may be made possible.

By John Dollard. Yale University

the last of the carpet-baggers, like a lone raider following in the wake of the Union armies". The caste barriers are recognized as largely a "protection against competition from the Negroes". The Negro is to be kept in "his place", but even that place vanishes under his feet. The poor whites, a frustrated class, are, as L. W. Dobb points out in the Appendix to the book, "seeking a solution for their frustration and do not find it within the pattern of their own environment." Their own hopelessness finds a kind of consolation in race prejudices and a sort of misdirected protest activity against their own miserable conditions. The poor whites are not the lowest caste, however low their living standards may be. Too weak to fight their real enemies, and therefore too weak to recognize them, they turn their hate to the negroes, with whom they also have to compete for jobs and tenancy. However, it is noted, that race hatred is less strongly expressed among the poor whites than among the white middle class. It is also noted that white and negroes will often forget caste issues to fight a common class issue.

Living conditions in the South are unbelievably low. To mention one fact, wages range from 75 cents to one dollar-and-a-quarter a day. The low income of the tenants is still less credible; facts here are actually stranger than fiction. The pauperization is greatest among the negroes, as is illustrated, for instance, by the fact that infant mortality among negroes is three times as high as among the whites.

The best that may be said for Dollard's book, whose contents cannot be adequately dealt with in a short review, is that its approach to the problem has undoubtedly succeeded not only in making the prevailing situation in the South visible and comprehensive, but also in bringing this situation in all its cruelty and misery so near to the reader that

*America on Relief.* By Marie Dresden Lane and Francis Steegmuller. Harcourt, Brace & Co., New York, 1938. (180 pp. \$2.00)

*Trends in Relief Expenditures.* Works Progress Administration. Division of Social Research. Washington, 1937. (117 pp., free)

*This Question of Relief.* Public Affairs Pamphlets. 1938. (32 pp., 10c)

Research Monograph X of the W. P. A. Research Division is, like all other publications of this institution, of the highest value to the student of social conditions in America. Here for the first time are collected scattered and fragmentary data on outdoor relief expenditures before and after the depression. The upward trend in expenditures for the last two decades is demonstrated in connection with the shift from private to public relief. The increase in both public and private relief expenditures, as is brought to light here, has been greater than the growth in population; that is, it corresponds to the increase of exploitation and misery accompanying the capitalist accumulation process. The rate of increase of public relief expenditures has greatly exceeded that of all governmental expenditures combined. The importance of the relief problem and the impossibility of solving it manifests itself unmistakably here in charts and figures.

*This Question of Relief,* prepared by Maxwell S. Stewart, tells the

he might be actually haunted by the disgusting conditions, and in that way may slowly be oriented towards the developing of what is called a social conscience. However, the peculiar conditions in the South are inseparable from the conditions in the North. The frustration in the South is largely based on the accumulation of wealth in the North. Still, cessation of this accumulation will not effect anything favorable for the South, but will only make the difficulties existing there still more intolerable and will foster all these ideologies described by Dollard. An end to such conditions cannot be expected by political changes in the South, but only by decisive economic and social changes in the entire America, and even, to a certain extent, in entire world capitalism.

above story in a more popular, journalistic, and restricted form for propaganda purposes. He approaches the question from a liberal moralistic point of view. He "feels" with the unemployed and wants a "sane" relief policy designed to turn even the present misery in some kind of pleasure. He is not against the "dole", but he prefers work-relief. On the basis of the popular under-consumption theory he approves of "priming the pump", and demands a national program as against local control, the attainment of the self-respect of the recipients of relief, and relief corresponding to the "American standard of living", whatever that might be. At the same time the lowest administration cost is advocated. Administration should be taken out of the hands of the politicians and be turned over, to the trained social workers. In other words, a "friend of the workers" here speaks his mind, but in such an unrealistic manner, so unfamiliar with the real situation that one can not help but warn the workers: beware of your "friends"!

The "trained social workers", Marie Dresden Lane and Francis Steegmuller, also friends of Hopkins and the workers, demonstrate in *America on Relief* what they would like to do to the unemployed if Mr. Stewart were to have his way. Once more the relief situation is described and the previous treatment of the situation mildly criticized. The method of distributing the money available has to be improved. "Pantry-snooping" by social workers was not sufficient enough in saving on relief costs. The theme of the whole book seems to be that in the long run it would be cheaper to employ more and more efficient social workers. That this is supposed to be good also for the unemployed and society at large is to be understood at the outset. But still, all the authors can propose in the present status of relief is saving by reducing costs, and this program is presented as a struggle against waste, inequality and graft. Some people don't need relief, others receive too much, while still others not enough. The equalization of the existing misery is sought by taking from where there is supposed to be too much, instead of increasing where there is obviously not enough. Though they don't dare to advocate openly the reduction of work relief wages, they do so indirectly by pointing out that it is unfair to give some unemployed union wages and incomes as high as \$94 monthly and others hardly enough for subsistence. But in no place do they mention that fact that the incomes of the social workers exceed by far even the highest of the work-relief wages. Their own favorable income position doesn't bother them the least; what worries them is the inequality among the paupers, and also the fact "that the great majority of the professional and technical W. P. A. workers have never received an average yearly

wage as high as that which they are now receiving on the W. P. A." But they seem to see nothing wrong with such miserable wage standards existing in private industry, but only with the still miserable standards prevailing on the W.P.A. which they think too high in comparison with the former. They demand the "elimination of the wage differentials and recognition of family size". That they don't mean equalization towards the maximum but towards the minimum W. P. A. wages becomes clear in the fact that the whole argument is based on the idea of saving on relief costs by better distribution. This also forces them to consider family size, as hardly more than a single person could exist on the miserable minimum wage paid today by the W. P. A. They disregard the capitalistic need for division in order to rule, but they also express the narrowing of this traditional policy of handling the poorer class, which may force the capitalist society to equalize misery, though it means greater difficulty in holding down the exploited class. There are many more suggestions in the book, but none opposes its general theme, that is, to save on the unemployed by paying more to the social workers, and to proceed from "pantry-snooping" to snooping everywhere. The whole spirit of the book, with its authoritarian attitude that would regulate the life of the "lower classes", is deeply disgusting. Such books, however, will indicate to the workers that the "social workers" when they speak of the needs of society always meditate their own needs; that as servants of capital they have to be approached like all the other servants and police forces of capital; that from this group nothing favorable can come to the workers; and that the needs of the unemployed can be served only by the unemployed themselves.

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