

# NATIONAL ISSUES

*A Survey of Politics and Legislation*

***Nos. 1-9  
1939***

*Introduction to the Greenwood reprint by*

**HARVEY A. LEVENSTEIN**

*Department of Social Studies*

*Columbia University*

*New York, New York*



Greenwood Reprint Corporation

Westport, Connecticut

1970

Introduction  
*Copyright © 1970 by*  
GREENWOOD REPRINT CORPORATION

This reprint edition reproduces the entire contents  
of the original publication as far as it  
has been possible to determine

This work has been printed on long-life paper  
and conforms to the standards developed  
under the sponsorship of the  
Council on Library Resources

Printed in the United States of America

## Introduction

*National Issues* was a rather remarkable journal. Published monthly in 1939 by the National Committee of the Communist Party of the U.S.A., it strongly resembled the liberal *New Republic* and *Nation* of the time not only in format, but in editorial stance as well. It is perhaps the epitome, if not the high-water mark, of the Popular Front line in the United States.

In August, 1935, the Communist International, in its Seventh Congress in Moscow, had responded to the rise of fascism in Europe and the expansion of Japan in the Orient by calling for the Communist parties of the world to take the lead in forming "Anti-Fascist People's Fronts." Whereas previously the Communists had called for united fronts of workers against fascism, their policy had precluded working with non-Communist organizations and had centered around wooing workers into Communist-led unions and the Communist party. The "Popular Front" line not only allowed the Communist parties to cooperate with non-Communist parties and organizations, it positively admonished them to seek out formal ties with their previous rivals for the hearts of the proletariat: the Social Democratic parties, the reformists, and the pacifists. Indeed, any group that appeared to be moderately progressive and that did not consistently attack the Soviet Union was to be courted into forming a broad political grouping whose main stance would be antifascism.<sup>1</sup>

In the United States, the new line proved to be a mixed blessing for the Communist party. In spite of the International's protestations of its worldwide relevance, the new line was obviously oriented toward Western European political conditions, where the main allies in the alliance were to be the Socialists. In the United States, an alliance with the Socialist Party of America, even weaker than the Communist party, proved to be not only impossible to effect, but, more important, meaningless and powerless. Thus, the party was forced to turn to the motley collection of groups supporting the New Deal.

The CPUSA pursued the new line with characteristic zeal. A myriad of anti-Fascist front organizations were set up to alert liberals to the growing worldwide threat of fascism. Earl Browder, the leader, set out to change the image of the party to that of something secret, revolu-

tionary, and foreign. Communism became "Twentieth-Century Americanism." Party members were admonished to support the progressive and anti-Fascist forces in America. They were now to participate in forming "people's fronts" in all types of organizations and on all levels of government.

In theory this sounded fine, but in practice, problems arose. How was one to tell exactly who was progressive and who was not? What were the criteria for being anti-Fascist? Which measures wending their way through the labyrinth of Congress should one write one's Congressman to support or oppose? Communists were now expected to have opinions on a whole range of political issues, from the most sweeping foreign policy issues to the most petty questions surrounding municipal budgets, and they were expected to be able to argue them convincingly. Neither the party nor its members could now take refuge in denunciations of the "contradictions" of the system, predicting its imminent downfall, and dreaming of the Utopian system that would follow. The party now began to participate openly and responsibly in local politics. Indeed, by October, 1938, the New York State Committee had sufficiently mastered the intricacies of municipal finance to send a representative to the New York City budget hearings. He called for a not-very-revolutionary increase of \$16 million in the \$155 million capital budget and, moreover, showed how this could be done without increasing the mandatory debt limit.<sup>2</sup>

*National Issues* was founded around this time, not as a "front" magazine published by a progressive-sounding organization controlled by the Communist party, but as an official organ of the CPUSA. Its function was obviously twofold. First, it would give direction and depth to the opinions of party members and "fellow travellers" on the important national issues of the day. In the same way that the *New Republic* and the *Nation* told liberal readers, in depth, who was really liberal and why, so *National Issues* would tell its readers who was really progressive and why. Second, it would help to promote the broad-based coalition of Communist and reformist forces that the "Popular Front" line aimed for. The Congressional elections of 1938 brought sharp reversals for Franklin D. Roosevelt and the New Dealers. It was very likely that Roosevelt would not seek a third term and the Democratic Convention would fall into the hands of conservative Democrats. There would then be a good chance of a mass defection of New Dealers from the Democratic party and the formation of a new, progressive third party, with the Communist party playing an active role in it. *National Issues*, by demonstrating the reasonableness of the CPUSA, its sophisticated, realistic appraisal of national politics, and its consistent support for the pro-

gressive wing of the Democratic party, would help forge the basis for the new coalition.

Alas, the high hopes of the founders were not to be realized. In August, 1939, the party was badly shaken by the signing of the Soviet-German Non-Aggression Pact. The September issue of *National Issues*, which had been ready to go to press with an expanded review of the legislative record of the Seventy-sixth Congress, contained a hastily written editorial in defense of the Soviet action and a transcript of a radio speech on the topic by Earl Browder. An October issue had been planned, but the new events in Europe forced a rapid, agonized reassessment of the CPUSA's position with regard to Roosevelt and the New Deal. If it was to continue in existence, *National Issues* would have to accomplish a complete about-face in its line with regard to Roosevelt's foreign policy. Whereas it had previously supported the halting efforts of the Administration to combat "Fascist aggression" in Europe, it would now have to attack them. In addition, it would have to adopt a much more critical stance toward New Deal domestic measures. This would also involve highly complex, and highly embarrassing, changes in position with regard to the myriad of legislative proposals upon which it had already advised its readers in detail. Certainly, it would be much more comfortable simply to allow the journal to disappear quietly from the scene.

But we know enough about the rapidity with which other organs of the CPUSA, such as the *Daily Worker*, accomplished the about-face to know that the discomfort and complexity of the shift could not have been the only factors involved in the death of *National Issues*. Although the CPUSA's true financial status at the time is difficult to decipher, throughout the summer of 1939 it had been issuing urgent appeals for funds from its members and sympathizers. It simply cost much more to run the new type of "responsible" political party, with its open conventions and many publications, than it did to run the party of the 1920s, when shabbily dressed members of the "vanguard of the proletariat" could meet secretly in New York apartments and circulate mimeographed polemics. *National Issues* was an expensive magazine to produce. It had no advertising, and it is doubtful if its circulation ever reached the level where it paid for more than a small fraction of the cost of production. Even the *New Republic* and the *Nation*, with their much larger circulations, found it consistently difficult to survive without financial support from either well-heeled owners or readers. Thus, it appears that *National Issues*, founded in imitation of liberal, capitalist journals, died for rather mundane, capitalist reasons.

Although its life was short and its influence in its own time not too

important, *National Issues* has become a valuable source for historians of the New Deal, labor, and communism in the United States. Its detailed spelling out of the CPUSA stand on virtually every major piece of legislation, its lists of which Congressmen the CPUSA supported and opposed, its articles outlining the Communist position on everything from the Wagner Act and the CIO to welfare programs and the Ludlow Amendment, make it an important and convenient resource for anyone doing work in this period.

—HARVEY A. LEVENSTEIN  
New York, 1969

#### NOTES

1. *Report of the Seventh World Congress of the Communist International* (London: Modern Books Limited, 1936). See especially "Resolution on the Report of Comrade Dimitrov."
2. *Daily Worker*, October 1, 1938.

# National Issues

A SURVEY OF POLITICS AND LEGISLATION

*January 1939*

The 76th Congress

Armaments and Peace

Labor Agrees on Legislation

The Dies Committee

The Monopoly Investigation

*An Editorial*

*Earl Browder*

*Alan Max*

*Milton Howard*

*David Ramsey*

---

15c a copy

\$1.25 a year

Volume I

## JANUARY CONTENTS

Number 1

|                                       |                      |    |
|---------------------------------------|----------------------|----|
| THE 76TH CONGRESS . . . . .           | <i>An Editorial</i>  | 3  |
| THE UN-AMERICAN DIES COMMITTEE . . .  | Milton Howard        | 5  |
| ARMAMENTS AND PEACE . . . . .         | Earl Browder         | 8  |
| THE MONOPOLY INVESTIGATION . . . . .  | David Ramsey         | 11 |
| W.P.A. AND RECOVERY . . . . .         | Roger Bacon          | 13 |
| A REVIEW OF THE WAGNER ACT . . . . .  | W. D. C.             | 15 |
| A PROGRESSIVE TAX PROGRAM . . . . .   | John Page            | 16 |
| ATTENTION ALL READERS                 |                      | 18 |
| THE PEOPLE'S MANDATE TO CONGRESS      |                      |    |
| LABOR AGREES ON LEGISLATION . . . . . | Alan Max             | 19 |
| THE NEW SOUTH SPEAKS . . . . .        | Rob F. Hall          | 21 |
| REVISE THE UN-NEUTRAL NEUTRALITY ACT  |                      | 22 |
| CONGRESSIONAL CALENDAR . . . . .      | <i>January, 1939</i> | 23 |

### NATIONAL ISSUES: *A Survey of Politics and Legislation*

*Editor:* GENE DENNIS. Published monthly by the National Committee, Communist Party, U. S. A. Single copies, fifteen cents; yearly subscription \$1.25. Editorial Offices, 35 East 12th Street, New York City. Address all communications to: P. O. Box 87, Station D, New York, N. Y.



## THE DAILY WORKER

*People's Champion of Liberty, Progress, Peace and Prosperity*

AMERICA'S FOREMOST DAILY LABOR PAPER

50 East 13th Street, New York City

3c a copy—\$6.00 a year

# The 76th Congress—*an Editorial*

The Seventy-sixth Congress of the United States is meeting at a critical period in the history of our country and the modern world. At home, Congress and the President face the vital problem of raising the living standards and improving the general welfare of the people. Abroad, the consequences of Munich confront them with the immediate need for a positive policy of national security to preserve peace and democracy.

The future of America, and that of the whole world, will be influenced by the deliberations and legislation of the Seventy-Sixth Congress. Congress bears the responsibility of formulating and carrying out a program which will direct the nation towards social and national security. Progressive legislators in the House and Senate, irrespective of party lines, have this mandate from the people. Even Tory Republicans and Copperhead Democrats dare not oppose such a program openly. They were given their cue by the 1938 meeting of the National Association of Manufacturers which paid lip service to collective bargaining and other reforms. The reactionaries will try to "modify" and then destroy the social gains of the New Deal behind the smoke-screen of "improvements" and a "clarification" of principles. The whole progressive program will be in constant danger from the "liberalism" of Hoover Republicans and Garner Democrats.

\*     \*     \*

If a constructive program is to be passed by Congress, then the progressives must agree on a crucial point, on a sound program of social *and* national security, around which hinges success or failure. For there will be legislators who will deny the need for national security, and others who will argue that social security should be sacrificed to pave the way for adequate defense against fascist aggression. Substituting or eliminating one for the other would be playing Wall Street's game. Social and national security are related questions; they are interdependent, and the adequate solution of one depends upon the effective solu-

tion of the other. There can be no social security for our people, if we neglect national security against aggression, and conversely the foundation of real national security is the social welfare of the population.

Big business and its fascist-minded spokesmen are opposed to both sides of this program. Measures for social security would mean further restrictions on their vested interests. A program for national security would frustrate the schemes of the fascist war-makers whom Wall Street would like to emulate. Hence, by pressing for social and national security the progressives are striking at both the internal and external enemies of American democracy.

The touchstone by which all proposals should be evaluated is: *security for whom*. Security for the people or for Wall Street! Security for the nation or for the fascist war-makers!

Once this criterion is adopted, the actual measures which should be enacted are easily agreed upon. They have already been presented in the speeches of the President, in the programs of organized labor, in the expressed feelings of the vast majority of the people. The nation has shown its indignation at the inevitable by-products of Munich: the Nazi pogroms; the increased aggression by Germany and Italy against Spain and the small countries of Europe, as well as against France; the penetration of Central and South America as the first step in the encirclement of the United States by the fascist international axis; the closing of the open door in China by the Japanese militarists. Our people want a positive program of democracy and peace to prevent new Munichs.

To frustrate this earnest desire of all sections of the population, reaction, speaking through the National Chamber of Commerce, is trying to limit national security by picturing it solely in terms of an armaments program. Dodging the necessity of resisting fascism by a consistent peace program, this organization of big business attacks the idea of a program of national security as a "pretext"

to prime the economic pump. This has a twofold purpose: to plump for an increase in armaments of the kind that will line the pockets of the munitions ring, and to depress living standards and emasculate social legislation, behind the slogan of national defense. Wall Street does not want national security for the people. It would like to shackle the people to a war machine through compulsory mobilization of labor which can then be used against democracy here and for connivance with the fascist dictators.

National security for the nation can only be achieved by a realistic approach to the new world situation created by Munich. Unity of the people in defense of peace and democracy is the first requirement. This can best be forged through the extension of social security and democracy here in the United States. Through these means Congress and the Administration can ensure the willing support of the people, and guarantee that the armaments which are needed for defense will be used only against fascist aggression.

For a positive peace program, as outlined by Earl Browder elsewhere in this issue, Congress and the Administration should take steps to strengthen the bonds between the United States, the democratic peoples of France and England, and the Soviet Union. This can serve as the world basis for concerted action against the fascist war-makers. Secondly, Congress should follow up the historic Lima Conference with concrete measures which will enable the United States more consistently and effectively to be the Good Neighbor of Central and South America. Thirdly, it should revise the Neutrality Act so as to penalize the aggressors, clamp down an immediate embargo on the fascist powers, and give substantial aid to the civilian populations of Spain and China.

This last point shows the close relationship between the two phases of the people's program for security. Credits to China and Spain would enable them to purchase our surplus goods and commodities, thus helping the farmers and creating jobs for the unemployed. Likewise, every step in the direction of social security strengthens the national security of the nation and assures our successful resistance to the fascist menace.

\* \* \*

For social security, Congress should act quickly to meet the urgent needs of large sections of our people, ground down by the depression and facing a hard winter. The nation needs jobs, relief, old age pensions, a health program, housing, higher prices for farm products, credits for the small businessman, and better care for our most valuable possession—the youth of America. Without provisions for these needs, the present economic upturn which has already outstripped the available purchasing power of the people will spiral downwards again.

Except for minor details, progressives are in general agreement upon the major legislation which is needed.

WPA has to be extended and expanded, rather than arbitrarily reduced, to bolster the purchasing power of the more than ten million unemployed. The public works program has to be enormously enlarged so that the recovery program of the New Deal can be carried out. A five billion dollar housing program would provide that stimulus which the national economy requires for further development. Roads, schools, extension of the TVA program, are among the other public works which need to be launched right away. Unemployment insurance has to be extended to all groups in the population which are now deprived of its benefits. The problem for the old people calls for quick action to provide adequate pensions of a minimum of \$60 monthly for all those sixty years and over. The health of the nation requires a national program of insurance and assistance. The National Youth Administration has to be expanded to round out this set of social needs.

The farmers also ask action by Congress. Present farm legislation has to be revised in the interests of the small operating farmers, who on the whole have not benefited from the present farm program. The small farmer needs aid in the form of guaranteed prices for his products based on cost of production; democratization of the entire Federal Farm Administrations; reduction in interest rates and adequate credits for seed, tools and livestock; exemption of family-sized farms from crop reduction and make them eligible for crop benefit payments; electrification of the rural areas; and protection against exorbitant monopoly prices for the goods he buys.

The small businessman requires protection from the encroachments of the trusts. He needs cheap government loans, legislation against the chains and monopolies. In fact, the entire people expect Congress not to let the monopoly investigation bog down into endless hearings, but to enact legislation to curb the trusts.

The nation's number one economic and social problem—the South—has to be tackled. Measures along the lines proposed by the Southern Conference for Human Welfare should be adopted to prop up and increase the purchasing power of the Southern people. Congress should end the disfranchisement of millions of our citizens by eliminating the poll tax and other restrictions on the right to vote. The rights of the Negro people should be guaranteed, and the Anti-Lynching Bill should be passed to end this shame of lynching on our civilization.

Safeguarding the Wagner Act is a major task for Congress. Unless labor is guaranteed the right to free collective bargaining, the foundations of democracy and security will be destroyed. Progressives will have to overcome the attempts of reaction to undermine the Act under the pretense of "liberalizing" its principles. Labor's rights can be implemented and civil liberties strengthened by passing legislation based on the findings of the LaFollette Investigating Committee. Congress should also put an end to the un-American activities of the Dies Committee, which has

flouted the democratic processes of our people, and given government money to a motley collection of criminals, labor spies, and crackpots, while deliberately refusing to investigate the native and foreign agents of fascism.

The finances of this program for social and national security can best be raised by plugging the leaks in our tax structure. Increased taxes on the vast surpluses of the big corporations and the rich, the taxation of the tens of billions of tax exempt securities, would even at the present low rate of national income bring in seven or eight billions in revenue, or more than enough to finance the entire program.

Next, guarantees for the success of the program can be established by nationalizing the banking system, the railroads and the munitions industries. These measures will make another sit-down strike by monopoly capital more difficult, provide employment in the durable goods industries through heavy purchases of long-needed rail equipment, and assure the nation that armaments are constructed for national defense and not to line the pockets of the Du Ponts and Morgans.

\* \* \*

The people are confident that the progressives in Congress will enlarge the scope of the New Deal and defeat the obstructions of the reactionaries. The program suggested here has been worked out by every progressive group in the country. Congress can help the people realize their hopes by decisive action on this program.

The Communist Party, as part of the democratic front

of the American people, whole-heartedly supports the enactment of a progressive program for social and national security. It is launching this journal of NATIONAL ISSUES in order more effectively to work for the realization of genuine security for the people. NATIONAL ISSUES is dedicated to the interests of the people and to the enactment of progressive legislation in behalf of these interests. We shall attempt to analyze the issues before Congress and the people so that greater clarity and unity can be achieved. We hope to be at least a modest conveyor of the needs of the people to their legislators. We want to serve as a voice of progressive public opinion, and help shape a program of action and progressive legislation for the people.

In this connection, we endorse the idea now being put forward by a number of progressives to convene a great national people's legislative conference early in 1939. Such a conference could serve as a national forum where legislators and their constituents, labor, farm leaders and liberals, could mutually discuss problems and policies. Out of this could develop a national coalition of all progressives which would carry the New Deal in the direction of more social and national security. Such a conference would be an expression of that greater democracy which we need as our first essential in the promotion of the people's welfare. It would enable workers, farmers, and middle class people to participate more directly in the processes of government.

Towards greater rights for the people, towards the defense of democracy and peace, towards social and national security, NATIONAL ISSUES dedicates this and subsequent issues.

GENE DENNIS

# The Un-American Dies Committee

BY MILTON HOWARD

The Dies Committee was authorized by the 75th Congress on May 26, 1938 to investigate "subversive and un-American activities." After a lurid headline career, the Committee will report its findings to the new Congress and will ask for a further extension of its investigation. The Representatives in the House should judge the Committee on its actions and motives.

Cursory examination will show that this was no ordinary Congressional investigation and no ordinary Committee. From the outset the Committee itself has been the object of widespread dispute and attack in responsible quarters of the nation.

The American people were astonished by the irresponsible conduct of the investigation which paid no regard to judicial fairness. Their sense of justice was revolted by the shady character of the Committee's star witnesses, the

fantastic allegations they spread without any regard for truth, and the obvious bias of the Committee and its chairman against organized labor, especially the C.I.O., progressives generally, and the New Deal itself.

So scandalous was the mud-slinging of the Committee that President Roosevelt rebuked it publicly on October 25, ironically dubbing it an "un-American" Committee.

And yet, the Dies Committee has grave significance for the immediate political currents of the nation.

It owes its very existence to the rise of a nation-wide and well-founded alarm at the spread of groups and organizations whose origin, doctrines, and practices constitute a well-defined challenge to the American Constitution and the fundamental conceptions of popular government.

That Mr. Martin Dies, chairman of the Committee, was aware of the spirit of the country is indicated by the argu-

ments he used to win approval for the \$25,000 appropriation he was seeking. It was the astonishing fact of "32 Nazi camps with a claimed membership of 480,000, with men marching and saluting the swastika" (Congressional Record, Vol. 83, No. 108, p. 9961) which Mr. Dies emphasized in making his request for an investigating committee.

These were the objectives set by Congress for the Committee: To investigate:

1. The extent, character, and objects of un-American propaganda activities in the United States.

2. The diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principles of the form of government as guaranteed by our Constitution.

3. All other questions in relation thereto that would aid Congress in remedial legislation. (Congressional Record, Vol. 83, No. 108, p. 9959.)

From the very first days of its hearings, the Committee began a nation-wide "red-hunt" with sweeping assaults on members of the Cabinet and liberal New Dealers; provocative charges against the C.I.O.; demands for deportation of trade union leaders; slanders against the private life of the Roosevelt family; fascist incitements against the Communist Party; innuendos against every citizen associated with some progressive movement or group.

The American people observed that the new "revelations" (equal in importance to the "discovery" that Shirley Temple was a dangerous Red) always seemed to be timed for publication with an eye for maximum effect in the elections in such key states as Michigan, Minnesota, New York, and California.

The array of witnesses was in itself revealing. The chief investigator of the Nazi Bund proved to be a Mr. Edward F. Sullivan who himself had very close associations with this Hitlerite organization as a propagandist of anti-Semitism.

Other witnesses, like Walter Steele (propagandist for the Silver Shirts—a fascist organization, and editor of the National Republic, an anti-Semitic, anti-Catholic publication), and J. Spolansky (convicted of bribery), give a typical flavor of the personages gathered by the Committee as authorities on the nation's Americanism.

But even more serious was the phase of the hearings ostensibly concerned with Nazi organizations and Hitler-financed movements. The Dies Committee spent its energies to give the country as little information as it could get away with on the activities of the fascist and pro-fascist movements in this country. *It is a matter of record that the Dies Committee refused to probe into the evidence offered by its own investigator, John Metcalfe, on the links of Big Business with such movements; that the Committee permitted vital witnesses, such as George Sylvester Viereck, a Nazi propagandist, to evade testifying; that it rejected*

*evidence on Italian fascist activity in this country; that it refused to take documentary evidence on suspected Nazi espionage in the Brooklyn Navy Yard, New York.*

For such generosity, the Dies Committee, and Representative Dies personally, were honored at a meeting-luncheon in New York City, on December 8, at the Hotel Biltmore, by Fritz Kuhn, leader of the Nazi Bund, and other paid agents of fascism. Paying homage to the un-American Committee's activities were also Mervin K. Hart, Wall Street spokesman, and a host of other notorious reactionaries, anti-semites, and avowed propagandists of foreign fascist powers. (See *Daily Worker*, December 9 and 10.)

It was not the real widespread network of fascist, un-American and subversive propaganda which interested the Dies Committee. Its game was closer to home. Its perfunctory surface probe into Nazi activities was a mere detail in a larger picture involving the well-calculated political strategy of larger forces moving behind the scenes.

For the real aim of the Dies Committee can only be understood in the light of the great realignment which is dividing the country into two main camps—the camp of progress and the camp of reaction. In two successive attempts reaction had sought unsuccessfully to shatter the progressive majority through a head-on collision. *The Dies Committee represents one of the moves in a widely-planned flank attack on the unity of the democratic majority which stands for the defense and extension of the New Deal.*

The Dies Committee is the creature of these reactionary forces which are aware that it is no longer practicable to split the progressive majority by a simple broadside against social reforms. It is now necessary for reaction to use another tactic which can serve to steer the attention of the progressive majority away from the movement for progressive social legislation towards vague, confusing and divisive issues around which fears, prejudices and bigotries can be aroused. It is precisely this trick which has been assigned by American reaction to the Dies Committee for execution between now and the Presidential battle of 1940.

And the major tactic in this strategy, as practiced by the Dies Committee, is strictly according to the pattern which has been tried by the totalitarian powers of the Berlin-Rome-Tokio alliance in their domestic policy and in their steady advance of aggression. This is the tactic of "fighting Communism"—communism being defined as anything that stands in the way of reactionary or fascist domination.

It is essential for Congress and the people to brush aside all confusion and wavering on this point. The nature and purposes of red-baiting and the fatal consequences of any concession to it must be clearly understood in the urgent task of defending American democratic institutions against insidious attack from within and without.

Congressman Dies, probably, does not really have the illusion that he can convince America that well-known progressives, Cabinet members, and the Governor of California are all "Communists" or "Communist sympathizers,"

as his witnesses have charged. But in repeating the hackneyed cry of "Communist" as something evil, in dragging the red-herring over every issue, *Mr. Dies is trying to achieve exactly what he and his sponsors set out to do—to establish the sinister myth of a "Communist menace" for use as a reactionary club in the major political struggles which lie ahead.*

The reader can see that this is a first step in the march towards a reactionary victory in 1940. The country must be convinced or frightened into accepting the assumption of the Dies Committee on the "menace" of a cultivated myth; after that the sailing is easy. It only remains for reaction to link each of its enemies, or any of the social reforms it hates, with this dread bogey of "Communism." Then the united ranks of the democratic majority may begin to waver and divide, paving the path for a reactionary advance.

*New Deal democracy, the modern labor movement launched by the C.I.O., and the popular will of the people are the real targets of the Dies Committee and the reactionary strategists behind it.* Their deception can succeed only if Mr. Dies succeeds in perpetrating his fraud about the real character of the Communist Party, its platform, aims and activities. For if more Americans learn the true democratic character of the Communist Party and become more familiar with it as one of the sections of the democratic people's movement, differing with the majority at the moment only on ultimate solutions, but thoroughly loyal in deeds as well as in words to the institutions of democracy and the democratic processes, then the whole Dies' house of cards falls to the ground.

The Communist Party urges all Americans to give its platform, program and work the closest scrutiny. Its basic and fundamental relation to democracy, which no provocation can alter or swerve, are given in the Preamble to its Constitution:

"The Communist Party of the United States of America is a working class political party carrying forward today the traditions of Jefferson, Paine, Jackson, and Lincoln, and of the Declaration of Independence; it upholds the achievements of democracy, the right of 'life, liberty, and the pursuit of happiness,' and defends the United States Constitution against its reactionary enemies who would destroy democracy and all popular liberties; it is devoted to defense of the immediate interests of workers, farmers, and all toilers against capitalist exploitation, and to preparation of the working class for its historic mission to unite and lead the American people to extend these democratic principles to their necessary and logical conclusions,"

that is, Socialist democracy established by the will and action of the majority of the people.

It is from the reactionary forces which are grouped around the Dies Committee that alien propaganda leading toward violence against American democracy is issuing. Whereas the Communist Party, as expressed in its Constitution, takes the opposite position, an American position:

"All Party members found to be advocates of terrorism and violence as a method of Party procedure shall be summarily dismissed from positions of responsibility, expelled from the Party and exposed before the general public." (Sec. 5, Art. 10.)

The relation of the Communist Party to the defense of our democratic institutions is given unequivocally:

"Section 1. The Communist Party of the U.S.A. upholds the democratic achievements of the American people. It opposes with all its power any clique, group, circle, faction or party which conspires or acts to subvert, undermine, weaken or overthrow any or all institutions of American democracy whereby the majority of the American people have obtained power to determine their own destiny in any degree. The Communist Party of the U.S.A., standing unqualifiedly for the right of the majority to direct the destinies of our country, will fight with all its strength against any and every effort, whether it comes from abroad or from within, to impose upon our people the arbitrary will of any selfish minority group or party or clique or conspiracy." (Article 6.)

This is the relation of the Communist Party to the people's democratic movement against fascism. *The Communist Party has no aims in any way different from the interests of the overwhelming majority of the American people.* It stands for higher living standards, social security, democracy and peace. The Communist Party welcomes the scrutiny of its aims and actions as befits any serious, democratic political movement. It is, of course, the democratic right of any progressive American to disagree or reject the proposals of the Communist Party. But it is vital to the defense of American democracy that such persons refuse to compromise the democratic right of such proposals being offered for the judgment of the people. *Any compromise to appease the red-baiters must inevitably compromise democracy itself. This is the major lesson which the events since Hitler's rise to power make clear.*

Because of this, the American people and their progressive spokesmen have made it clear that they favor the following action by Congress on the Dies Committee:

1. No appropriations to the un-American Dies Committee and its dissolution by the House;

2. Appointment of a Committee to study and investigate the finances, procedure and un-democratic recommendations of Mr. Dies and his associates;

3. Election of a new Congressional committee for a real investigation of the un-American and subversive activities financed by foreign powers hostile to the United States and supported by pro-fascist groups within the country;

4. Recommendations to the Administration that the entire government carry out and enforce the Constitution and the Bill of Rights, which guarantees to all sections of the population—including the Communists, the full right to complete democratic functioning, the right to free speech, press, assemblage and organization.

Such action is not the narrow concern of any particular party or group. It is demanded by all liberty-loving people in the interest of safeguarding American democracy.

# Armaments and Peace

BY EARL BRODWER

As an immediate result of the Munich Pact, every important government in the world, including our own, has announced big expansions of the armed forces. Armaments constitute a central question of the day. What must be our attitude toward it?

Prior to the Munich Pact, we declared that a correct peace policy by the United States, which would organize the overwhelmingly preponderant peace forces of the world, could quickly halt and remove the menace of fascist aggression without the necessity of a big armaments program for our country. We opposed the Naval Bill on these grounds, and because it became a substitute for a correct peace policy, and an obstacle to the adoption of the correct policy. Now, the failure of the United States to adopt and follow energetically the policy we proposed has borne its fruits in the Munich Pact. Munich enormously increased the fascist menace and brought it to the American continents in an immediate sense.

This argument on armament that was valid before Munich loses its force afterward. Munich is an accomplished fact, with all its awful consequences. We can no longer dismiss the armaments question with the old answer. We cannot deny the possibility, even the probability, that only American arms can preserve the Americas from conquest by the Rome-Berlin-Tokyo alliance. The Munich betrayal shattered not only the possibility that relatively unarmed United States, by material and moral aid, could organize the rest of the peace-loving world to halt the fascist offensive, but also destroyed at one blow the sheltered position of the Americas. The Atlantic Ocean is transformed from a barrier to a broad high-road for the aggressor powers. The Pacific may soon be the same.

An unarmed people stands today as helpless victims for fascist conquest.

A fascist world can be prevented only, in the words of the Manifesto of the Communist International on November 7, "*with the aid of such governments which are ready to use armed force in the defense of the liberty and independence of their peoples.*" Only on this basis "*it will be possible for a firm front of the peoples to arise which will compel the fascist aggressors to respect frontiers and keep the peace.*"

It will be necessary to clear away all remnants of the pacifist rubbish of opposing war by surrender to the war-makers. Because for so many years the revolutionary working class consistently opposed, and correctly so, all appropriations for armaments and military establishments of all sorts, we inevitably were associated with the pacifist elements in some common actions, the peace-at-any-price

individuals and groups who have today become Hitler's best allies. Some of their ideas seeped into and poisoned small circles of the labor movement for a time. The time has come to clear away all remnants of this degenerate influence.

The fundamental instinct of democracy is toward peace, it abhors war, but when it must fight for its life it is more capable of sustained struggle than any reactionary dictatorship, struggle simultaneously against its enemies within and without, at home and abroad. That is the main lesson of our own nation's history, not to go further afield for historical examples. The War of Independence, 1776-1783, was not chosen by the American people, but when it was forced upon them, they founded the first great modern democracy as a result. The War of 1812, and the national anthem that was born in it, was another defensive war for the maintenance of democracy and national independence, without which American progress would have been stultified. American democracy did not choose the Civil War, but when it was forced by the slave-power, its outcome in victory for the North was a victory for freedom all over the world, while a surrender to the South would have been a crushing blow against progress here and everywhere. And, today, the Spanish and Chinese peoples are giving a remarkable demonstration of how democracy can expand and grow in the very fires of a just war for national independence.

Our first conclusion must be, therefore, that in the world situation after Munich we cannot adopt a negative position to the question of armaments.

Neither can we, however, meet the new situation with a simple affirmative. No matter how much the situation has changed, it still remains true—more true than ever—that armaments are no substitute for a positive peace policy, for a correct approach and active role in organizing the world against the war-makers and therefore for peace. The question is not: are we for armaments, yes or no; it is the more complicated question, "Armaments, for what?" If it is for the defense of the liberty and independence of our own and other peoples, yes, emphatically yes! But the people must learn to make its "Yes" a power for securing guarantees that the armaments will be for that purpose and for no other.

Armaments in themselves provide no safeguard against fascist conquest. Spain had arms and an army, but it was precisely this army which was seized from within by the agents of the fascist invaders, and turned into the executioner of the Spanish people. Let us not too quickly con-

gratulate ourselves in the United States that the same thing "can't happen here." It is only a few weeks since the Secretary of War of our own country found it necessary to note as "treasonable" the public utterances of an army general who had just retired from active service and began to talk publicly for the first time. It would be very interesting to know how many of the general's brother officers agree with his treasonable views. But we have no way to find out. And the thought makes us very uneasy of increasing the powers of these officers. It is necessary to find democratic guarantees for our armed forces, if they are to be relied upon in meeting the fascist menace. It is necessary to cleanse the armed forces and governmental apparatus of all fascist agents and sympathizers.

To stand up against the advancing fascist alliance, to call it to a halt, is a much bigger and more dangerous job after Munich than it would have been before.

When the United States has thoroughly made up its mind to stand out against the fascist alliance, the Rome-Berlin-Tokyo axis and its Chamberlain-Daladier annex, then the question is, how to do a quick and thorough job of it. Do we want to do it alone, or do we want all the help we can get?

The simplest kind of common sense seems to require that the American people gather all the assistance possible. Most people will agree to that.

Who will be willing to stand with the United States?

Following the steps of thought of American spokesmen of the day, we turn first to the Americas. The Lima Conference is an important first step to organize the Americas against the fascist invasion. Good, so far as it goes, and every anti-fascist must wish the conference well. But we must warn that it will not go very far unless a few points of policy are thoroughly established: (1) that every trace of the old "dollar diplomacy," of the old "Yankee Imperialism," be washed out of the "good neighbor policy" which Roosevelt has been developing; (2) that we do not forget that we need *unity of the American democracies*, while in many Latin American countries the *democracies* are suppressed and their leaders in jail or exile, which is the main reason for Hitler's successes there; (3) that the United States diplomatic and consular staff in Latin America, which is the instrument for executing United States policy in practice, shall be cleansed of its fascist sympathizers, notorious perverts and simple incompetents. If these three points are considered and acted upon, the Lima Conference could be a serious beginning to organize the world against the Rome-Berlin-Tokyo axis.

Canada is a separate question. That nation is orientated mainly upon the United States in the biggest questions of world policy, but is still closely bound to the Empire, and therefore to Chamberlain, by economic interest and political tradition. And Chamberlain, profoundly uneasy at the repercussions of President Roosevelt's promise of protection to Canada, is hustling off the King and Queen for a

hurried trip to Canada to revive the "Empire spirit" that began to droop after Munich. But geography is more potent than titles, and Canada is more American than Imperial, and it is not too optimistic to expect our Northern neighbor to join the United States in the anti-fascist front—once we demonstrate that we are organizing it in earnest.

Once the Americas are lined up against "peaceful penetration," intrigues and conspiracies, the next question is: can it be protected from armed aggression? Before Munich this was "music of the future," but after Munich it is an immediate question. If Hitler gets his African colonies and crushes the Spanish Republic, he will have naval bases much closer to Latin America than is New York. If Japan keeps her hold on China, and gets the new capital Chamberlain has promised her, she is all set for the next move in the Pacific, seizure of the Philippines, Guam and Alaska, after which she will be ready for her share of Latin America. We have two oceans, but a one-ocean navy; military experts are very pessimistic about the possibility of keeping the Panama Canal open in case of war; and the Rome-Berlin-Tokyo axis has secured the neutrality if not the cooperation of the British navy so long as Chamberlain is in power. Clearly, defense of the Americas is a big job, and we need still more help to be sure of success. Where can we get it?

First of all, there is the Spanish Republic, which despite Chamberlain, is still alive and fighting heroically and effectively. If the U. S. would simply live up to its treaty obligations to Spain, and to international law, lift the embargo and open our markets to the republic—then the Rome-Berlin-Tokyo axis would be halted by the destruction of their agent Franco, would lose its prospective Atlantic bases, and would lose its cultural and social leverage upon Latin America of a fascist Spain. Food for Spain from America's surplus will help solve a domestic problem, and an open market for Spain will save that land for the world front of the democracies.

Clearly, if the United States wants to protect the Americas, it must adopt this minimum aid to Spain.

Two steps by Washington would decisively change the atmosphere of panic engendered by the accomplices of Hitler. They are minimum steps, they do not solve the problems, they are carefully buttressed in established American traditions, principles, and legislation—but they have the merit of posing a more realistic estimate of the relation of forces in the world, and show that democracy still has teeth short of war. These two measures would be:

First, a declaration by the President that the United States, vitally interested in international order and peace, is prepared to discuss with all signatories of the Kellogg pact those common measures which will become necessary to realize the aims of that solemn treaty if the present disturbances between nations continue.

Second, a declaration by the President, under the authorization of Section 338 of the Tariff Act, that the eco-

conomic aggression by Germany, foreseen by that act, have increased and become an established system, which can only be countered by the United States by applying the full measure provided in the act—that is, by embargo on German trade with the United States.

If Chamberlain and Daladier remain in power, however, the U. S. still stands alone among the great powers, while its tasks grow heavier. We must, therefore, exert our influence to rouse the British and French people to break with the Rome-Berlin-Tokyo axis, and establish governments that will cooperate with us and not with the fascists. That means we must work with the Peace Coalition in Britain, the potential bloc of the anti-fascist Conservatives, the Liberals and the Labor Party, and pledge our help to them if they set up an anti-fascist government. That means we must work with the Front Populaire in France, the anti-Daladier Radicals, the Socialists, the Communists and the great French labor movement which has just called Daladier to account in the glorious general strike, and promise them our help when they set up the new government of the People's Front.

If Japan is not halted in the Far East, however, she may still upset the appletcart for the United States and turn the scales against us; she may go further and step over the line that divides the Far East from the Far West. But Japan cannot do this while the Chinese people are still fighting. And the Chinese people will fight much better if the United States cut off the supplies with which Japan is conducting her war of conquest. And the Chinese people will fight to victory and independence, if the U. S. would grant them big credits, which China could use to put our unemployed millions to work producing the things she needs for her battle.

Clearly, if the U. S. wants to protect the Americas, it must adopt this minimum aid to China.

But still, with all this, the U. S. will continue to stand alone among the great powers of the world. Is there no other power that can be called to assist the great task of halting fascist world conquest?

Yes, there is another great power. It is the Soviet Union, the greatest power in the world next to the United States.

The United States must face and answer the question: Do we want the Soviet Union on our side in the fight to prevent the current war from engulfing all nations?

Will the United States, and everything that it stands for in the world, be stronger or weaker if it has the cooperation of the Soviet Union, a cooperation based entirely upon clearly-defined *mutual interests*, the guarantee of mutual respect, and the principles of international order?

Only a blind fool could deny that the United States would be stronger, that its role in the world would be much greater, that its national interests would be more secure, if it were working in collaboration with the great power of the Soviet Union.

I am not a spokesman for the Soviet Union. The Com-

munist Party of the U.S.A. is not, as the slanderous demagogue Martin Dies charges, "an agency of Moscow." But I am an American as well as a Communist, and with the whole American Party, I can and do claim the Soviet Union as the reliable friend of our nation and our people, and propose in the American national interest that we should seek the cooperation of the Soviet Union in the world crisis in which we find ourselves.

The Soviet Union speaks for herself. She does not need my voice to explain her position on world issues. But I, as an American, have the right and duty to point out to our fellow-citizens of the United States that the Soviet Union has explicitly laid down the basis for such cooperation with our nation and our government.

*Izvestia*, official newspaper of the Soviet Union, recently declared:

"At the moment when the greatest discord and confusion exist in the international arena, there is complete clarity between the U.S.S.R. and the United States, which is capable of serving as a basis for further deepening these relations in the interests of world peace. . . .

"The United States must, of course, choose its own future foreign policy. Firmly and purposefully the Soviet Union continues to follow its chosen path of active defense of peace and a consistent struggle against aggression. Both countries may still meet each other on this path, and this would have a most beneficial influence on the international situation."

From this side of the United States, the "complete clarity" that exists between the two countries was attested when President Roosevelt sent a friendly message of greeting to President Kalinin on the occasion of the twenty-first anniversary of the founding of the Soviet government.

Two governments, the most powerful in the world, finding their relationship one of the most "complete clarity" and friendliness, are facing the world crisis of a universal fascist aggression while the other great powers are retreating or surrendering; both these great powers are fully determined to defend at all costs their own territories and those neighbors to whom they have accepted obligations; both these great powers are fully devoted to restoration of international order, the inviolability of national boundaries, and the sanctity of treaties.

It is clear that this situation demands the conscious cooperation of the two great powers for their common aims. It is demanded by the national interests of both, and by the interests of all oppressed and suffering humanity. It is demanded for the continued existence of civilization itself.

The same approach to the problem for all peoples of the world was expressed in the recent Manifesto of the Communist International, when it said:

"Only through the medium of an alliance of peoples conducting a self-sacrificing struggle for the cause of peace is it possible to thwart the criminal plans of the war instigators. A defense cordon of armed peoples who have joined their

forces with the great Soviet people will doom fascism to impotence and will hasten its defeat and inevitable ruin."

This foreign policy for the United States is only simple common-sense. It is a policy which appeals to the needs and the instincts of the American people. It is a policy which needs only to be stated clearly before the masses of the people to obtain their universal endorsement.

This policy is in the direct line of the best traditions of American history. The United States stood in the forefront of world progress and democracy in 1776, despite all difficulties and hardships, with a heroism that formed

our basic national character. The United States stood up against world reaction in the War of 1812, and confirmed her democracy and national independence. The United States led world progress in the Civil War of 1861-65, when it wiped out the slave-power and opened the continent for democratic development.

The spirit of Jefferson, Jackson and Lincoln has not departed from the American people. In that spirit we will take our place in the forefront of progress today, facing all the storms aroused by the evil spirits of reaction, shoulder our responsibilities of organizing the world for peace and progress.

# The Monopoly Investigation

BY DAVID RAMSEY

*"The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself."—President Roosevelt in his message to Congress on monopoly, April 29, 1938.*

Prompted by rising popular indignation and determined to accelerate New Deal reforms, the fate of which hinge around the solution of this problem, President Roosevelt sent a special message to Congress, recommending an investigation of monopolies which obstruct "a more equitable distribution of income and earnings among the people." Congress then set up the Temporary National Economic Committee to carry out that "thorough study of the concentration of economic power" asked for by the President. The Committee was empowered by Congress to make "a full and complete study with a view to determining: 1) the causes of concentration of economic power and its effect upon competition; 2) the effect of the price policies of industry upon trade, employment, profits and consumption; 3) the effect of the existing tax, patent and other government policies upon the same objectives."

The President and Congress, in response to their mandate from the people, were obviously aiming at "the concentration of economic power," and wanted concrete proposals on how to loosen and break the stranglehold of the monopolies. We must keep this clearly in mind, because from the outset the Tory press and certain members of the Committee itself undertook to steer the investigation away from its designated goal. They promoted that "head-line mentality," which President Roosevelt criticized recently, so as to confuse the issues which are at stake, and to convince the people that this is but another professorial talkfest. Great pains were taken, especially by Chairman Joseph C.

O'Mahoney, to persuade the public that the probe was to be "more" than a monopoly investigation. It was going to examine the "major" elements in our economy, and monopoly was just a minor aspect of the complete picture. Before the public hearings began, the chairman of the Committee made many speeches in which he tried to prove that big business was not "wrongful, illegal, monopolistic." The people, who hate the monopolies, were told that they were the victims of an illusion—there were no monopolies. Other things plagued our economic organism, but it would take years to make an accurate diagnosis.

Big business domination and its extortionist practices were thus pushed into the background. The stage was set for an investigation of meaningless character and indefinite duration, which in the words of Mr. Mark Sullivan was to be as "wide-spreading as the whole of business." Of course, there is a kernel of truth in Mr. Sullivan's remark, although he certainly did not mean it. For the trusts do have "the whole of business" in their grip, and therefore a real investigation would cover the whole range of national economy. If anything, the powers of the Committee are not broad enough, since it was not instructed to cover the basic fields of banking, transportation and public utilities.

No wonder Wall Street is pleased with the "progress" of the Committee. It had been afraid that the hatred of the people would be whipped up anew by fresh disclosures, which would surely lead to demands for immediate curbs. Hence the Committee was packed with certain people to establish guarantees against real action. Big business was assured by the Wall Street Journal on September 29, 1938 that the inquiry would remain in innocuous channels: "It appears now to be almost certain that, when the left-wing New Deal advisers move to advance their suggestions on

procedure, methods or objectives, there will be a strong element within the Committee prepared to resist this.

The New York Times noted on November 28, 1938 that the investigation was not losing "itself in a maze of irrelevancies." It suggested that the Committee would go "astray," if it really probed into the maldistribution of wealth and income, as if this were not a fundamental goal of any real study of the functioning of our economy.

Apparently, certain Committee members do not intend to go astray, and they are being praised by Wall Street for getting "off to a good start." What this means is that big business thinks it good that there will be no recommendations to the present session of Congress. The New York Herald Tribune could not resist crowing: *"No study laid out on that leisurely plan can well lend itself to political witch hunting or headline hunting. Few legislative white rabbits are likely to leap out of an investigation running over two whole years. It is even doubtful whether popular interest will long keep up with it, and at least possible that no single set of concrete recommendations will ever emerge from its labors."*

To postpone proposals for two years is to play the game of reaction. For, if the investigation can be stalled along until after the 1940 elections—in which cracking down on the trusts will be a key issue—then, in the event of a reactionary victory, the findings can be consigned to the criticism of time in some government pigeon hole.

There is no need to postpone recommendations until two years hence. We do not need a complete blue-print right now; that can be left for the further researches of the Committee. For almost despite itself, the Committee has already revealed enough facts to warrant immediate action by Congress. The revelations are startling in their implications, and yet simple enough to be understood by anyone who goes beyond the day's headlines. Perhaps that is why Chairman O'Mahoney keeps harping on the "dullness" and "highly technical character" of the hearings. If the people grasp the significance of the facts presented to the Committee, they will not wait two years to reach the conclusion that action is needed at once. As a matter of fact, the only "dull" features are the rather irrelevant remarks of some Committee members; for example, Chairman O'Mahoney made the profound observation that in 1929 "we had a crash but not a breakdown." And the only technical aspect of the hearings so far has been the squirming of witnesses confronted with proof of the extortionist role of their particular monopoly.

The investigation is not floundering in a "statistical maze" as is alleged by the reactionary press. Nor were the three prologue statements of Messrs Lubin, Thorpe and Henderson "at variance" with each other. That is only wishful thinking. A perfectly clear picture of our economy was given by them. It was not even new, for with the exception of a few details, the same thing has been stated in the past by conservative fact-finding bodies like the Brook-

ings Institution, the National Bureau for Economic Research and the Twentieth Century Fund. Here is the picture which no Tory can gloss over.

1) The depression cost the nation \$133 billions in goods and services.

2) Fifty-four per cent of the American people have an income of less than \$1,250 a year. If the income of these families were raised \$2 a day, then industry could run at capacity.

3) One out of five business enterprises (read: small business man) fails every year and less than half of them last more than three years.

4) Technological progress is constantly reducing the number of workers required to produce a given unit of goods. At the same time 600,000 new workers enter the labor market annually.

5) Despite the recent rise in production, there are around 11,000,000 unemployed. Even if production reaches the 1929 level, there will be a backlog of over 7,000,000 jobless.

6) Production will have to be increased 40 per cent over the present rate to reach the per capita average of 1929 and to reemploy those now idle.

7) The big bankers through interlocking controls manipulate patents, jack up prices, restrict production, drive the independents out of business, prevent the introduction of new inventions, all to swell their super-profits.

These seven facts are not the only ones turned up by the Committee. And they do not cancel out to zero as claimed by Wall Street apologists.

They tell a simple story. The great depression of the thirties was brought on by the inadequate purchasing power of the masses which was constantly outstripped by production and profits. The monopolies placed the subsequently enormous economic and human losses on the backs of the people. The majority of the people are ill-fed, ill-housed, ill-clothed; they lack the means of buying back what they themselves produce. Concentration of economic power is being accelerated, and the small business man and farmer are being wiped out. Labor is more productive, but the benefits from higher skill and the advantages of modern technology do not go to the worker or the farmer. The monopolies simply hog the advantages of technological discovery and use it to increase the army of unemployed. We need to increase the present production of our industrial plant by 40 per cent to provide work for the jobless and raise living standards, but this is blocked by big business, which refuses to give up its special privileges, even at the cost of ruining the lives of one-third of the nation.

Here are problems which cry out for immediate solution. They are the direct results of the concentration of power in the hands of the economic royalists. Of course, there are quibblers who raise a verbal smokescreen and say that monopoly is a "rarity." Granted the dictionary defines monopoly as "exclusive control." But does it make any real difference to the worker when he is held up by one aluminum company or four cigarette firms, as long as he

has to pay through the nose in both cases. Does it help the farmer to know that not one company, but three or four, rob him when he purchases farm implements? No honest person will try to evade the issue of monopoly, by concocting crooked definitions which conceal the ugly truths of big business control. Two hundred giant corporations and thirty super-giants hold the whip-hand over the American people. Why even Chairman O'Mahoney, certainly not a biased foe of monopoly, has said that these thirty super-giants have assets of \$50 billions or more than the total assessed value of real property in 22 of our states.

These vast aggregates of capital stand in the way of raising the American standard of living. They do not pass on to the people the great gains made possible by science and advancing labor productivity. On the contrary, like the robber barons of old, they have erected barriers on the economic highway and they exact exorbitant tolls from the toiling population for the bare right of existence.

The monopolies have been unwilling to fight the consequences of the depression, except insofar as it hit their profits. They attack the social reforms sought by the New Deal in order to make the present capitalistic system operate a little more smoothly. Their vested interests are placed high above the human interests of the people. In effect, they have gone on a planned sit-down strike against the nation's welfare; they are blackmailing the government to scrap the social reforms of the New Deal. We cannot hope to raise our living standards and safeguard our democratic rights, unless we curb the monster of monopoly. The struggle against the banks and the trusts is therefore in the center of the whole struggle of the progressive forces to defeat reaction and fascist-minded big business.

Consequently, anti-monopoly legislation is on the order of the day. Congress can enact a number of measures on the basis of the facts already disclosed by the T.N.E.C. First,

the banking system should be nationalized so that the people can control the credit system and curb the financial power of the bankers. Secondly, the munitions industries should be nationalized, in connection with the problem of national defense; otherwise Wall Street will use them as a club to impose further controls upon the government. Thirdly, if the railways are nationalized then not only would the nation have an adequate system of transportation, but heavy industry would find an immediate customer since the government would make large purchases of much-needed rail equipment.

These three measures are basic for a real anti-monopoly program. Then there are additional proposals which have been discussed by progressives and which should be pushed and adopted: regulate and control trade associations; vote funds for the Department of Justice to prosecute the more notorious trusts, especially the food monopolies; license all corporations so that government regulation of their practices shall be effective; break up the patent racket to bring the benefits of science to the people; regulate the public utilities far more strictly, and extend the TVA program to all sections of the country; help the small storekeeper by passing anti-chain store legislation in line with the principles of the Patman bill; set up a special monopoly commission with powers of investigation and regulation.

Congress should insist that the present investigation shall not be derailed. The people's mandate is clear—curb the monopolies. Methods to be used are easy to agree upon, the guiding principles being nationalization and government control with specific details for different industries. The people expect Congress to do something soon about restricting the powers of the monopolies. This is one of the means of defeating big business sabotage of recovery, resisting the fascist threat to democracy, and restoring some of the wealth of this country to those who created it—the common people.

## W.P.A. and Recovery

BY ROGER BACON

The problem of unemployment is one of the central questions confronting the nation. Despite the recent rise in the business and industrial indexes, which is already showing signs of weakness, Mr. Leon Henderson testified before the Temporary National Economic Committee that the unemployed still number well over 10 million. Here is that one-third of the nation which is ill-fed, ill-housed, ill-clothed. Here is that missing purchasing power which is needed to gear our economic mechanism towards recovery.

Yet the lords of Wall Street direct their heaviest attacks

against the W.P.A. and relief program. They attack these aids to the unemployed as "pump priming," although conservative economists, without any regard for human welfare, acknowledge that the depression which began in the fall of 1937 was, in a large part, precipitated by the abrupt cut in relief, W.P.A. and other government expenditures. And it is likewise agreed by these economists that the recent increase in business activity was considerably stimulated by the rise of W.P.A. and P.W.A. expenditures, the former alone jumping from \$130,000,000 per month dur-

ing the latter months of 1937 to well over \$200,000,000 in recent months. Hence there is an intimate relationship between expanding our economy and furnishing the unemployed with some means of purchasing power.

At the present time when production in the consumers good industries has already begun to outstrip available purchasing power, extension and expansion of the W.P.A. and public works is an essential if recovery is not to collapse as in 1937. Dun and Bradstreet have revealed that manufacturing companies as a whole reduced their inventories by only 8 per cent from December, 1937 to June, 1938, wholesale traders by 5 per cent, and retailers by 4 per cent. With production running ahead of consumption during the last six months of 1938, any sharp reduction in W.P.A. expenditures will make for a downswing.

The current attempts to pare down W.P.A. rolls, as a result of pressure from the National Manufacturers Association and its reactionary Republican and Tory Democrat spokesmen, constitutes a danger to the present shaky upward economic movement which may result in a new downward swing. This is brought out clearly if we contrast the number of workers thrown out of jobs in the past year with the inadequate number placed on W.P.A. jobs. From September, 1937 to October, 1938 the number of unemployed grew by 3.5 millions. Of these only 1.7 million were added to the W.P.A. rolls, or only half of those made jobless. And it must be stressed that the W.P.A. gives jobs to only about one-quarter of the unemployed. Thus even when W.P.A. workers are re-employed in private industry, and the most significant feature of the present upturn is the great lag of employment behind rising production—there are many millions of families who look to W.P.A. as the only alternative to inadequate relief or actual starvation.

W.P.A., together with the expansion of the Federal housing program, T.V.A. projects, P.W.A., etc.—is a bulwark against the further ravages of the depression. It has given millions of our citizens the opportunity of re-gaining a measure of livelihood, of contributing to the welfare of the nation economically, socially and culturally. That is why reaction wishes to demoralize this weakest of the organized sections of the population. For it cannot recruit the future storm-troopers of American fascism from the ranks of the unemployed, if they are ardent supporters of the New Deal which gives them at least a fraction of security.

Behind the talk of "states' rights," "W.P.A. politics," extravagance, etc., there is the aim of reaction to split the ranks of the unemployed, pit W.P.A. workers against those on relief rolls, arouse the resentment of the employed workers against the "lazy" unemployed, and mobilize the farmers against labor under the pretext of "balancing the budget." The *New York Times* on November 18 editorialized against a "two class relief system." This shows where the wind is blowing.

"The present relief system has set up a class division among the persons on relief. Those on the Federal work

program are treated well; those who are left to depend on purely local funds often receive a mere fraction of what W.P.A. workers receive. The grant-in-aid program recommended by the Community Mobilization for Human Needs would provide more adequate relief for those who are now thrown in the lower relief class and it would end our two-class system of relief."

The reactionaries would end the "two-class relief system" by pulling down the level of all unemployed workers to the inhuman local relief standards of many states. What this would mean for the unemployed workers in the key industrial states of Ohio, Pennsylvania, Massachusetts and Michigan under reactionary Republican administrations is indicated plainly enough by the recurrent relief crises in Chicago, Cleveland, and other places, where bureaucratic officials have been able to starve the unemployed despite the W.P.A. The people really want to eliminate the "two-class relief system," but by expanding the federal works and social security programs to give useful work and decent subsistence to all unemployed workers and aged people.

The comprehensive National Work and Security Program adopted by the National Conference on Work and Security last March, and endorsed by the Workers' Alliance, combines provisions for the needs of the unemployed with a well-rounded program of social improvements, housing, public health, rural projects, etc., designed to bring together American material and human resources to provide fundamental improvements in the conditions of existence of the whole American people.

In terms of economic prospects, such a program will not only greatly increase mass purchasing power, but through the housing, school, flood control, etc., plans, will provide real stimulus to the durable goods industries, which (as Commissioner of Labor Statistics I. Lubin demonstrated before the T.N.E.C. hearings) is one of the keys to the problem of economic recovery in the United States.

There is no better investment for the nation than in this reconstruction of its human resources. And for those who insist on more material values, we need cite only the tremendous achievements of the W.P.A. in the past—schools, hospitals, roads, culture to millions, etc.—and the gigantic needs of the present which W.P.A. can meet immediately—training of skilled workers for social service in the economy needed for national defense, education, health, and in fact every phase of the program for greater internal and external security.

Congressmen, fresh from contacts with the people back home, should know the value of W.P.A. to their constituents. No matter what their response to other phases of the New Deal program, the most doubtful representative should realize what W.P.A. means to the unemployed in terms of needs and welfare. Moreover, the legislators should realize that organized labor and the progressives are united in their determination to maintain and extend W.P.A. and a more adequate public works program in behalf of the interests of the entire American people.

# A Review of the Wagner Act

BY W. D. C.

Spokesmen for big business have been working overtime to create the impression that in the recent elections the people gave Congress a mandate to adopt crippling amendments to the Wagner Labor Relations Act. They find it convenient to ignore the fact that the author of the Act scored perhaps the greatest individual victory in the elections by running far ahead of his ticket, despite a demagogic and skillful campaign against him by the enemies of the Act and the National Labor Relations Board. They say nothing of the defeat of the California and Washington labor initiative bills, both of which in their vicious anti-labor provisions violated the letter and spirit of the National Labor Relations Act. And it is not from them that one would discover that New York's Harlem was sending Marcantonio back to Congress to continue his fight on behalf of labor.

Nor is it from big business that one would learn about the positive achievements of the National Labor Relations Board. They would have us believe that the Board is uniformly high-handed, arbitrary, and un-American in its procedure. This despite the fact that the Supreme Court has said that the Act itself complies fully with "the constitutional requirements governing the creation and action of administrative bodies . . ." and that in case after case the Federal Circuit Courts and the Supreme Court have almost uniformly decided that the Board has acted fairly and within the limits of its authority. They would have us believe that the Board is responsible for every strike which breaks out and is not fulfilling the expressed hope of Congress that its operations would decrease industrial strife. This despite the fact that the only authoritative strike figures we have, those of the Bureau of Labor Statistics, show that since the Act was upheld by the Supreme Court there has been a steady decline in the number and duration of strikes and in the man-days work lost as a result of strikes.

They would have us believe that the Board is incapable of making expeditious and satisfactory settlements of disputes which are laid before it. This despite the fact that the Board and its agents have settled more than 5,000 cases, without hearings, without delay, without expense, and to the satisfaction of all parties. They would have us believe that the Board is so pro-labor that it issues an order against the employer in every case before it. This despite the fact that about 40 per cent of the Board's cases are dismissed or are withdrawn by the union after investigation by the Board and without formal hearings.

But what would the defenders of the National Labor Relations Board find if they talked to the workers of the country? They would discover the workers think that the

Wagner Act and the Board are fine—but that they think there can be many improvements. If they were reminded that as a result of the Board's efforts more than 12,000 workers have been reinstated after having been discharged for union activities and that more than 200,000 workers have been reinstated after strikes and lock-outs, they would with justice state that the figures would be even more impressive if the Act covered agricultural, domestic, and government workers. If it were pointed out to them that as a result of the Board's activities hundreds of company unions had been wiped out, the workers would know of cases in which the Board had certified company unions as legitimate representatives because the provisions of the Act are not stringent enough to kill all company unions and they probably could point out fake "independent unions" which are still flourishing.

Even though the Board has conducted more than 1,500 elections, in which 500,000 workers have cast ballots, the workers in the mass production industries would have ground to protest that in too many elections the Board had segregated the workers into small craft units and thus had weakened the bargaining strength of all the workers. Workers in many parts of the country could also complain that although the Board by its hearings had given fresh birth to civil liberties in Harlan County, in the Tri-State area, in the Michigan woods, in the State of Maine, in all parts of the South, whole sections of the country are still without the full protection of the Wagner Act because the Board's appropriations have been so pitifully small.

And what would be said by the men who sweat for Little Steel, who desperately keep pace with Henry Ford's assembly line, who risk their lives daily in the nation's shipyards, who lend their skill to the production of Uncle Sam's fighting planes, who help sail American ships? They would protest bitterly, but with complete justification, that the last ditch leaders in the fight on the country's basic labor law are the very ones whom the government rewards with its juiciest contracts and subsidies.

All this indicates one of the central issues around which the coming battles in Congress will be fought. Big business and its allies, the reactionaries in the labor movement, will seek to emasculate the Board by shearing it of its judicial functions. This issue here, despite the hypocritical camouflage is simple. Shall the courts be given more power than they already have under the Wagner Act? Those who argue that they should will have to convince the people that it will be an improvement to increase the power of judges who after more than 50 years of experience in labor cases have demonstrated to all impartial scholars that they

are incapable of being fair to labor. American judges warped the Sherman Act so that it would be used against labor and they distorted the Clayton Act so that what was intended as a corrective became another weapon against workers struggling for their rights. American judges fashioned the labor injunction into such an instrument of tyranny that even conservatives cried out, until finally the Norris-La Guardia Act and similar state statutes were passed to get rid of the stench.

Even under the Wagner Act the record of the Federal Circuit Courts of Appeal demonstrates that the judicial Old Guard neither surrenders nor dies. In the face of this history it is a supreme act of treachery for the Executive Council of the American Federation of Labor to advocate more, not less, power for the judges under the Wagner Act. The only position possible on this issue is that taken by the Congress of Industrial Organizations—correct the misuse by the courts of the power they now have to set aside orders of the Board for arbitrary or clearly unreasonable action.

The other line of attack by big business will be to cripple the Board by imposing the duty to act against unions and workers. Congress considered this question very carefully when the Wagner Bill was before it and for obvious reasons voted to make this a law for the protection of labor's rights only. The lack of balance in bargaining power had increased the strength of employers to such an extent that labor had practically no protection against the steady destruction of its purchasing power. This was a heavy contributing factor in the depression. The Wagner Act helps restore the balance to at least a partial extent. Furthermore, employers were already sufficiently protected against the so-called excesses of unions and workers. Every state has laws against labor—disorderly conduct ordinances, anti-picketing laws, criminal syndicalism laws, and the rest

of the statutory paraphernalia for use against labor. Nearly every state and city dispenses summary justice, all too readily, at the behest of the employer—by policemen, deputies, sheriffs, state police and troops, through night-sticks, riot guns, tear gas, machine guns—and has done so since the earliest strikes. As for unions, they are already suable and enjoinable, and their officers are subject to criminal sanctions.

The demand by employers that the Wagner Act needs amendment to protect workers from "coercion" by their fellows is an obvious and insincere fraud, born of the same motives and justified by the same hypocrisies as the apologies for the company union and the now silent demand for minority representation. Now, however, there is an additional motive—to burden the National Labor Relations Board to such an extent in punishing pickets who yell, "Scab!" that it will have no time or energy left for the effort of convincing Tom Girdler and Henry Ford that even they must obey the law.

The issue is clear. The Wagner Act, despite its imperfections, is labor's Bill of Rights. But more than this, it promotes industrial peace in the interests of all the people. Likewise by strengthening the collective bargaining rights of labor it increases mass purchasing also for the farmers and small business men.

It is therefore in the common interests of all labor, A.F.L. and C.I.O., and of the entire American people to defend the Wagner Act from amendments designed to cripple and destroy its function and social objectives.

The role of all defenders of democracy in the coming struggle over the Wagner Act is obvious. Defeat the program of the reactionaries! Support the program of the progressives to strengthen and tighten the Act in behalf of the majority of the American people.

# A Progressive Tax Program

BY JOHN PAGE

In 1937 liberals in Congress succeeded in pushing through the Undistributed Profits tax and the Capital Gains tax and thus made a beginning toward collecting from the monopolists the cost of the economic crisis for which they, and not the American people, were responsible. But in 1938 Big Business was able to use the recession as an excuse for obstructing recovery and secured passage of reactionary amendments to these New Deal tax measures. President Roosevelt sharply criticized the 1938 Revenue Act and withheld his signature.

The reactionaries regard the amendments to the Un-

distributed Profits and Capital Gains taxes as effective means to forestall new progressive taxation. By pushing for more tax "relief" for themselves they hope also to curtail the Administration's recovery program which is so vital to the nation's welfare. And they hope to load an ever larger share of the tax burden on the working people, the farmers, and the middle classes.

Liberals in Congress have been slow to realize the decisive importance of the tax system. Instead of driving consistently for further progressive tax measures they allowed themselves to be put on the defensive. Some of them even

suggested retrogressive "reforms" such as lowering the individual income tax exemption. Thus the reactionary bloc of anti-New Deal Democrats and Republicans won the first round.

President Roosevelt's Chapel Hill speech on December 5, 1938 made it clear that he intends to carry on the fight for a broadened New Deal program for health, education, housing, public works, provision of jobs for the unemployed, assistance to the needy, farm aid and national security. He has repeatedly indicated that he considers a curb on the power of monopoly an essential to the preservation and extension of democracy and the betterment of the people.

Who is going to pay for the social and national security toward which the New Deal is striving? How is the power of Wall Street monopoly over "other people's money, other people's labor, and other people's lives" to be curbed? The nature of our Federal tax system will provide an important answer to both these questions. A tax system which lifts the tax burden from the poor and the middle classes and collects revenue from the rich and the monopolies will make for recovery and strengthen democracy, and not so-called "incentive taxation" which would relieve the monopolies.

Taxing those best able to pay means taxing those who divert the stream of mass purchasing power into excess profits, idle bank deposits and currency hoards, and thus prevent the process of recovery from developing. Wealthy individuals and large corporations already have more than they can spend, and nowhere to invest profitably without danger to their monopolistic powers. The diversion of the people's purchasing power into their hands is directly responsible for the continuing depression, and for the need to keep up the flow of purchasing power by the Government's work and relief program. Government spending should not be retarded by Big Business "incentive taxation" but should be financed by taxing the rich and the monopolies.

The budget balancers, who want to curtail essential government expenditures, claim that the poor must pay because there are no alternative sources of revenue. But there is an alternative. Vast sources of revenue remain untapped because the United States has a taxation system that is full of holes. It is all the more vital to increase direct federal taxation on the great corporations and large incomes, because the present States and local systems of taxation penalize primarily the farmers, workers, professionals, small business men, and small property holders to save the skins of the monopolists.

The Federal tax program should be revised to include such *measures to relieve the people's tax burden* as:

1. *Financing social security.* Employees' contributions to the social security fund took over \$300,000,000 from the underpaid workers of our nation in 1938; this burden must immediately be transferred to the employers.

2. *Excise Taxes.* In 1938 \$1,080,000,000 were raised by

indirect taxes, not including liquor taxes; \$550,000,000 by taxes on tobacco; and \$130,000,000 by miscellaneous taxes, including a tax on sugar. These taxes fall mainly on the low-income groups and are therefore a significant barrier to recovery. They are placed on commodities which are frequently further taxed by the States. There is no room for them in a sound Federal tax system.

#### MEASURES TO SHIFT THE TAX BURDEN TO THE RICH

1. *Undistributed Profits.* The rates of the Undistributed Profits tax, which were modest enough in the 1937 Act, are now trivial. During the one year in which that tax was effective, it brought in \$500,000,000, half in payments by corporations and half in increased income tax payments by individuals who were no longer able to turn dividends back into corporate reserves but were forced to include them in their personal incomes and to pay taxes. The Undistributed Profits tax closed the door to one form of tax evasion by the wealthy. It can easily be made to yield one billion dollars per year with the 1937 level of national income. The rate of the Undistributed Profits tax should therefore be raised sharply.

The proposed amendments by which corporations would receive exemptions for undistributed profits which are invested is a reactionary amendment and should be defeated. It would decrease revenue and constitute an open invitation for Big Business to launch an offensive against small and medium-sized business. It would encourage monopoly and increase monopolistic power.

Progressives, however, have every reason to support exemption for the small and medium-sized corporation from the operation of this measure. Failure on their part to give sufficient protection to the interests of the small business man in the past has provided the monopolists with a cloak for their attack on progressive tax measures.

2. *Progressive Tax on Corporations.* In 1938, 60 per cent of the net profits of all corporations was earned by 1,484 corporations having assets of more than \$50,000,000. Sur-taxes on these huge monopolistic corporations would easily add from \$250,000,000 to \$500,000,000 in revenue each year, and at the same time deliver a blow to the power of the monopolies.

3. *Eliminate Tax Evasion.* No effective measures have yet been adopted to close the avenues of tax evasion pointed out by the Treasury in the tax hearings of 1937. The monopoly capitalists annually swindle the United States government out of enormous sums through all manner of chicanery. The proposed "incentive taxation" is a new measure designed for this purpose. All avenues of tax evasion and avoidance must be closed up. It is safe to say that at least an extra billion dollars a year could be raised by a strict enforcement of existing tax laws.

4. *Revise Deduction System.* The use of the deduction privilege in connection with depreciation and depletion is a scandal. To cite but one example of many, the mining corporations now avoid the payment of a quarter of a billion dollars annually. They claim a 15 per cent depletion

per annum for seven successive years, and then assert they are mining new deposits, on which they again proceed to claim the 15 per cent depletion exemptions. No deductions should be allowed on capital losses. This exemption is one of the most fruitful sources of tax evasion and should immediately be abolished.

5. *Estate and Gift Taxes.* The English system of estate and gift taxes is far ahead of the American. With appropriate revision and enforcement these taxes could easily be made to yield a minimum of one billion dollars, instead of the present \$300,000,00 to \$400,000,000.

6. *Tax the Trusts.* Special taxes should be devised which would fall directly on the monopolies and which could not be shifted to their employees and the consumer. The public utilities, particularly, should be made to pay higher taxes on their revenues. There is no reason why the private telephone, power and water, and transportation companies should not be made to disgorge a larger part of their inflated profits. It might also be feasible to extend such taxes to the great steel, tobacco, food, automobile, aluminum, and other trusts. Such taxes would have the added advantage of achieving a great deal in the direction of restraining the power of the monopolies which could be further advanced in unison with the rigorous enforcement of existing anti-trust legislation.

7. *Tax All Securities.* The step taken by the last Congress to abolish the privilege of tax exemption with respect to income from government securities to be issued in the future should be extended to *cover all outstanding tax-exempt securities*, whether federal, state or local. At present there are \$36,000,000,000 worth of totally exempt securities

and \$29,000,000,000 worth of partially exempt securities. As these are largely owned by individuals and corporations in the higher income brackets, their existence makes our tax system more regressive than it should be, besides shutting off an important source of revenue. Abolishing tax exemption would raise federal revenues alone (not to mention state and local revenues) by about half a billion dollars.

8. *Other Progressive Tax Measures.* There remain a whole series of reforms which would increase revenues, without increasing the people's tax burden. The existing Capital Gains tax, which was revised downward in the 1938 Revenue Act, should be drastically re-amended. It must be drafted to fall most heavily on the speculators and large corporations. The existing tax on the income going to non-resident aliens is now a flat 10 per cent. This low rate of taxation on the income of parasitic foreigners is inexcusably low. It offers the finance-capitalists of England, France, Germany, Holland, and Switzerland an opportunity to avoid taxation both at home and in the United States.

Additional taxes should be placed on foreign capital sent here for safe keeping and to embarrass the democracies of Europe. For instance, there should be a tax of at least 2 per cent per year on foreign deposits in the United States and a special tax on income and principal of short term investments.

The kind of tax program outlined above would net *at least* an additional four to five billion dollars on the basis of the 1935-37 level of national income. It would help to curb the monopolies, speed recovery and extend the frontiers of democracy in our national economy.

## Attention All Readers!

*Write your Congressman today on dissolving the Dies Committee and Continuing the Civil Liberties Committee*

The Dies Committee will be on hand early to ask for more money with which to continue its un-American activities. Only the broadest and most active opposition will succeed in calling a halt to its attempts to disrupt progressive ranks and divert attention from the very real fascist danger at home. *First on your program* should be a letter to your own Congressman protesting against new appropriations for the Dies Committee and supporting the recommendations set forth in the article on the subversive activities of the

un-American Dies Committee itself.

Senator Robert F. LaFollette agreed last session to make no further request for funds with which to continue the excellent work of the Civil Liberties Committee. However, demands can and should be made upon him and upon your Senator to reconsider this decision. The Civil Liberties Committee will bring legislation before the Senate to correct the evils it disclosed, and this will need energetic support from all defenders of democracy.

# THE PEOPLE'S MANDATE TO CONGRESS

---

## Labor Agrees on Legislation

BY ALAN MAX

A propaganda campaign was launched during the last session of Congress to the effect that the division in labor's ranks made it impossible to press for further social legislation. Congressmen were told that no matter what they did, one branch of labor would be down on them for it. This campaign, originating in anti-New Deal sources, tried to accomplish two purposes at the same time: supply reactionary Congressmen with a handy excuse for obstructing progressive legislation, while creating among the progressives an atmosphere of hesitation.

With the new session, this campaign is being revived. It has absolutely no justification in fact. On the contrary, the 8,000,000 members of the C.I.O., A.F.L. and the Railroad Brotherhoods are on record as making substantially the same far-reaching demands from the new Congress. Underlying their program is a clear-cut policy for a further rapid advancement of the social measures of the New Deal.

It is true that the rift in the labor movement interferes with maximum backing for social legislation. It is true, too, that at times the A.F.L. and C.I.O. have worked at cross-purposes—in the main, as a result of the policies of some of the Federation's top leaders who are out of step with the sentiments of their membership. But an examination of the decisions of the two recent conventions of the A.F.L. and C.I.O. shows general agreement on most vital matters of social legislation. Even on the Wagner Labor Relations Act, which is generally used to establish the disagreement supposed to exist between the two bodies, it will be seen later in this article that they are not as far apart as they are said to be. The Railroad Brotherhoods are behind the same general program supported by both the C.I.O. and the A.F.L., while the two latter organizations support the special program advanced by the Brotherhoods. While the legislative program worked out at the C.I.O. convention will be found to be more fully developed as a whole than the decisions of the A.F.L. convention, it will be noted that the general direction is the same.

**SOCIAL SECURITY.** Both C.I.O. and A.F.L. insist that the new Congress improve the unemployment and old-age provisions of the Social Security Act.

Both recommend changes in the unemployment compensation provisions that would extend the coverage of the law, increase its benefits, extend the duration of benefits,

cut down the waiting period before the first payment begins, etc.

As for the old-age pension section of the Act, both C.I.O. and A.F.L. want its coverage to be extended to all sections of the population and ask that the date for starting payments be moved forward. In addition, the C.I.O. calls for a reduction of the age limit so that benefits will go to workers who because of age cannot receive private employment; an increase in the amount of benefits to provide decent standards of living, and the immediate payment of permanent disability benefits.

The C.I.O. also proposes that payment for all kinds of social security benefits be derived from "general taxation upon the accumulated wealth of this country rather than from payroll and income taxes upon the workers themselves."

**UNEMPLOYMENT.** Here again both organizations are in agreement in demanding an adequate works program.

The C.I.O. Convention urged Congress to authorize a program of public works for a period of not less than two years and to provide jobs to all unemployed who are able and willing to work. Such a program, the C.I.O. said, should be administered under one direction and should include such work as is now being done under both the W.P.A. and P.W.A. The C.I.O. proposed that the program be operated under such principles as these: 1) All workers to be employed on work suited to their needs and skills. 2) Projects to be socially necessary and productive. 3) Jobs to be given to those who need them "without requiring honest, decent unemployed to degrade themselves as paupers." 4) Funds to be so appropriated as to make possible the meeting of current needs where and when they arise.

The A.F.L. Convention, after reviewing the work of the W.P.A., P.W.A., etc., urged "continued efforts in behalf of adequate appropriations and for administration of the acts in the interest of maintaining prevailing wage scales."

**HOUSING.** C.I.O. and A.F.L., alike, are asking Congress for substantial expansion of the program of the U. S. Housing Authority at this session. The A.F.L. instructed its Housing Committee to "formulate for submission to the next Congress further modification of the Wagner-Steag-

gall Act which would enlarge the scope of the program." The C.I.O. specifically recommended that the U. S. Housing Authority's power to make capital loans be increased from the present figure of \$800,000,000 to the sum of \$5,000,000,000 for the same period, with corresponding increases in the power to make necessary annual contributions.

**NATIONAL LABOR RELATIONS ACT.** The C.I.O. opposes "without qualification all changes whatsoever in the text of the Act." The C.I.O. also urges Congress to avoid interference with the work of the National Labor Relations Board by investigations which have "no shadow of justification." The appropriation heretofore accorded the Board for purposes of enforcement, should be "doubled at the next session of Congress." In addition, the C.I.O. seeks legislation providing for guarantees of collective bargaining (compliance with the Wagner Labor Act) in all contracts and loans made by the federal government or any of its agencies.

This position is also held by the greater part of the membership of the A.F.L. and many of its leaders. This is shown by the resolutions against amending the Wagner Act that have been adopted by conventions of several A.F.L. state federations and national unions. (The State Federations of Illinois, Nebraska, Utah, for example.) It also coincides in general with the stand taken at the A.F.L. Convention by Vice-President Daniel Tobin, head of the Brotherhood of the Teamsters Union, largest single unit in the entire Federation. Tobin warned that whatever difficulties the Federation might be encountering could be solved not by amending the Act but only through unity with the C.I.O. He pointed out that any amendment to the Wagner Act, even a good one, would only open the gates for a wave of reactionary amendments designed to destroy the statute altogether.

**WORLD PEACE.** The C.I.O. asks for legislation whereby aggressor nations, Germany, Italy and Japan, would be deprived of all material aid from the United States. In line with the policy enunciated on many occasions by President Roosevelt the C.I.O. also asks the President and the United States government to "cooperate with all other democratic nations in the protection and strengthening of democracy and democratic institutions."

The A.F.L. at its 1937 Convention took a position somewhat along these same general lines when it urged "concerted action" by the democracies to preserve peace. At the 1938 Convention, an effective peace policy found expression in the resolutions introduced by the Hotel and Restaurant Workers, third largest international union in the Federation. These resolutions supported a policy of co-operation by the democratic nations against the fascists, as urged by President Roosevelt, and called for modification of the Neutrality Act in order to boycott the aggressor nations while continuing normal trade with the victims.

These two resolutions which, taken together coincide with the policy of the C.I.O., undoubtedly also reflect the sentiments of wide sections of the A.F.L.

That there is also a definite demand throughout the labor movement for lifting the embargo on democratic Spain, is demonstrated by the innumerable resolutions adopted by the unions and local bodies of both labor groups.

**HEALTH.** The C.I.O. called for immediate action by Congress on each of the five recommendations of President Roosevelt's Committee on National Health. These provide for: 1) extension of existing public health services. 2) Federal subsidies for construction of hospitals. 3) A system of free medical care of families with no or insufficient incomes. 4) A system of health services to provide medical care for all. 5) A system of disability benefits for unemployment due to ill-health.

The A.F.L. Convention approved of the action of William Green in submitting to the National Health Conference various proposals along these same general lines. The convention also instructed the Executive Council to study proposals for compulsory health insurance.

**NEGRO RIGHTS.** Both C.I.O. and the A.F.L. seek an end to the poll taxes by which many white workers and practically all Negroes are disfranchised in the South.

In this connection, the C.I.O. convention specifically called for federal legislation, founded upon the Constitution and upon the financial assistance now being given the states, to prevent the states from imposing electoral restrictions. The A.F.L. convention, declaring that the Federation "from the beginning has worked to secure legislation which would give to all wage earners full use of the franchise," instructed the Executive Council to consider such measures as might be proposed from time to time.

Both the C.I.O. and the A.F.L. demand that the Wagner-Van Nuys Anti-Lynching Bill be enacted by the new Congress.

The C.I.O. is also on record for the immediate enactment of legislation to meet the conditions described in the report on Economic Conditions in the South, prepared by the President's National Emergency Council, to advance the welfare of both whites and Negroes in the South.

**YOUTH.** Here again we find the two great bodies of labor in substantial agreement. The C.I.O. voted at its convention to "endorse the New Deal measures designed to aid youth, such as the National Youth Administration, the C.C.C. camps, and the W.P.A., and call for their continuation and extension under civilian control."

The A.F.L., after reviewing (favorably) the work of the C.C.C. and the N.Y.A., declared: "We agree that the government should have both an adequate program for youth and the machinery for carrying it out. We...endorse wholeheartedly the need for an adequate program for youth and recommend that the Executive Council ex-

plore the feasibility of the President's Committee proposals regarding the proposed merger of these agencies (C.C.C. and N.Y.A.)."

**OTHER MEASURES.** The C.I.O. has also worked out an extensive legislative program for the protection of civil rights, adequate farm aid, adequate appropriations for the Fair Labor Standards Authority, etc. Although these matters did not come before the A.F.L. convention for discussion, the Federation is undoubtedly in general harmony with the C.I.O. on these questions.

\* \* \*

Labor has spoken. There can be no mistaking the meaning of its mandate to Congress: push on ahead with the progressive program of the New Deal. As this article has indicated, labor is united, in the main, in its legislative program. To the extent that it now acts unitedly, through people's legislative conferences and joint campaigns, its voice will be that much more powerful in the halls of Congress and throughout the nation.

## The New South Speaks

BY ROB. F. HALL

The Southern Conference for Human Welfare, held in Birmingham, Alabama, on November 20-23, with over 1,200 Southern progressives present, adopted a clear-cut legislative program which meets the most pressing needs of the Southern people. This program already has behind it tremendous popular support.

The Conference was stimulated by the publication of the Report of the President's National Emergency Council on the Economic Conditions of the South, and it took as its point of departure the President's characterization of the South as "the Nation's No. 1 economic problem—the Nation's problem, not merely the South's."

The program unanimously adopted recognized that one of the key problems of the South was that of low purchasing power, and the Conference emphasized that it looks to Congress and the state legislatures for measures to increase the income levels of the Southern people.

Thus the Conference demanded the abolition of the Southern wage differentials both in private industry and on WPA. It demanded the enforcement of the Fair Labor Standards Act (wages and hours act), which met the full approval of the delegates, and urged state legislation of a similar character. It approved the extension of WPA.

A companion resolution tackled the problem of farm income and called for an extension of the Bankhead-Jones Act through larger appropriations and the lifting of those restrictions which have hitherto barred the poorer tenants and sharecroppers from participation in the benefits of this Act.

The Pepper bill, designed to provide more liberal credit facilities for the small businessmen, was endorsed. Meanwhile, it was

pointed out that the abolition of wage differentials and the raising of income levels would give material aid to the small businessmen and middle classes in the South.

There was general appreciation of the fact that ownership of Southern resources by absentee monopoly capital was largely responsible for the low-income level of the South, which in turn left the Southern states and local governments unable to meet the cost of essential social services, especially in the spheres of education, health and housing. The Conference emphatically stated the view that the federal government, as well as local governments, must take responsibility for financial grants to provide and extend these services.

The Conference endorsed the Harrison-Fletcher bill for federal aid to education. It called for a national health program, including national drives for the eradication of syphilis, tuberculosis, malaria and occupational diseases, demanded federal grants to strengthen city, county and state public health department as well as federal aid to extend hospital and free clinic facilities.

Southern Congressmen and Senators were urged, in a resolution on housing, to introduce legislation doubling the present appropriation for housing and slum clearance. Local office-holders were instructed to cooperate with the USHA.

All the delegates were Southern to the core, intensely South-minded and proud of their region. But they showed a determination that reactionary interests would not be allowed to utilize a narrow interpretation of states' rights to prevent the South from enjoying its rightful share of progress and improvement. They identified the interests of the South with the interests of the nation. Indeed, there was generally an agreement while the South was the Nation's No. 1 economic problem, this region might very well be, as *Fortune Magazine* said, the Nation's No. 1 economic hope. Action to raise the living standards and buying power of the South, along lines indicated above, would provide the nation with a new and expanding market and would contribute tremendously to national recovery.

The Conference recognized the extension and preservation of democracy as central to the entire problem. In an enthusiastic session, the Conference launched a crusade for the abolition of the poll tax and all other restrictions on the right to vote in the South. A resolution called for national uniform registration laws, to apply in all national elections, which would abolish the poll tax and other restrictions on the franchise in these elections. It endorsed a drive for a million signatures to petitions in support of such legislation.

A number of important resolutions dealing with the welfare and civil rights of the Negro people were adopted, including a mandate to Southern Congressmen to initiate and support federal anti-lynching legislation.

At the very opening of the Conference, there was a vigorous indictment of fascism and of Nazi persecution of Jews, Catholics and other minorities. This was part of the keynote address of Frank Graham, president of the University of North Carolina. One of the final actions of the Conference was to express this sentiment in a resolution which concluded:

"Be it resolved that we endorse an American peace policy such as proposed by President Roosevelt, and Secretary Hull to promote the national security of our country, to curb aggression and to assist the democratic peoples of the world to preserve peace, liberty and freedom."

The Conference was originally sponsored by more than a hun-

dred outstanding Southern leaders in every field and every Southern state. The response to their call was equally broad and more than 1,200 delegates attended, representing church groups, educational institutions, the YMCA, and YWCA, civic clubs, students, industry, labor organizations, including the CIO, AFL, and the railroad brotherhoods, farm organizations, Negro organizations, and influential newspapers.

Before the Conference adjourned, it set up a permanent organization headed by Dr. Frank Graham of North Carolina, and Mrs. Louise O. Charlton of Alabama, with Dr. H. Clarence Nixon, well-known Southern author and educator, as executive secretary. The vice-chairmen include outstanding Southern representatives: labor leaders, Congressmen, Senators, and liberals, white and Negro.

## Revise the Un-Neutral Neutrality Act

A campaign to secure an amendment to the United States Neutrality Act so that the United States will "determine the aggressor and apply embargoes to that state only and not to its innocent victim" was launched in December by the Committee for Concerted Peace Efforts, whose members are leaders of fifteen national peace organizations.

In a statement signed by the entire Committee membership the American people are called upon to write their Congressmen urging "an amendment which will distinguish between aggressor and victim: which will stop shipments of munitions and raw materials to aggressors."

In the recent period many national organizations, including the American League for Peace and Democracy, have enlisted their local memberships in campaigns to change the neutrality law. The Committee for Concerted Peace Efforts plans nationwide, local deputations to Congressmen before they leave for Washington and a series of mass meetings throughout the country on the opening of Congress next month.

The Committee claims that the Neutrality Act "should provide that whenever the President finds that war exists between nations, in violation of the Kellogg Pact or any other treaty to which the United States is party, he shall, in consultation with other states at peace, determine the aggressor and apply embargoes to that state only and not to its victim. The embargo against aggressors should include raw materials as well as arms, ammunitions and implements of war."

"If these changes were made and the Act invoked," the Committee states, "Japan could no longer secure from us the 54 per cent of the essential war supplies she must purchase from abroad in order to continue her war in China."

Pointing out why the present Neutrality Act should be changed, the Committee declares: "It encourages aggression. It tells the aggressor in advance that the United States will take no firm stand to stop his war, will sell him the raw materials of war and at the same time weaken his victim.

"It encourages rebellion. It assures the rebellious minority in

advance that in its attempts to violence the United States will penalize the legitimate government. It fosters establishment of rebellious minorities within states by subversive nations from without.

"It is un-American. It endangers our relationships with friendly governments. It works against the Kellogg Peace Pact and other American obligations to live by international law and order.

"It endangers the peace of the United States. Neither a defense nor a peace policy, the Act represents an attitude of isolation and indifference which, if unchanged, makes certain the further spread of lawlessness and war to South America and to the United States itself."

The membership of the Committee for Concerted Peace Efforts is comprised of individuals. However, their influence in America is indicated by the positions which they hold.

*Clark M. Eichelberger*, Chairman of the Committee and National Director, League of Nations Association, Chairman for Concerted Peace Efforts.

*Harry A. Atkinson*, Vice-chairman, and General Secretary, World Alliance for International Friendship Through the Churches and Church Peace Union.

*Edgar J. Fisher*, Treasurer, and Assistant Director, Institute of International Education.

*William W. Hinckley*, Secretary, and Chairman of the National Council, American Youth Congress.

*Vera W. Beggs*, Chairman of International Relations of the General Federation of Women's Clubs.

*Esther Caukin Brunauer*, Associate in International Education, American Association of University Women.

*Charles G. Fenwick*, President, Catholic Association for International Peace.

*Margaret Forsyth*, Chairman, Women's Committee, American League for Peace and Democracy.

*Emily J. Hickman*, Chairman, International Section, Public Affairs Committee, National Board, YWCA.

*Alves Long*, Former Chairman, Department of International Relations, General Federation of Women's Clubs.

*Marion M. Miller*, Executive Secretary, National Council of Jewish Women.

*Henrietta Roelofs*, Executive of Public Affairs Committee, National Board of Young Women's Christian Association.

*Josephine Schain*, Chairman, National Committee on Cause and Cure of War.

*James T. Shotwell*, President, League of Nations Association.

*Mary E. Woolley*, Chairman, International Relations Committee, American Association of University Women.

Headquarters of the Committee for Concerted Peace Efforts are at 8 West 40th Street, New York City.

## Reorganization

It now appears likely that the Administration will push for the reorganization of government agencies which is so long overdue. The hollow cries of "dictatorship" with which the real economic dictators confused the people last winter are likely to be voiced again. Indeed, we can expect a greater outcry of "one man rule," etc. The necessary overhauling of the government's machinery in the interests of greater progress and efficiency should have the support of all progressives.

# CONGRESSIONAL CALENDAR, JANUARY 1939

---

*Every month this section of our magazine will provide progressives with a guide to scheduled legislative events of national importance, with the main emphasis on pending federal legislation.*

*As we go to press in advance of President Roosevelt's opening message to Congress we can, of course, only venture an opinion as to the specific measures the Administration may push in January and as to the form reactionary efforts will take to amend New Deal legislation and block progress.*

## W.P.A

The immediate needs of over 10 million unemployed workers (based on the estimate of Mr. Leon Henderson) and the economic welfare of the whole country require prompt action by Congress to appropriate adequate deficiency funds for continuing and expanding W.P.A. employment and relief activities. Estimates submitted by Labor's Non-Partisan League, the C.I.O., and the Workers' Alliance will provide the most reliable guide to the amount required. Write Representative C. A. Woodrum of the House Appropriations Committee and your own Congressman urging support of recommendations made by these organizations.

## NEUTRALITY

The present Neutrality law expires on May 1, 1939. Its revision will be of decisive importance to the role of the United States in world affairs. Reactionaries like Senator Vandenberg and Hamilton Fish are already on record for "strict neutrality"—which means continuing un-neutral aid and comfort to aggressor nations and seriously endangering the peace of the United States. Immediate action to lift the embargo against democratic Spain and to adopt a law in harmony with the President's pleas for concerted action for peace, are more imperative than ever. Letters urging such action should be sent at once to Chairman Key Pittman of the Senate Foreign Relations Committee and to Congressman S. D. McReynolds, chairman of the House Committee on Foreign Affairs, as well as to your own Congressman and Senator.

## ARMAMENTS

A national defense program, including large appropriations for rearmament, is certain to receive early consideration. We plan to deal with this program in detail as its specific proposals emerge. At this time the most decisive factor in national defense is our foreign policy and the change from "neutrality" to a positive policy for peace. Necessary armaments must not be bought at the expense of the relief and recovery programs and the social security of the American people. And they must be financed by those best able to pay. It is in terms of these essentials of a national security program that measures for rearming will have to be judged. Inform your Senator and Congressman accordingly.

## WAGNER ACT

Big Business will turn its heavy artillery on the National Labor Relations Act, demanding crippling amendments. The general nature of the amendments reactionaries are likely to propose is discussed in an article in this issue. Labor and progressives will need to watch developments closely for the game will be to secure reactionary amendments without arousing opposition and to cloak them in disguises of "fairness to both sides," etc. Letters in defense of the Wagner Act and of the N.L.R.B. should be addressed to Senator Robert F. Wagner and to your own Congressman and Senator.

## SOCIAL SECURITY

Scheduled for early consideration are amendments to expand and improve the Social Security Act and to extend its benefits to those classes of workers now excluded. The Social Security Advisory Council is reported to favor including under old age insurance provisions of the Act 2,600,000 workers in banks, charitable and religious institutions and maritime industry not now covered. It is also reported to favor "eventual" inclusion of the 6,000,000 farm and domestic workers for whom no provision has been made under the existing law. Discrimination against any Americans in need of social security in any form is indefensible. We urge progressives in and out of Congress to make immediate and universal coverage one of the main objectives of amendments to the Act. Among other amendments to the Act which merit vigorous support are, first and foremost, the proposal to establish a minimum old age pension payment of \$60 a month for all persons over 60 years of age. It is of particular importance that amendments also include provisions so that the financial burden be borne by employers and government without, as at present, exacting contributions from employees. Watch all amendments and bills relating to the Social Security Act! Advise your Congressman what you think and want!

## FARM AND GENERAL WELFARE MEASURES

Changes in the Farm Act; extension of Farm Security and Tenant Aid; the development of a people's health program; reforms in our tax system and anti-monopoly legislation; federal anti-lynching legislation, etc. will mark important phases in the struggle to broaden the progressive New Deal program. Debate and hearings on these questions should be watched and every opportunity taken to encourage progressives in Congress, as well as to scotch the maneuvers of the reactionaries in both parties. Make your voice heard on these issues in Congress. *Organized public opinion and mass pressure is the best guarantee to ensure the adoption of progressive legislation.*

A SURVEY OF POLITICS  
AND LEGISLATION.  
A PRACTICAL GUIDE  
TO ACTION.

# National Issues

INDISPENSABLE FOR  
EVERY LEGISLATOR,  
PROGRESSIVE, FARM  
AND LABOR LEADER.

## FEBRUARY NUMBER

### ARTICLES ON:

THE PRESIDENT'S MESSAGE TO CONGRESS. THE OUTLOOK FOR OLD AGE PENSIONS. AN ANALYSIS OF THE FEDERAL BUDGET. A FEDERAL HEALTH PROGRAM. THE PARTY LINE-UP IN CONGRESS. THE WAGNER ACT. FARM LEGISLATION. LIMA AND THE GOOD NEIGHBOR POLICY. THE MONOPOLIES SABOTAGE RECOVERY. A POSITIVE AMERICAN PEACE POLICY. A FEDERAL ANTI-LYNCHING BILL. THE YOUTH LOOK TO CONGRESS. HOUSING AMERICA. THE DIES COMMITTEE UNDER FIRE.

### FEATURES:

DIGEST—of the most vital Congressional bills introduced during January on labor, farm, social and peace legislation.

HIGHLIGHTS—of Congressional debates and hearings.

INSIDE—dope from the Democratic and Republican Cloakrooms.

CALENDAR—of the Committee status of bills, hearings and resolutions.

HOW—your Congressman voted.

THE—people's mandate to Congress—a nationwide summary of people's legislative conferences and movements.

REVIEW—of books, periodicals, radio talks and other expressions of public opinion.

*Mail this order blank today.*

NATIONAL ISSUES—35 East 12th Street, New York City.

Enclosed find \$1.25 for a yearly subscription to National Issues.

NAME.....

ADDRESS.....

CITY.....STATE.....